

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS FOR FISCAL YEAR 2026

HEARINGS BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

ON

H.R. 6938

AN ACT MAKING APPROPRIATIONS FOR ENERGY AND WATER DEVELOPMENT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2026, AND FOR OTHER PURPOSES

Department of Defense—Civil
Department of Energy
Department of the Interior

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ENERGY AND WATER DEVELOPMENT APPROPRIATIONS FOR FISCAL YEAR 2026

WEDNESDAY, MAY 21, 2025

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:30 p.m. in room SD-124, Dirksen Senate Office Building, Hon. John Kennedy (chairman) presiding.
Present: Senators Kennedy, Murkowski, Hoeven, Hagerty, Britt, Murray, Merkley, Coons, Baldwin, Peters, and Ossoff.

DEPARTMENT OF ENERGY

OFFICE OF THE SECRETARY

STATEMENT OF HON. CHRISTOPHER WRIGHT, SECRETARY

OPENING STATEMENT OF SENATOR JOHN KENNEDY

Senator KENNEDY. All right. Let us get started, folks. I am going to call the Subcommittee on Energy and Water Development of the Appropriations Committee to order.

With us today is Secretary Chris Wright, who is going to talk to us about the proposed Trump's "skinny budget," if you will.

I am just going to have a couple of preliminary comments, and then I am going to turn to the Vice Chair of the entire committee and the Ranking Member of the subcommittee to make remarks.

Look, we all know about the portfolio of the Department of Energy. It is a smorgasbord, everything from nuclear weapon stockpiles, to research, to supercomputing, to artificial intelligence. There are two things, Mr. Secretary I want to point out in my opening statement that got my attention.

The spending at your Department is not your fault, but it is unsustainable. It is simply unsustainable. If you take a look and compare the current budget of the Department of Energy, just go back a few years to fiscal year 2021. In fiscal year 2021, the Department's budget was roughly \$61 billion. Today, it is roughly \$160 billion. That is a what, 161 percent increase? That is pretty dramatic, and I know your proposed skinny budget is addressing some of that.

I hope we can address the spending with a scalpel, not a meat axe, but we are going to have to address it. I will also point out, let us see that other chart, the Inspector General, as you have probably read the report, Chris, the report came out in November of 2024. The Inspector General identified \$1 billion in what it

called wasteful spending, unsupportive spending, or fraudulent spending. That is a lot of taxpayer money.

So, I am looking forward to this today. I am pretty much an all-of-the-above energy type guy. I will support any form of energy that is affordable, that is efficient, that is accessible. That includes renewables. In my judgment, President Biden's administration concentrated too exclusively, almost exclusively, I should say—on renewables. We have spent a lot of money, I don't see that we have gotten the results. The average electricity bill in America for the average American family over the past 4 years is up 28 percent. That is the first thing they care about. We have got to address it.

And I hope we can today, Mr. Secretary, talk very specifically about what programs are working and what programs aren't. Because what has happened in the past, since I have been on this committee, is we get together as a subcommittee, we get our topline numbers, our staffs go off, the Democratic staffs and the Republican staffs, go off and negotiate. And at least on my side of the aisle, the staff comes back and says: Good news, spending is only going to go up 6 percent.

Well, those days are gone, as far as I am concerned. That is just not acceptable to me, not when you have had a 161 percent increase.

And with that, I will turn to the Vice Chair of the Appropriations Committee and the Ranking Member of the Energy and Water Development Subcommittee, my good friend Senator Patty Murray.

STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Thank you very much, Senator Kennedy. Looking forward to working with you on this committee.

Senator KENNEDY. Same here.

Senator MURRAY. I am pleased to serve as the Ranking Member of this important subcommittee, and I do hope we can continue our track record of writing bipartisan spending bills that make the crucial investments in our communities that we need.

You know, DOE's (Department of Energy) work is really far-reaching. It has major implications for how much families spend on energy bills, on the reliability of our energy grid, whether we lead the world in clean energy, AI, quantum computing, and our national security, and our nuclear waste cleanup program.

In my home State of Washington, as you know, we see all of this firsthand, at the Bonneville Power Administration, which provides power to families across our region; at the Pacific Northwest National Lab, which is pioneering cutting-edge research; and at Hanford, where we have the biggest nuclear cleanup site in the country, and a moral and legal obligation that we can never short-change.

So, we must give the programs DOE manages their due in terms of funding and in terms of oversight necessary to make sure that funding actually gets to our communities. But I believe those goals are in jeopardy because of some of your actions over the last few months, like a truly sweeping funding freeze, unprecedented contract cancellations, mass staffing reductions, and uncertainty that is hurting communities across our country.

Now, Secretary Wright, my colleagues and I have been pressing you for information, on staffing, on funds signed into law you are holding up, or straight up cancelling, and more, and I have only received two responses so far, both of them yesterday, clearly to get ahead of today's hearing. And response, I have to say, is being charitable, because you did not really provide any answers in those.

Last week, you told the House you have ignored basic inquiries from lawmakers because you are too busy, and you mentioned you don't want to spend time on false premises. So, I thought we could save some time today by debunking a few of those false premises.

It is false for you to say less than 1,000 people have left since you took over. We know over 3,500 DOE employees have taken the so-called buyout that you offered, and we know you fired 500 more. It is false for you to say no contracts have been cancelled, when you have plainly cancelled electric vehicle and low-income energy assistance grants in Colorado, one example. And it is false for you to say there are no unpaid invoices, when we have heard from organizations still waiting on payments, including hydrogen hubs, which have unpaid invoices.

Now, in addition to ignoring requests from Congress, your fiscal year 2025 spend plan, required by law, is completely inadequate. That is really critical, Mr. Secretary. It is a critical document for us to understand how you are spending, or how you are blocking, or cancelling billions of dollars Congress, all of us, provided for critical projects across the country.

I have heard you say you are merely conducting a review, as if that somehow makes it okay. Call it whatever you want. The bottom line is the money is not moving. And as a former businessman, you know perfectly well that uncertainty alone has a massive cost. Jobs are being lost because of your actions. Private investment in critical energy projects is being cancelled, delayed, threatened to the tune of \$71 billion so far this year.

And as electric prices hit record highs, you are halting progress on investments that would lower people's bills. Meanwhile, you are letting thousands of critical staff go, encouraging folks to leave, with no regard for if they do their work well, or if their work is important. I still don't know how you could do something as crazy as try to fire Bonneville Power Administration workers in the name of efficiency. Those are literally people who keep the lights on, and they are not even paid by taxpayer dollars.

Now, I know that eventually you reversed those firings, but the fact that they happened at all was, really, to me, a first in a parade of red flags.

Now, we are here today to talk about another red flag. That is your budget that completely guts the non-defense half of your mission. Overall, you want to slash \$20 billion from DOE's science and energy programs. Your budget proposes ripping 75 percent out of the energy efficiency and renewable energy program and shuttering important clean energy and manufacturing programs. I don't know who is telling you people want to pay higher electric bills.

Your budget slashes \$1.1 billion from the Office of Science. Who is telling you that we should cede ground to China in the race for innovation, and lay off scientists at our national labs?

Your budget cuts \$15 billion from programs we created in the Bipartisan Infrastructure Law, hydrogen hubs, battery storage, advanced manufacturing, supply chains, and other programs to lower our energy costs. Who told you we don't want those manufacturing jobs? Who told you we don't want to strengthen our energy protection and reduce our dependence on foreign oil?

Well, here is what I will tell you. If we were to follow through with this disastrous budget, the only energy that we would save is from the lights that go out at factories across the country. Those lights are going to go off as China swoops in to take the lead in the technologies that will define the 21st century.

I don't see any efficiency in this budget, but I do see a heavy cost. And that is the cost you are going to pass on to our constituents in the form of higher electric bills, gas bills, and more power outages. Not to mention the cost when manufacturing moves elsewhere and we have to pay Trump's absurd tariffs for technology we could and should be making right here, or the cost to our country: discoveries we could be making here, jobs we could be creating right here, goods we could be making here and selling across the world.

Instead, it feels like you want to gift-wrap the future and hand it to China. Your budget also, by the way, flat funds the Hanford cleanup. That has serious repercussions, they recently finalized milestones they have to meet on the high-level waste mission. Flat funding means the only way to hit those targets is to pull funding from other priorities, which would have ripple effects for workers carrying out critical projects across the site and ultimately would delay remediation along the Columbia River. That is unacceptable. We can't rob Peter to pay Paul.

Mr. Secretary, I know you talk about energy abundance, but talk is cheap. Doing that work actually takes real investments. I think you know that. Investments you are now ripping to shreds. So, I personally want to see less talk and more money getting out the door the way Congress wrote and intended.

You know, there is common ground in this space. I know we found it before. The very last bill Chair Kennedy and I wrote together passed out of this committee unanimously, and I want to see us do it again, because this is genuinely important work.

Now, before I conclude, I would be remiss if I did not address the outrageously corrupt news we got last week on the Army Corps Work Plan. This administration is ripping away hundreds of millions of dollars from projects that were in the House bill and in the Senate Energy and Water fiscal year 2025 bills, and funding other projects with that money that were not funded in any bill that we approved. This includes scrapping funds for the Howard Hanson Dam in Washington State. This is a vital project. It has to get done.

I want you to know, I am going to keep working with you, Mr. Chairman, to get that done, because this committee and the subcommittee have come a long way together to fund these vital projects to communities across our country. And I know no member appreciates any administration playing games with communities for political reasons, as is the case with that work plan that was released last week. It is brazen abuse, pure and simple. And I will

keep digging into how that decision was made, demanding answers, and speaking out about this, and fighting for my State of Washington.

Now, before I turn it over back to you, Chair Kennedy, I do want to end by recognizing Doug Clapp. He was my former clerk, a long-time staffer on this subcommittee, and a staffer in my personal office before that. Doug started on this committee in 2007, 2 decades ago, and has left his mark on our Nation's laws time and again: championing oversight and good governance, advancing environmental cleanup work including at the Hanford site, fighting for and securing the vital investments this subcommittee makes, as well as working in my personal office on the Wild Sky Wilderness Act and many other issues important to my constituents.

He was someone who understood that when we work together, we can make powerful investments that show government can do good in people's lives. I am really grateful for his years of service. I want to wish him the best as he starts his next chapter. I am also grateful he left behind not just a strong legacy but a great team and a subcommittee so well prepared to continue this work. And I thank all of them.

Senator Kennedy.

Senator KENNEDY. Thank you, Senator.

Mr. Secretary, we will turn to you next. I can assure you we will give you plenty of time, in addition to your opening statement, to answer any questions or any charges from this committee. I was delighted when the President appointed you. When we were talking before the committee began, I am not kidding, I am reading your book, and it is fascinating. Some of it I don't understand, I may have to call you and get you to explain it to me, but it is very accessible. And when the President appointed you, I was so excited that we would have someone running the Department of Energy who has such a deep background in the subject.

And with that, the floor is now yours. Tell us what we need to know, Mr. Secretary. And welcome to all of your staff, I assume they are all sitting there on the front row?

SUMMARY STATEMENT OF HON. CHRISTOPHER WRIGHT

Secretary WRIGHT. Yes. Yes. Great. Thanks. The team behind me, they will be here after the meeting too if we have questions or follow-up.

Senator Murray, if you have unpaid invoices, please bring them to us right now. We pay our bills. I am not aware of any unpaid invoices. If you know of some, please deliver to us.

Senator MURRAY. We have the receipts up there.

Secretary WRIGHT. Please deliver them, and we will take care of them. We pay our bills. We follow the law.

Thank you, Senator. Yes, energy is a lifelong mission and passion for me, and nothing will change that, and I am thrilled to be here in this position.

So, Chairman Kennedy, Ranking Member Murray, and Members of the Committee, it is an honor to appear before you today as Secretary of Energy, to discuss the President's fiscal year 2026 Budget Request for the Department of Energy. I want to commend this

committee for its long-standing commitment to energy policy and the mission of the Department.

Energy is the backbone of civilization. It is the essential catalyst of human progress, enabling everything we do, everything. From the lights in our homes, the heat in our homes, the process heat in our factories, and the innovation in our national laboratories. I have dedicated my life to increasing access to energy and bettering human lives, and I am thrilled to carry my work forward at the Department of Energy.

My priorities for the Department are clear: to unleash a golden era of American energy dominance, strengthen our national security, and lead the world in innovation. A reliable and abundant energy supply is the foundation of a strong and prosperous nation. When America leads in energy, we lead in prosperity, security, and human flourishing.

America has a historic opportunity to secure our energy systems, lead the world in scientific and technological innovation, maintain and strengthen our weapons stockpile, and meet Cold War legacy waste commitments. The Department of Energy will advance these critical missions while cutting red tape, increasing efficiency, unleashing innovation, and ensuring we are better stewards of taxpayer dollars.

The President's fiscal year 2026 budget will ensure taxpayer resources are allocated appropriately and cost-effectively. This budget will return DOE to its core mission of advancing energy innovation and global competitiveness through research and development. We will invest DOE's resources in sources and technologies that support affordable, reliable, and secure energy and provide a return on investment for the American taxpayers.

Achieving this vision means fully leveraging the resources that have powered our country for generations. The United States is blessed with an abundance of coal, oil, and natural gas, and the Trump administration is committed to using them to meet growing energy needs of the American people. Every one of these resources was unleashed through the world-changing power of American innovation.

Our national labs are the engine that drives research and development to expand our energy dominance. When it comes to our national labs, we are undeniably capable of doing more with less. We can both increase efficiency and drive innovation. We will prioritize research that supports true technological breakthroughs and maintains America's global competitiveness.

We are also taking steps to accelerate innovation in commercial nuclear development. America must lead the commercialization of affordable and abundant nuclear energy. DOE is working to advance the rapid deployment of next-generation nuclear technology, including small modular reactors. I am proud to report that we have officially ended the previous administration's reckless pause on LNG (Liquefied Natural Gas) export permits and are returning to regular order for reviewing and approving new permits.

DOE will also work to replenish the Strategic Petroleum Reserve, a national asset that protects our security in times of crisis. We are advancing President Trump's pledge to lower the cost of living and

expand consumer choice for all Americans by right-sizing DOE's approach to home efficiency standards and regulations.

This month, DOE proposed the elimination or reduction of 47 regulations, the largest deregulatory effort in history. Once finalized, these actions are projected to save the American people approximately \$11 billion dollars while restoring consumer freedom and lowering costs. The responsible stewardship and modernization of the Nation's nuclear weapons systems is paramount for the Department of Energy and this administration. DOE is focused on addressing critical upgrades for the U.S. nuclear stockpile and maintaining our engine powerhouses for submarines and aircraft carriers. Both tasks will become even more crucial in the next few years.

Our nuclear innovation is a nation that began with the Manhattan Project, and the next Manhattan Project is clearly AI (Artificial Intelligence). DOE has a significant role to play in driving AI innovation for scientific discovery and national security. Our agency has world-class high-performance computing capabilities, including four of the world's top ten supercomputers. Harnessing our energy potential to power global AI leadership while meeting growing energy demand will be the challenge of our time, but America does not back down from big challenges or big builds.

As Secretary of Energy, I am honored by the responsibility to help meet the American people's growing needs for energy and lead the world in energy development.

Thank you for the opportunity to testify before the committee today.

[The statement follows:]

PREPARED STATEMENT OF HON. CHRISTOPHER WRIGHT

Chairman Kennedy, Ranking Member Murray, and Members of the Committee, it is an honor to appear before you and this Committee today as the Secretary of Energy to discuss the President's Fiscal Year (FY) 2026 Budget request for the Department of Energy ("the Department" or "DOE").

America has a historic opportunity to secure our energy systems; deliver leadership in scientific and technological innovation, including in Artificial Intelligence; maintain and strengthen our weapons stockpiles; and meet Cold War legacy waste commitments. The Department of Energy is capable of meeting these critical missions while increasing efficiency, unleashing innovation, and ensuring we are better stewards of taxpayer dollars. President Trump is committed to balancing the budget and implementing fiscal restraint—focusing agency funding on the crucial goal of unleashing American energy dominance. This is a commitment I share and a duty I intend to fulfill.

Recently, the Trump Administration celebrated its 100th day in office, and the Department of Energy has been hard at work to deliver on these goals of unleashing energy expansion while improving operational efficiency. I am proud to report that we have officially ended the previous administration's reckless pause on Liquefied Natural Gas (LNG) export permits and returned DOE to regular order for reviewing and approving new permits. Since January, the Department has approved applications from projects that will export more than 9.5 billion cubic feet per day (Bcf/d) of natural gas as LNG, adding nearly as much incremental capacity as the world's leading LNG exporting countries.

Additionally, we are advancing President Trump's pledge to lower the cost of living and expand consumer choice for all Americans by rightsizing DOE's regulatory approach to home efficiency standards. At President Trump's direction, DOE has officially withdrawn four conservation standards before they took effect, including standards on electric motors, ceiling fans, dehumidifiers, and external power supplies. DOE has delayed the implementation of efficiency standards for walk-in coolers and freezers, efficiency standards for gas instantaneous water heaters, and test procedures for central air conditioning and heat pumps, as well as extended the

deadline for compliance with energy-conservation standards for manufactured housing. In addition, DOE published a final rule withdrawing coverage of miscellaneous gas products such as outdoor heaters and decorative hearths, meaning those beloved products are exempt from unnecessary regulations.

By removing burdensome rules, we are returning freedom of choice to the American people, ensuring consumers can choose the home appliances that work best for their lives and budgets.

While we actively work to strengthen America's role as the world's leader in oil and natural gas production and lower costs for all Americans, we are also taking steps to accelerate innovation in the commercial nuclear development. In the first 100 days, DOE issued two disbursements to support the reopening of Michigan's Palisades Nuclear Energy Plant. We allocated high-assay low-enriched uranium (HALEU) material to five U.S. advanced nuclear reactor developers to boost domestic reactor deployment. It is imperative to strengthen America's nuclear future and I am taking immediate action to accelerate the deployment of small modular reactors (SMRs). As electricity demand continues to grow, fueled by AI development and the growth of American manufacturing, Americans will need more energy from more sources, including nuclear.

PRIORITIES

My priorities for the Department of Energy are clear—to unleash a golden era of American energy dominance while strengthening our national security. Energy is the essential ingredient that enables everything we do. Access to an abundant and reliable energy supply is a key ingredient to unlocking prosperity and ensuring human flourishing and innovation.

Consequently, we are focused on energy addition, versus subtraction or even replacement. As government leaders, we need to be of the mindset that more is better; replacing energy sources does not add to the finite energy supply that American families, businesses, and innovators are competing for.

This means fully leveraging the reliable sources of energy that have fueled American innovation and security for decades. Coal, oil, and gas are abundant natural resources that our country has been blessed with, and the Trump Administration is committed to using them to provide affordable, reliable, and secure energy for Americans. To this end, we are returning the Office of Fossil Energy to its original mission—advancing affordable, reliable, and secure energy sources for the American people while continuing to support research and development in emerging technologies that advance these sources. This will not only enable greater focus on expanding energy access for the American people, but also promote more efficient use of taxpayer dollars.

The United States is the largest global producer and exporter of natural gas, and DOE is doing everything to ensure that the United States retains and builds on this enviable position. Our policy approach for LNG and other energy sources is to make it less expensive and more reliable, and achieve more American energy production and infrastructure development, not less. Right now, eight large-scale U.S. export terminals are now producing around 15 Bcf/d of LNG exports to the global market. With additional capacity currently under construction, exports are expected to average 16 Bcf/d next year. Exports are on track to nearly double from current levels and reach around 29 Bcf/d around 2030 once all the export capacity under construction is completed. This amount could grow as more projects reach a final investment decision.

A vital area of focus is expanding commercial nuclear power across the country. America must lead the commercialization of affordable and abundant nuclear energy, and so DOE will focus on the rapid deployment and export of next-generation nuclear technology, including small modular reactors. Small modular reactors will provide reliable power for our Nation's growing energy demands, with the added benefits of flexible deployment due to their compact size and modular design.

We also need to unleash American energy innovation, and the National Labs are the engine that drives research and development to further this aim. When it comes to our National Labs, we are capable of doing more with less. We can both increase efficiency and drive innovation. We will prioritize research that supports true technological breakthroughs, such as nuclear fusion, high-performance computing, quantum computing, and AI, which will maintain America's global competitiveness.

AI is the next Manhattan Project. AI technology will define the future of the world, and it is essential that the U.S. leads in the development of this technology. DOE has a significant role to play in driving AI innovation for scientific discovery, energy innovation, and national security. Our agency has the world-class high-performance computing capabilities that enable fast and efficient AI research and de-

velopment, including four of the world's top ten supercomputers. To ensure American leadership, we must not overburden AI development with restrictions and regulations—including those on energy supplies essential for AI data centers. We need all energy sources to power the global AI race and meet growing data centers energy demand, including natural gas, nuclear, geothermal, and coal, while also ensuring the security of the grid.

Fortifying America's electric grid is critical to the reliable and secure delivery of electricity. We are now faced with evolving and rapid changes to the system that threaten the reliability of our grid. Aging infrastructure and increases in demand are multifaceted stressors to the grid, putting the national and economic security of the American people at risk. The threats to America's energy infrastructure are also evolving at an unprecedented pace. Cyber adversaries and physical attacks are no longer isolated challenges—they are converging to create a complex and persistent threat landscape. I am committed to restoring American energy dominance to ensure that we make energy more affordable, reliable, and secure.

DOE will also work to replenish the Strategic Petroleum Reserve (SPR). The SPR is a national asset that protects our security in times of crisis. The last administration's politically motivated depletion of 180 million barrels has significantly degraded SPR infrastructure, brought storage levels to historic lows, and weakened America's ability to respond to new geopolitical oil market shocks. At the end of calendar year 2024, the SPR held an estimated 394 million barrels of crude out of a 714-million-barrel top-line capacity, or operational capacity of 680 million barrels. It is noted that the time needed to refill the SPR is six times greater than the time required to do a drawdown; thus, it is important to make material progress immediately.

In his 2025 Inaugural Address, President Trump made a commitment to “bring prices down, fill our strategic reserves up again right to the top, and export American energy all over the world.” Subsequently, I issued a Secretarial Order to refill the SPR and review SPR infrastructure and develop appropriate plans to safeguard this important strategic asset.

Critical minerals and materials, used in applications across energy, defense, industry, and consumer electronics, are essential for economic growth and national security. Currently, however, the United States is reliant on other countries, like China, which dominates midstream processing and refining. It's essential that we focus on building domestic capabilities to extract, process, manufacture, and recover end-of-life critical materials for our industrial needs, energy goals, and national security. DOE is already directly supporting the goals laid out in recent executive orders on critical minerals and materials by identifying and expediting pending projects to support domestic mineral production, coordinating with other agencies including the U.S. Department of Defense, exploring the effectiveness of offtake agreements and pricing support, and developing new programs to bolster domestic mining and production.

America doesn't back down from big builds. If we want abundant, affordable, and secure energy, we must invest in the transmission, generation, and innovation that get us there. We are working to accelerate projects through permitting reform. Every delay is a dollar lost. We need to break ground faster with streamlined permitting, standardized designs, and public-private partnerships to build at the speed of national need. And we need to do so with security in mind to be more resilient to attacks and failures. A proactive approach will minimize disruptions and ensure the reliable delivery of essential energy resources. Every mile of protected infrastructure is a step toward energy independence and national resilience.

To accomplish many of the goals this administration has set, the energy sector needs relief from the burdensome permitting process that sabotages America's natural competitive advantages for an abundant energy supply and reliable grid. DOE is identifying and exercising the legal authorities it has to streamline the permitting process for energy infrastructure to bolster our grid security and reliability. It is imperative that interagency working groups coordinate with Congress to ensure the Federal Government does not unnecessarily stand in the way of accomplishing President Trump's agenda for the American people. DOE stands ready to provide insights on permitting reform questions, drawing on our deep bench of technical experts across a range of energy technologies and focus areas.

DOE also remains committed to the responsible and safe cleanup of our Nation's environmental legacy sites, from the Manhattan Project to the Cold War. DOE's Environmental Management program will continue to perform its cleanup efforts at all 14 of the active sites.

I believe the Department of Energy is well positioned to meet the next chapter of American energy security, but we will need to continue to strengthen our Nation's energy leadership by developing our enviable resources, bolstering global partner-

ships, and advancing new technologies. We need to continue to foster innovations in quantum computing and AI. We have an urgent need to upgrade our nuclear arsenal and our broader capabilities to design and construct nuclear weapons and power systems. DOE can and will accomplish these goals by cutting red tape, prioritizing common-sense solutions, and cultivating American ingenuity.

FISCAL YEAR 2026 PRESIDENT'S BUDGET REQUEST

DOE proposes \$45.1 billion in discretionary budget authority for FY 2026. Our budget is a fiscally responsible budget that will ensure taxpayer resources are allocated appropriately and cost-effectively. This budget will return DOE to its core mission of advancing energy innovation and global competitiveness through research and development. We will invest DOE's resources in sources and technologies that support affordable, reliable, and secure energy and provide a return on investment for the American taxpayers, while restoring confidence in America's fiscal management.

The responsible stewardship and modernization of the Nation's nuclear weapons systems is paramount for the Department of Energy and this Administration. With \$30 billion for the National Nuclear Security Administration, we will address critical upgrades for the U.S. nuclear stockpile and maintain our engine powerhouses for submarines and aircraft carriers. Both tasks will become even more crucial in the next few years. The President's budget proposes the cancellation of \$15.247 billion in IIJA funds and a decrease of \$2.572 billion relative to the FY 2025 enacted level for the Energy Efficiency and Renewable Energy account. This will bring to a halt investment in the Green New Scam which wastes taxpayer money and does not solve the problems before our Nation. While we will continue to invest in advancing emerging energy technologies, we must ensure that every single dollar spent is accountable to the taxpayers and generates a positive return on investment. This Administration is ending the reckless subsidizing of unreliable, unaffordable, and less secure energy sources.

The budget decreases \$408 million relative to the FY 2025 enacted level for nuclear energy, shifting the program's focus to commercialization, and curtailing non-essential research. As global energy demand continues to grow, DOE must prioritize commercialization of affordable and abundant nuclear energy. This budget will enable the rapid deployment of next-generation nuclear technology across the United States. Nuclear energy is incredible. It can provide not just electricity, but also high-temperature process heat, critical to making the materials we need for planes, trains, cars, and houses. Now is the time for a nuclear renaissance. DOE is going to use all available tools, from direct funding to loans, to unleash this pivotal form of reliable energy.

Additionally, the President's budget returns the Office of Science to its core focus—unleashing American competitiveness. While the budget decreases non-essential funding by \$1.148 billion compared to the FY 2025 enacted level, we believe this level of investment will maintain competitiveness and allow us to invest in high priority areas like high performance computing, AI, quantum information science, fusion, and critical minerals while reducing funding for climate change and Green New Scam research. We will also re-focus ARPA-E by decreasing its funding by \$260 million relative to the FY 2025 enacted level. ARPA-E will no longer fund so-called green technologies and instead will focus on high risk, high reward research that advances reliable energy technologies and other critical and emerging technologies.

The Department is also focused on streamlining our operations within the agency, consolidating offices and activities to increase efficiency. We will return the Office of Fossil Energy to its proper name and restore its central function of supporting the production of fossil energy, including coal and critical minerals for the United States, while decreasing the budget by \$270 million relative to FY 2025 enacted levels. The budget decreases Environmental Management by \$389 million relative to FY 2025 enacted, roughly half of which reflects the transfer of responsibility for the Savannah River Site in South Carolina to the National Nuclear Security Administration, where plutonium pit production capabilities will be developed.

The Administration proposes to eliminate spending that is at odds with the intentions and policies outlined in President Trump's Executive Orders, Presidential Memoranda, Proclamations, and other guidance.

As Secretary of Energy, I am honored and humbled by the responsibility to help meet the American people's growing energy needs and lead the world in energy development. Thank you for the opportunity to testify before this subcommittee.

Senator KENNEDY. Thank you, Mr. Secretary. Mr. Secretary, how many employees did the Department of Energy have when you took over?

Secretary WRIGHT. Just around 16,000 government employees.

Senator KENNEDY. How many does it have today?

Secretary WRIGHT. A little under 16,000 today.

Senator KENNEDY. Okay. How much have you reduced it percentagewise?

Secretary WRIGHT. So far, only a relatively small amount. We are looking at larger reductions, and as Senator Murray mentioned, we have offered voluntary plans and programs for people to be compensated by the government as they transition to another career. We have done this slowly, carefully, with a lot of engagement with people, and while looking at how to restructure our Department. So, the ultimate reduction in workforce will be larger than it has been today, but today our payroll has barely moved.

Senator KENNEDY. Most entities in the private sector of the size of the Department of Energy know how to modernize and downsize, do they not?

Secretary WRIGHT. It is essential to survival as a business. If you want to roll with changes in the marketplace and the business, you better be ready to change your organization.

Senator KENNEDY. Okay. I just read recently where Microsoft, one of the most successful companies in the world, is going to reduce its workforce by 6,000 employees, I mean, do you think that is going to be the end of Microsoft?

Secretary WRIGHT. No. It will not be the end of Microsoft. I will say, these are the hardest things to do, whether it is in a company or a government agency. You know, these are people's lives, and our Department is blessed with tremendous men and women who have made enormous contributions.

But you are right, Senator Kennedy, we have to look at it critically and right-size and align the organization to the mission and challenges of today.

LOANS

Senator KENNEDY. Let me ask you a couple of specific questions, Mr. Secretary. As a result—we had a party around here under the Biden administration, and when you have a party, you have to pay the band when the party is over. As a result of the party, if you count the Inflation Reduction Act, which was the Green New Deal, the Infrastructure Investment and Jobs Act, also part of the Green New Deal, the CHIPS (Creating Helpful Incentives to Produce Semiconductors) and Science Act, your Department got \$99 billion in new appropriations, \$30.5 billion in new authorizations, and loan authority of over \$400 billion. How much of that \$400 billion authority to loan money did the Department of Energy use?

Secretary WRIGHT. Nearly \$100 billion. Thank you for making the point that more money, as is shown in your graph and the numbers you quoted, and more people, that the headcount in the Department grew over 20 percent during those 4 years, our electricity output of the Nation as a whole, grew about 2 percent, and the cost per unit of electricity grew 28 percent.

Senator KENNEDY. Well, here is what——

Secretary WRIGHT. And we didn't deliver results for all of that.

Senator KENNEDY. Here is what the Inspector General said about some of the loans. The Inspector General, these are the Inspector General's assessments, not mine, the Inspector General called many of these loans, quote, "high risk", high risk. And he said that these loans were designed to promote innovation by financing projects, fine, not otherwise acceptable by private equity investors.

What does that mean? That means that the private sector would not get near these projects with a 10-foot pole, would they? Only government would put up the money, wouldn't it?

Secretary WRIGHT. That is correct.

Senator KENNEDY. For example, he found that DOE, under your predecessor, announced that it was going to make a \$400 million loan, actually, it was not a loan, it was a grant, to two companies. They announced it. And then somebody pointed out to them that they were Chinese companies. They had to pull the grant back. And why are we loaning money, this is another issue brought out by the Inspector General, why are we loaning \$7.5 billion to Stellantis?

They can't get a bank loan themselves. I mean, J.P. Morgan and Bank of America have been shoving money out the door for energy projects. Why did we loan \$9.63 billion to Blue Oval? Why are we doing all of this? I am going to quickly give you an example.

I had a gentleman, I am not going to use any names, come into my office yesterday. He is from a very wealthy family in another country. He wants to build a solar manufacturing plant in America. He is putting up a billion dollars. Do you know how much the American taxpayer is going to put up; \$850 million. So, he is going to get, thanks to the American taxpayer, a billion-dollar plant for \$150 million to produce solar panels, which the world is awash in. This is unconscionable. And I hope you will do something about it, Mr. Secretary.

Now, at some point we are going to get really specific about savings, and I am going to expect you to get real specific with us. I don't want to not fund anything that is vital, but I am tired of the spending porn. I am tired of it.

Secretary WRIGHT. I think you have good reason to be concerned with how monies have been deployed outside of the Loan Program Office and for other assistance as well, and we will come back to that. But your concern is well placed.

Senator KENNEDY. Vice Chair Murray.

Senator MURRAY. Thank you, Mr. Chairman.

FEDERAL EMPLOYEES

Secretary Wright, despite your claims to the contrary, more than 3,500 employees have taken the deferred resignation offer. That is about 20 percent of your staff, and we do know that you fired several hundred probationary employees as well. That has meant some offices are now gutted, there is nobody there. Others are in turmoil.

I give you an example: the Office of Clean Energy Demonstrations, which manages \$20 billion in grants from the Bipartisan Infrastructure Law, lost more than 77 percent of its staff. It is going to be nearly impossible for that office to accomplish its basic func-

tions, let alone oversee any massive and complex energy construction projects. And as I mentioned, your firings have been really arbitrary, even firing some of our grid operators and linemen at the Bonneville Power Administration, which are not paid for by taxpayer dollars.

I know you scrambled to get those people back, and several weeks ago you said no more firings will occur at Bonneville. These positions, really, they are absolutely critical to the reliability of the grid in Washington State and the Pacific Northwest. Will you commit today to exempting BPA (Bonneville Power Administration) from your hiring freeze so they can bring back on staff, mission-critical staff, and keep the Northwest Grid running?

Secretary WRIGHT. We are very concerned about the power marketing agencies. They are critical to our country, Bonneville being one of them. We have been careful that their operations have not been disrupted. They were short-staffed when I arrived in this chair, and we will continue to treat them as the critical assets they are.

Again, headcount is one input. It is an important input, but it is not the only input in running a successful business or successful agency. And again, you brought up people that have provisionally elected to do a deferred resignation program. Many of them still have the option to decide whether they really are staying or they really are leaving. They are in transition. We are engaged with them. They are not fired. They are not gone from the Department of Energy yet—

Senator MURRAY. Well, there are a lot of folks still on the payroll at the expense of the taxpayer. We are told that over \$70 million worth, they are on administrative leave now. They are at home. They are not working. They are not processing anything. They are not doing any work, and as a result, offices across the Department are not able to function, because those people are not there even though taxpayers are still telling them to. On BPA, just in terms of that, I do look forward to DOE hiring back sufficient staff. We have got to cover these critical responsibilities.

DEPARTMENT OF ENERGY BUDGET

Let me go turn to the budget. President Trump's skinny budget really doubles down on the cuts that DOGE (Department of Government Efficiency) has made to the Department. You propose cutting \$2.5 billion from the Office of Energy Efficiency and Renewable Energy, 74 percent of the overall budget. That eliminates programs that reduce energy prices for businesses, for families.

Now, on the one hand, you and the President say that you support U.S. dominance in energy emerging technologies, but then on the other hand, you are proposing cutting over a billion dollars in funding to the Office of Science. That really undermines critical research programs for AI, for fusion, for quantum computing, for nuclear energy, and critical minerals.

Now, typically, a new administration crafts a budget request that actually reflects their priorities. You talk a lot, I know, about lowering costs for consumers and creating this next Manhattan Project for AI, but it seems that this budget request includes across-the-

board cuts to the very programs that would help you achieve those stated goals.

So, I want to get this straight. You are asking Congress to cut the budget for the Office of Science by more than a billion dollars. That will help advance AI research and quantum computing?

Secretary WRIGHT. It won't inhibit them at all. In fact, I do think on the margin it will help, because, of course, all the things you listed: fusion, quantum computing, basic fundamental, advanced science, none of those things will be cut. The problem is the labs have drifted into things that are not fundamental basic science. They are political science, and that is just not the mission of the labs.

Senator MURRAY. Do you have examples of those that you would like to share with us?

Secretary WRIGHT. We have a crazy range of things on climate change. There is science around climate change that I write about and have studied for 2 decades. There is real science there, but it has become a political game more than a real science game. That is not the business of the national labs. And of course, we are going to shrink that activity.

We are going to be smarter and more efficient. But none of the top priorities you mentioned are going to be touched at all.

Senator MURRAY. Well, you talk about the importance—

Secretary WRIGHT. In fact, they are going to be enhanced.

NUCLEAR POWER

Senator MURRAY. You talk about the importance of nuclear power and small modular reactors. Just yesterday, you said you were in favor of every incentive we can get from the Federal Government to restart this industry. Yet in your budget that you are proposing, you cut the Office of Nuclear Energy by \$408 million. How are investors and companies supposed to have confidence in partnering with you when what you say and what your budget says are two different things?

Secretary WRIGHT. Each individual line item does not indicate a policy. I think the nuclear industry is quite enthusiastic and quite confident they are going to have the best environment ever for commercial nuclear power under this administration, under my leadership of the DOE. What we are doing is mobilizing tens of billions of dollars of private capital using government—

Senator MURRAY. Yes. Well, the private capital is counting on us to make that investment. Otherwise, we see them pull out. We have actually seen companies in the country now pulling out of projects because of the chaos in your Department. As a businessman, you said that you should know more than anyone the importance of certainty. And when they see the chaos and they see them pulling back, then they are not going to invest their private money either.

Secretary WRIGHT. If you can connect me with anyone in the nuclear space, or fusion, or any of the things you listed that is pulling back, I would love to jump on the phone with them, because I have not met one. Not one. And in fact, I felt exactly the opposite. The most efficient tool that the Department of Energy has to help the nuclear industry is the Loan Program Office. Get high-quality eq-

uity money in front and bring government debt on these first few-of-a-kind reactors behind them. That is the way to get it done. It is not direct grant dollars. It is the Loan Program Office dollars.

Senator MURRAY. The Chairman is going to pull my mic in a second, and I do want to ask you a really critical question quickly. We are having a budget hearing today. We have not seen your full budget request. We need that in front of us. It is required. It is critical information. When are we going to see your full budget request?

Secretary WRIGHT. I am working with OMB (Office of Management and Budget) right now to get that out as soon as we can. I understand your urgency.

Senator MURRAY. Thank you.

Senator KENNEDY. Senator Britt.

Senator BRITT. Thank you so much, Mr. Chair.

Senator KENNEDY. Senator Britt, we were talking earlier, and I made the comment, and I want to state it on the record, that you have got an automatic place in heaven for having to carry Senator Tuberville. Okay.

[Laughter.]

Senator BRITT. This is legendary right here, legendary.

Senator KENNEDY. I hope you are listening, Senator Tuberville.

NUCLEAR REACTORS

Senator BRITT. Legendary. Well, as the Chair mentioned earlier, and I was not expecting that one, so that is some good stuff. Your Department covers everything from basic research, to advanced nuclear reactors, to grid security, I mean, the work that you do affects Americans every single day. When we are looking at that, and this kind of piggybacks off of both of the questions that have been asked previously, but I want to talk about China and where they are specifically with their embrace of nuclear generation.

When you look at the facts as they are, China has at least 28 nuclear reactors that are in construction, which is about half of the construction of all nuclear reactors across the entire globe. We look at what they are doing. We know they are working to undermine us. To me, this is very similar to what we saw in the manufacturing space. They are using political and economic leverage to ultimately manipulate and get ahead.

I think that that is a mistake on a number of ways. I mean, if we turn a blind eye to that. I think it is critical that we look at this, particularly within the AI space, knowing that AI is not just an AI race, it is also an energy race, and we must win both.

So, my question to you is: What are your plans; what is the Trump administration's plans to win that race, and how do we make sure that you have the funds in the proper place to do that?

Secretary WRIGHT. Fantastic, Senator Britt. And I agree very much with the assumptions. China is moving full speed ahead with nuclear. In fact, the most reactors they are building is essentially a knockoff, a stealing of an American reactor technology. But they build them much cheaper and much faster, and they don't have the giant bureaucratic regulatory overhang we have in the United States.

We need to get the NRC (Nuclear Regulatory Commission) in touch with physical reality. Grand Central Station in New York, our train station, could not be licensed as a nuclear reactor because its radiation is too high. We have standards that are just so expensive to meet, it makes everything slow, it makes everything expensive. We bring all sorts of regulatory uncertainty into that environment. So, we are talking with commercial providers. We have offered up DOE lands. We have had tons of solicitations: Come build on our land. We will be fast, we will be efficient, we will help you get going. We will arrange creative incentives for you to build nuclear reactors in our space.

I think we will do it. The Loan Program Office is a key tool. We do need to make sure we have funding available in the Loan Program Office, because used judiciously it is a way to leverage private capital to make things happen fast. If your equity investors behind that debt are the six hyperscalers in the United States, they are great credit. The American taxpayers are going to be paid back.

Alternatively, in the last administration, the Loan Program Office in its 15-year history, lent \$43 billion. In the 76 days since Election Day to Inauguration Day of the new President, the previous administration lent or committed \$93 billion, two and a half times the 15-year total—

Senator BRITT. You are kidding me. Tell me that timeframe again?

Secretary WRIGHT. 76 days from Election Day, when Biden—

Senator BRITT. I didn't hear that.

Secretary WRIGHT [continuing]. Lost the Presidential election, to President Trump's inauguration, in 76 days—

Senator BRITT. That is absolute insanity.

Secretary WRIGHT [continuing]. They lent or committed \$93 billion. So, is there a reason I am moving slow when I am doing evaluations of projects? Yes, there is a very big reason.

Senator BRITT. Well, let me turn quickly in my remaining time, and thank you so much for doing that. We cannot cede this ground to China, and so thank you for making sure—

Secretary WRIGHT. Yes.

Senator BRITT [continuing]. That we don't do that at all. In December of 2020, DOE selected a team led by Southern Company in Birmingham, Alabama, to lead the Molten Chloride Reactor Experiment, MCRE, in partnership with DOE. Developing this new type of nuclear reactor is transformational to that next-generation nuclear energy, and that type of leadership that we need to see across our Nation. The MCRE program is going to deliver the world's first fast-spectrum salt reactor to support the administration's goal of unleashing American energy dominance and to achieve world leadership in nuclear energy.

Further, MCRE is the first demonstration of a reactor technology that can revolutionize the commercial shipping industry, and serving as a catalyst for restoring American maritime dominance through floating nuclear power plants and U.S.-flagged large commercial ships. So, this project supports scalable, deployable, and transformational American nuclear energy.

Given that strategic value associated with this critical advanced reactor demonstration project, will you commit to support this

project and to continuing to work so that it has successful reactor operation and will be executed during this administration?

Secretary WRIGHT. A super exciting project. I can't commit today to any specific project because I very carefully assembled a team of people, of leaders, that are evaluating honestly and objectively all of these projects and going full steam ahead on ones that deliver affordable, reliable energy, and have a reasonable chance of success, and I will—

Senator BRITT. Well, good. I hope you will take a look at this. We are really proud of the work that is being done, and I think that you are going to be very pleased with what you see.

GRID SECURITY

And in my last few remaining seconds, I just wanted to ask about grid security. So, when you are looking at—the Chair and I; we live in Gulf Coast States, and so hurricane season is upon us. When we are looking at what is happening, you know, with the grid, obviously making sure it is protected, not only for natural disasters but national security disasters. What are you all doing to ensure that reliability and protection?

Secretary WRIGHT. It is a key issue. It is a vulnerability of our country. Our grid is very distributed, a lot of it is very antiquated. It is very easy to attack our grid, and we are being attacked all the time. And I think there are more sophisticated attacks possible that have not been launched against us yet, but it could be an adversary waiting for the right time. In fact, one of the meetings I had right before coming here was with—

Senator KENNEDY. Land the plane for me, Mr. Secretary. We have got to move on here.

Secretary WRIGHT. Yes. I agree with the problem. We are working on it, including today.

Senator BRITT. Excellent. Thank you.

Senator KENNEDY. Senator Baldwin.

Senator BALDWIN. Thank you, Mr. Chairman. And on that last topic, I am very interested in a discussion on transformers at some point, large-scale.

Secretary WRIGHT. Yes.

Senator BALDWIN. But grid security. Anyways, I wanted to share that in Wisconsin, we have seen the real impact of the Inflation Reduction Act. Over \$5.3 billion in private investment has been announced, with nearly \$3 billion already spent since the bill was enacted. We added over 4,500 jobs from projects that are either already up and running or will be soon, and that is tangible economic growth in our communities.

And I wanted to make sure that that was part of the record, as these investments are on the chopping block in many respects. And they are on the chopping block to make room for tax cuts that we know disproportionately benefit corporations and the well-off. So, I wanted to just put that into the record.

GRID INVESTMENTS

But Secretary Wright, utilities across the country, including those in Wisconsin, have been making long-term plans for major grid investments based on the financing promised in the Inflation

Reduction Act. They have spent years planning for and investing in transmission, energy production, and storage projects that will promote our energy independence and a resilient grid, all while lowering costs for Americans.

And these promised funds have been frozen by the Trump administration. So what update do you have today for Wisconsin utilities and businesses that are waiting for these funds to be released so that they can start or continue building out their planned investments?

Secretary WRIGHT. Yes, thank you. Thank you for the question, Senator Baldwin. We have not actually frozen funds. Projects that are ongoing today, we are paying our bills. We are reaching out to all of—yes, please provide us, if you know of a partner that has done work and has unpaid bills, we will get it paid. I am aware of none of those.

CRITICAL MINERALS

Senator BALDWIN. We will follow up. On a related note, right now the United States is over 95 percent dependent upon China for battery-grade graphite. A Wisconsin-based company is working to commercialize a domestic, a domestic bio-based alternative to battery-grade graphite but is waiting for the Department of Energy to release funds that were announced but that have now been paused.

This administration continues to say that developing a domestic critical mineral supply chain is a top priority, but we are months into a funding freeze with no answers on the status of awards for programs like the Department of Energy's Critical Minerals Accelerator. With timely action from DOE, the company COnovate is committed to rapidly scaling this home-grown solution to address one of our most critical supply chain vulnerabilities. What is the timeline for getting the Critical Minerals Accelerator funding out the door?

Secretary WRIGHT. Through this summer, we will review all of the major projects, and every one, as it is done, we will reach out to that company. We are going to get information from them, feedback, you said they have been working for years on it. We will hear their plans, we will review their plans. Certainly, we want a domestic supply of graphite or other anode materials, 100 percent that is in the wheelhouse. If it is a viable technology and a credible company with financing to do it, those are the kinds of things we are absolutely looking to fund.

But every one of them is sort of a project-by-project basis. It will be a back and forth with that company in Wisconsin, and if that idea looks to—

Senator BALDWIN. With a footprint in South Carolina and Michigan also, I might add, so.

Secretary WRIGHT. Now look, myself and the administration are all in on resourcing manufacturing in the United States, and particularly in these critical areas where China dominates, so.

Senator BALDWIN. And as this is looking forward to the 2026 budget, will the Critical Materials Accelerator Program continue to be funded in the Department of Energy's budget, or are you planning to shut down our investments in the domestic battery material supply chain?

Secretary WRIGHT. Well, I can't speak to any specific programs, but will we continue to invest in reshoring critical mineral supplies in the United States? 100 percent, that effort will go on.

ISOTOPEs

Senator BALDWIN. Okay. Lastly, industry leaders in Wisconsin have made major gains in deploying commercial technologies that provide for domestic management of used nuclear fuel that is economical, safe, and sustainable. They are also using the same process to create medical-grade isotopes, like Moly-99, that will help solve chronic shortages of these critical nuclear medicines.

These industry leaders have had support from Congress and a successful partnership with the nuclear energy scientists at the Department of Energy to address this national security concern. Knowing this, will you consider reversing the proposed cuts to DOE's nuclear programs and invest in the development of a safer and more sustainable nuclear fuel cycle in your 2026 budget?

Secretary WRIGHT. So, we have cuts at different levels in different Departments. We are not pulling back on our nuclear efforts at all. They may be funded slightly differently, but we are not pulling back on that. And what you specifically mentioned, the radioisotopes, it is one of the most exciting new things in cancer treatment, and imaging, and all that, and that is—

Senator BALDWIN. And right now, we resource them from reactors in Russia, and in other countries, and we have that technology now developed here in the United States, in part from a long-term partnership with the Department of Energy and spin-offs from research institutions across the country, I want to see that commitment kept up.

Secretary WRIGHT. I am sure we will talk in a few weeks about it. I have got to dig into that particular project, but definitely it is in a great spot.

Senator KENNEDY. Senator Hoeven.

Senator HOEVEN. Thanks, Mr. Chair.

Senator KENNEDY. Talented Senator Hoeven.

Senator HOEVEN. Thank you, Mr. Chair, and Mr. Secretary, great to see you again, and great to have you. Are you enjoying the job? I know your background is all in the private sector. How is it going, and are you enjoying it?

Secretary WRIGHT. It is thrilling. It is exciting. I have worked with a number of tremendous people, from our labs to inside our Department, to the people sitting behind me. Yes.

Senator HOEVEN. Well, with your knowledge and expertise—

Secretary WRIGHT. It is the ride of a lifetime.

BASELOAD FOR GRID STABILITY

Senator HOEVEN. Well, with your knowledge and expertise, it is just great having you in the position. We appreciate you doing it. I am going to tell you something, you know, and then ask for your help. We need more baseload, you know, for AI and all these different purposes, we need more electricity, period. But for the stability of the grid and the reliability of the grid, we need more baseload. So, it is very important that we keep our coal-fired electricity online.

We have the most advanced coal-fired electric industry in the world in North Dakota, which you know, you have seen it. And we have addressed things like SOx, and NOx, and mercury, and now we are working on CO2 capture and sequestration. Now, it is technologically viable, we know that, but it is not commercially viable. You have had some experience with this because—and so have I, because when you and I both started working on the shale play for oil and gas, it was technologically viable; it was not commercially viable. But we cracked the code, and it has been a boon for this country in energy.

And the thing about the CO2 capture is our plants are fine for X-number of years, but we know that to keep them long-term, we are going to have to address CO2 the way we addressed SOx, NOx, and mercury, and the other things. And it is a potential twofer in that we can take that CO2 and put it downhole, and we can double what we get out of the shale plays in terms of oil and gas. This is all stuff you know.

Now, at the University of North Dakota, we have the Energy and Environmental Research Center that is a leader in developing and enhancing these technologies and actually commercializing them, and we need to continue that. So, I guess I want to know that you are going to be willing to continue that partnership agreement with the Fossil Energy Office so we continue this development.

And it includes not just the partnership agreement with the EERC (Energy & Environmental Research Center) and the DOE, but it also includes PCOR (Plains CO2 Reduction), so you can find these geological sites where you can sequester, and then also CarbonSAFE, which is how we monitor it so we know it is captured, and it stays captured, and how much has been captured.

So, one, I would like your help, or to know that you are going to continue to work with us on those programs. I want you to come out and see what we are doing, so that you know, you know, seeing is believing, although I know you are pretty well aware of it. And then I want your ideas on what else we can do to, again, crack the code here. So, go from there, will you?

Secretary WRIGHT. Thank you, Senator Hoeven. And yes, I ran into John Argue in Oklahoma just a few weeks ago.

Senator HOEVEN. Very good.

Secretary WRIGHT. And I appreciate the great research that has been done there. And I certainly expect and hope that will continue in partnership with us. I am going to be cautious about committing to anything specific because, again, we have a process and we are going through it. We have got a whole team. But should we continue to look into these technologies? Absolutely, you know, as you said, with shale, we drove the cost curve down. Can you do that with other technologies? Yes. So technological research is of great interest, the value of CO2 to enhance oil recovery is, I think, going to be a very large and growing issue in the next 20 years. So yes, these are areas of great interest.

You know, as with every technology and every business, the devil comes in the details, in the numbers, and you know, what is the most effective ways to approach these things. You mentioned coal. Coal has been the largest source of global electricity for a hundred years. It is almost certainly going to be for decades to come. So, it

is just a backbone of the global energy system. And if you look at States across the country that have the lowest-cost and most reliable electricity grids, they tend to be skewed to have very coal-heavy grids.

Senator HOEVEN. Right. And we supply to a 12-State region, and if we develop this technology successfully, others will adopt it. And then, like I say with the CO₂, we have got the secondary oil recovery. Now, Senator Kennedy is going to try to tell you that all the smart guys are in Louisiana, and that is just not true. They have got plenty of smart guys, including him, but we have got the experts at the EERC. And you know that.

And the other thing is, we are looking for your good ideas too. I mean, your background, you figured this stuff out. And with your degrees and your training, you know, we need your help on how to do that. And at the end of the day, this is about commercial viability. So, I share Senator Kennedy's concerns about spending levels in government. We need to get the debt and deficit under control. But we grow our economy and create more revenue when we solve these challenges.

And that is really your role at DOE, is to help our private sector, empower our private sector, to do these amazing, innovative things. So, we need your ideas on how to crack this code.

Secretary WRIGHT. Thank you, Senator. And I look forward to visiting EERC with you and sitting around and having these dialogues with the great scientists there.

Senator HOEVEN. Thanks again.

Secretary WRIGHT. Thank you for the great comments.

Senator KENNEDY. Senator Coons.

Senator COONS. Thank you, Chairman Kennedy, and Ranking Member Murray.

DEPARTMENT OF ENERGY FISCAL YEAR 2026 BUDGET

Secretary Wright, good to be with you. I just want to briefly frame, as I understand it, the Department of Energy plays three critical overall functions: Maintaining our national security through the Nuclear Security Administration; investing in critical public-private partnerships that will demonstrate and deploy the next generation of energy technologies, nuclear, geothermal, oil and gas, hydrogen; and funding research, both fundamental and applied, at our national labs and through many great university partnerships that ensures we remain the global leader in R&D.

These functions are critical to your three major goals that I share, outcompeting China, reducing energy costs for Americans, and eliminating energy poverty across the world. And based on your background as an MIT-trained engineer and successful energy entrepreneur, I think you and I share these goals. But my core concern is that the way DOGE has impacted your workforce, and the folks you have got available to carry these goals out, undermine these critical goals.

My understanding; and now I am on a number of different Appropriations Subcommittees, and so far, in every single one of them, we don't have a budget. Do you have a budget before us today, or is it a skinny budget?

Secretary WRIGHT. So far, just the skinny budget. We are working with OMB to release more of that, but that is still a work in progress.

Senator COONS. And it is awful skinny. I mean, it is about a page. So, I am working off of an outline. But I am alarmed by a proposed cut of more than a billion to the Office of Science. That is more than 8 percent compared to enacted, at a time when China is investing in R&D, and combined with what is going on at NSF (National Science Foundation), an independent agency, I am concerned we are kneecapping the American Science Enterprise, which played such a critical role in our success in the 20th century.

RESEARCH FUNDING FOR UNIVERSITIES

The skinny budget claims that your cut will only affect climate change and New Green Scam—Green New Scam research, but it does not define those terms, and I am concerned we will end up defunding critical research. The University of Delaware, my home State's leading research university, and many others in my State and around the country, are alarmed by Executive Order 14222, which lowers the F&A (Facilities and Administrative) caps on Federal grants.

How will your Department implement this EO (Executive Order) in a way that does not disproportionately impact R1 universities that are smaller and less well-resourced than the handful of critical institutions that really have long demanded the lion's share of Federal research dollars?

Secretary WRIGHT. You are talking about the overhead percentage on things?

Senator COONS. Yes.

Secretary WRIGHT. When we sent it out, we invited all of the universities to reach back out to us, to engage in a dialogue like I think you are proposing. So far, no one has taken us up on that effort.

Senator COONS. Not one university has reached back out to say—

Secretary WRIGHT. Not, not that I—

Senator COONS [continuing]. Here, is how we would do it in a way that would minimize the impact?

Secretary WRIGHT. Many sued us, but I—

Senator COONS. Many sued you?

Secretary WRIGHT. But I am not sure—

Senator COONS. That is one form of outreach.

Secretary WRIGHT. I am not aware of any dialogues on that. You know, it is a sticky question, Senator Coons. And look, it is a great university, and I am fully sympathetic to where you are coming from. And it is part of the—of course, it is part of this broader effort that we want to get, and going back to your national lab science question, that will be done bottom-up at every lab. I share that national labs are a treasure. We don't want to slow down any of our critical research, but is there some fat in there? Is there stuff we are working on that is not really basic science or critical to our energy thing? I think there is. And I have not found a lab director yet that disagrees with me.

Senator COONS. I have visited four of the national labs, been very impressed with them, look forward to continuing to fund—support funding for them, and engage with them. But I have two more questions, and I will keep moving with my remaining time.

Secretary WRIGHT. You bet.

HYDROGEN HUBS

Senator COONS. The Bipartisan Infrastructure Law created hydrogen hubs and tasked DOE with implementing them, and I worked with bipartisan delegations from Pennsylvania, New Jersey, Delaware, with unions, with universities, with our oil refineries, three of them, and we ultimately secured an award from DOE for the Mid-Atlantic Clean Hydrogen Hub. I want to thank you for sending the pre-award funding that was just received last week.

Overall, this grant and leveraged private partnership would get \$750 million in Federal, \$2 billion in leveraged private investment over a decade to create thousands of good-paying jobs. My concern is that the hubs program is a key part of re-industrialization, and I legislatively helped create the Office of Clean Energy Demonstration, or OCED, in statute, and I am concerned the workforce has been hollowed out and that they will not be able to actually implement this and other programs.

There are others I could cite, the Loan Program Office, the Office of Manufacturing and Energy Supply Chains, and others, with something like 4,000 DOE employees encouraged to retire or terminated, you have lost about 20 percent of your workforce. How can nuclear—we will take nuclear—as an emerging critical American competitive technology be supported by the Loan Program Office when the House Reconciliation Bill would gut it and your budget zeroes it out? How does LPO (Loan Programs Office) function at the cutting edge of energy?

Secretary WRIGHT. I think LPO is critical at the cutting edge of energy. It is really the most efficient tool we have in the Department to help emerging energy technologies. So, I absolutely want to see funding. I want to see the Loan Program Office able to lean in on emerging technologies. It is our greatest bang for the buck to help technologies. And I know that comes to the Senate next. I am making a plea. I would very much—

Senator COONS. Don't enact the budget we send; enact a budget you know we need. And we may end up—forgive me, just speaking for myself in the last ten seconds, Mr. Chairman—we may end up saying, you must have this many people here, and this many people here, and this many people here, because when certain functions get down to a handful of people, I would love us to see that the LPO is actually able to meet the mission.

Secretary WRIGHT. We would be able to meet the mission.

Senator KENNEDY. Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman. I appreciated that exchange and a little bit of that candor. I appreciate that.

Mr. Secretary, thank you for being here. Thank you for your leadership. I know that folks in Alaska are looking forward to you heading north in a couple of weeks along with Secretary Burgum,

and Administrator Zeldin, as well as a good handful of folks from our national labs. So, it is a big deal. We appreciate it.

I had a chance this morning to have Secretary Burgum before our Interior Appropriations Subcommittee, and while he didn't outline some of the initiatives that may be unfolding when you are up there, I hope that you take the time to really get close to those that are making things happen on the ground. I know they are going to have some questions to you about the status of some of the programs through the Department of Energy.

ALASKA PROJECTS

And I hear what you are saying about you are not freezing anything, but there is review that is going on. I know one of the proposals that people are anxious about is the CarbonSAFE Phase III up North. This is what they are working on on the North Slope with regards to a carbon project that helps to facilitate and really enhance the build out of our oil operations up in the North Slope. So, you will be hearing those questions from folks, and I know you are going to be teed up on it.

Along some of the same lines that Senator Coons was mentioning, just in terms of the ability to do the work that we expect within the different offices. You noted in your opening comments just the great innovation that we have seen in oil, and gas, and in coal and how we are moving that forward. We have also seen that within the renewable energy space, and the EERE is looking at a cut here. You are going to have reductions in forces in that Department.

I reminded Secretary Burgum in a prior conversation that as rich as we are in our oil, in our gas, and in our coal, so many of our communities are so isolated, they will never, ever, ever be part of anybody's grid. And so, the successes that we have seen with microgrids, and how you take a little bit of wind, and a little bit of solar, and a little bit of—call it a run-of-river, or maybe you have some good storage, we are pioneering, we are “imagineering” in ways that people can't begin to appreciate. And some of the folks within your national labs have come up and seen it and remarked on it.

So just know that we are looking at the cuts to EERE. I am a little worried that perhaps things like microgrids get left behind. This will be the energy security for so many areas that have to figure it out on their own. They will not have the opportunity to plug in to Alaska's natural gas, and so I am just, I am putting that out there to you.

Secretary WRIGHT. Yes.

Senator MURKOWSKI. I also wanted to raise the issue of the Office of Indian Energy. As you know, I am the chairman of the Indian Affairs Committee, and we were successful in getting DOE's Office of Indian Energy Policy and Programs up off the ground and get the Tribal Energy Loan Guarantee Program going. I have been disappointed with how it has struggled.

Your skinny budget does not make any mention of the Office of Indian Energy or any of the projects that we are working on specifically to tribal energy development. Can you give me any review or oversight as to where you may be taking that?

Secretary WRIGHT. Yes. Thank you, Senator. And as we know, we both share that passion for energy to remote communities, energy to disadvantaged peoples. I think that is a critical area of focus for business and for government. So I can't provide any more, you know, department-wide thing in front of the budget that will be released, but I think the things you mention are unique and they are specific, and those are things that make sense for us to work on. We have national labs that are working on these problems, new solar materials as well, getting remote energy, getting energy to communities that don't have good access to it. I think that remains in the wheelhouse.

There is a big percentage cut to EERE, but it has got a ginormous budget. For everything it works on combined, it is a little over 3 percent of American energy, you know, and it has received hundreds of billions of dollars of subsidies and had tax credits for 30 years. So, you know, wins—you know, big government dollars thrown at something whose main impact has been to make electricity more expensive and not add meaningfully to the global or national energy system. I don't think it is unreasonable to shrink that. You talk about specific applications, remote energy, that is different.

Senator MURKOWSKI. Well, and as you and I have discussed at some length, it is this issue of affordability, and your very keen focus it has to be—the energy has to be accessible, yes, but we have got to focus on the affordability place. Many people fail to appreciate, because we have got such extraordinary resources, that we pay some of the highest energy costs in the United States in our State. And so, everything that we can do to find those unique, discrete energy solutions, and this is why we count on some of the really bright people around here to make it happen.

Thank you, Mr. Chairman.

Secretary WRIGHT. Thank you.

Senator KENNEDY. Senator Ossoff.

Senator OSSOFF. Thank you, Mr. Chairman.

Mr. Secretary, good to see you. Welcome.

Secretary WRIGHT. Thank you.

GRID UPGRADES

Senator OSSOFF. A strong, resilient grid is an important contributor to America's energy security, yes?

Secretary WRIGHT. Yes.

Senator OSSOFF. In the Bipartisan Infrastructure Law, with strong bipartisan majorities, we established new efforts to support state, governments, and utilities at upgrading their grids to make them more resilient, more reliable, and more efficient. And in 2023, the State of Georgia was awarded \$250 million to implement, in partnership with three utilities, Oglethorpe Power, Georgia Transmission, and Georgia System Operations grid upgrades across the State. Each dollar, by the way, matched by these utilities, private skin in the game as well.

And this is especially important in rural Georgia. Just to paint the picture for you, after the storm last fall, Hurricane Helene, the outages lasted for weeks, and weeks, and weeks. There was not the manpower or the capacity to repair all the damage. There is a real

need for grid upgrades in Georgia, and these funds have been obligated, but I understand are now in a state of limbo pending review, additional questions being asked, driving some significant uncertainty in Georgia because, (a) my constituents want a world-class upgraded energy grid, and (b) these private companies have already themselves committed tens of millions of dollars of capital to this project.

So where does that stand, and when will we have an answer on whether those funds, which again have already been obligated and are part of a bipartisan piece of legislation, are indeed going to be headed to Georgia?

Secretary WRIGHT. Yes, Senator Ossoff, thank you for your question and your comments. I agree, grid stability, and do we have challenges there, absolutely; is there work to be done there, absolutely. I don't think you were here when I first laid out the reason—one of the reasons we are doing these very careful reviews was it is a similar story for the grants as the Loan Program Office. But I will give the numbers from the Loan Program Office, it extended \$43 billion of credit in the 15 years it existed as an office, and then in the 76 days after the election last November—

Senator OSSOFF. This is not an LPO. This is not an LPO award?

Secretary WRIGHT. It is the same thing on the other side. I will just say it this way then, of those grants that you are talking about, those commitments that have been made more money was committed in the 76 days from the election—

Senator OSSOFF. Forgive me, Mr. Secretary, but my time is limited. And the question is: when will my constituents have an answer?

Secretary WRIGHT. This summer. This summer, we put together a team, a process. We are engaging with the lenders, and we are running through them. And everyone that is viable, that is going to help the community of Georgia that is financially viable, those are the things that will go forward.

Senator OSSOFF. What I mean, this is, again, bipartisan legislation, grid upgrades, bipartisan support in Georgia, award to the State of Georgia, private investment to accompany it, clear unmet need, let us have a follow-up conversation about how we can expedite consideration of that, because there is just tremendous uncertainty that has been created by this insistence on a grant-by-grant-by-grant, loan-by-loan-by-loan scrubbing of everything against ideological criteria at OMB.

And I understand that you want to make sure that public dollars are well used, but these are obligated funds that were appropriated on a bipartisan basis in Congress.

DEPARTMENT OF ENERGY PROJECT REVIEW

I want to raise one more key Georgia concern with you. Are you familiar with the Blue Bird Corporation, the most famous school bus in the world?

Secretary WRIGHT. Okay.

Senator OSSOFF. Blue Bird, made in Georgia. We are proud of it.

Secretary WRIGHT. I recognize the name, but no not—okay, made in Georgia.

Senator OSSOFF. And there is growing demand from local school districts for electric school buses for all kinds of good reasons. And the Blue Bird Corporation wants to get in on this and be able to meet that market demand. They have invested \$80 million of private capital to retool an aging manufacturing facility to produce those electric school buses. That was matched by an \$80 million Federal grant from the Department of Energy.

And similarly, and again, I frankly don't need, don't have time, with all due respect, for the big picture on what you are doing and why you are doing it, I sort of understand the talking points on that. What I want to convey to you is how important this is to Middle Georgia. This is one of the most storied and successful companies in Georgia history. When this grant was awarded, Peach County Industrial Development Authority called it an awesome win for our community. Fort Valley Mayor Jeffery Lundy said it is Celebration day. I got a quote from a councilman here who said that: When Blue Bird goes up, Fort Valley goes up; when Blue Bird goes down, Fort Valley goes down.

And again, we have got private capital that has been hazarded, that has been invested, and expectation, a lot of commercial decisions that have been made assuming the Federal Government will make good on its commitments for funds it has obligated. When can Blue Bird expect an answer?

Secretary WRIGHT. This summer, I think, is the timeframe that we will get to —

Senator OSSOFF. This summer like June, this summer like July, this summer like August?

Secretary WRIGHT. I can't get you that date right now, but it will be done this summer.

Senator OSSOFF. And you understand, Mr. Secretary, the cost of prolonged uncertainty, especially for these private companies, yes?

Secretary WRIGHT. I do. And if you reviewed the portfolio of things I have looked at that don't check the boxes you talked about, you would understand why I can't just send out hundreds of millions of dollars of taxpayer money to bridges to nowhere.

Senator OSSOFF. I am asking you to make good on obligations that have already been made to the State of Georgia. We will follow up on this directly as well.

Thank you so much.

Senator KENNEDY. Senator Hagerty.

Senator HAGERTY. I want to thank you, Chairman Kennedy, Vice Chair Murray, for holding this meeting.

And Secretary Wright, it is wonderful to see you here. I have enjoyed getting to know you, and I am so pleased that someone with your expertise and background is playing the role that you are for our Nation. You and I have discussed this before, but the United States is at a pivotal moment in energy production. It is not just for our Nation; it is for the entire world. But before I go on, I would be remiss if I didn't thank you for coming to visit my home State of Tennessee just days after you were confirmed as U.S. Secretary of Energy.

I was pleased to be there with you in East Tennessee, and I think you know Tennessee has been at the forefront of what you have called yourself as the Manhattan Project 2.0, and I was very

pleased to introduce you there, and to talk about how we can leverage the deep technological expertise that we have there in our home State, as you take this Department and lead our Nation toward a new energy future.

I think if we look toward the critical advancements in artificial intelligence, and quantum computing, advanced manufacturing, they will define the 21st century. And all of these technologies require massive amounts of energy to succeed. So, you are really at the cusp of what it is going to take for our Nation to remain at the forefront and create the competitive advantage necessary for us to dominate future technologies. It is going to take strong leadership and energy.

And if we fail, I think the U.S. really risks ceding ground to adversaries, like the Chinese Communist Party. But I really believe that, as you have described, America is at the threshold of an American golden age in energy, and that revolution is going to happen with your leadership.

SMALL MODULAR REACTORS

I would like to turn to a specific point that we have discussed, that is, small module reactors. They are widely seen as the future of nuclear technology because they address the biggest challenges that have held back traditional nuclear power. And by that, I mean specifically cost, scale, flexibility, time to deployment. Tennessee right now is the nation—has the nation's only early permit for an SMR (Small Modular Reactor).

And just yesterday the Tennessee Valley Authority submitted their construction permit application to the Nuclear Regulatory Commission. And as we explore SMR deployment at the Clinch River site and through partnership with the Oak Ridge National Lab, I am very hopeful that Tennessee can become the catalyst for the United States' nuclear energy resurgence.

But if we could zoom out a bit, Secretary Wright, I would like to ask you how you see nuclear energy, particularly SMRs, playing a central role in advancing and achieving American energy dominance and grid reliability over the next decade?

Secretary WRIGHT. Oh. I think it is critical, Senator. As you and I have discussed before, it is the critical technology that could scale wildly beyond where it is today, which is just electricity production, into huge-scale electricity production and process heat, an even larger, more critical source of energy to make everything in the globe possible. So, I am all in with you on advancing nuclear.

If I can give an analogy, Senator Hagerty, you talked about the stress we need a lot more energy to meet this AI challenge. To give an analogy, imagine if the Military, the Department of Defense, set out a quote to the defense companies and said: We want to buy tanks. We will pay full price for high-performance tanks, but you can deliver us a tank that only moves some of the time, maybe when the sun is shining, and it only will shoot maybe when the wind is blowing. And so, it is an underperforming tank, but we will pay you full price for it. And further, we will give you a subsidy to build the factory to build these tanks.

So, what do you think is going to happen, right? You are going to get paid to deliver an inferior tank. Of course, you are going to

do it. And then what happens to your army? It is not just the poor kids that are in those tanks, it is the kids that are in all the other tanks that now have underperforming partners in the battle that are at risk. That is what we have done to our electricity grid. We have burdened electric, nuclear, and natural gas—and all our dispatchable energy sources, with an unreliable, turns on sometime, turns off the other time, not there when you need it at peak demand, but yet we pay at the same price and we subsidize the development of it.

It has not only made the grid more expensive, it has hampered the advancement of dispatchable energy technologies.

Senator HAGERTY. Right.

Secretary WRIGHT. Nuclear is the one that could burst through, but we need to fix some problems.

Senator HAGERTY. To stay on this, I know you have thought this through, but what steps is your Department taking then, regarding SMRs, to deal with regulatory hurdles, the financial hurdles, the technological hurdles that may be in the way of further SMR, or more rapid SMR development?

Secretary WRIGHT. Specifically, in our purview, we have offered up DOE lands for test and demonstration projects: Come do it on our land. We are building test facilities at the Idaho National Lab so you can bring your reactor and test it in a containment dome that is on DOE thing. Just through normal processes, this stuff just happens just deathly slow. And then I am very passionate about wanting to use the Loan Program Office because the developers of these reactors are going to be grade-A credit hyperscalers that are buying the power or other things. But there is just not debt capital for these new reactors.

I want to get grade-A equity capital. I want to match it with LPO debt to get shovels in the ground and start building these reactors, because as we build them, the costs will come down.

Senator HAGERTY. Absolutely.

Secretary WRIGHT. The reliability, they will be commercially bankable. We will get to a great place. But relaunching the nuclear industry is not going to be trivial, and your efforts, and I hope the DOE efforts, it is going to take all of us to make it happen, but huge upside for all of us if we do it.

Senator HAGERTY. Well, I think the members of this committee as your partners in that regard.

Thank you, Mr. Chair.

Secretary WRIGHT. Thank you, Senator.

Senator KENNEDY. Senator Peters.

GRID RELIABILITY

Senator PETERS. Well, thank you, Mr. Chairman. Secretary Wright, just this past weekend, severe storms knocked out power for over 150,000 Michiganders in West Michigan. This comes only literally a few short weeks after an ice storm left as many as 300,000 people without power across northern Michigan, as well as a large part of our Upper Peninsula. Events like these, as you know as well, are becoming too common, especially in Michigan, but all across the country. So, I think it is very clear that power infrastructure is in dire need of upgrades, particularly resiliency,

given the fact that storms are coming at greater frequency and are more severe than we have seen in the past.

So simply put, we just have to invest in the grid. And actually, this is something I think we all agree on in a bipartisan way. And believe it or not, even here in Congress, we have come together to agree on that. I think it is one of the few things. And it was part of the infrastructure law that we passed, that we allocated much-needed funding on a bipartisan basis to address grid resilience nationwide.

But from what I am hearing in my State, and this is my concern, the Department of Energy has been unwilling to communicate with grant selectees or allow this funding out the door to let them start this critical work, especially as people are out of power. The frustration is that they call, and they basically get no answer, no response whatsoever. You have basically gone dark. And that is incredibly disappointing, given folks are living in the dark, and then you are dark in terms of even trying to come back with any kind of answer.

So, all I want to know is why. I don't want to hear that it is because you are reviewing everything all over again, because right now the Department of Energy is sitting on their hands, and there are folks in my State that are still waiting, literally, for the lights to come back on. So please tell me what has kept the Department of Energy, under your watch, from communicating, simply communicating, with those selected to receive these grid resilience grants? And when do you expect to be disbursing funds so that these projects can get underway?

Secretary WRIGHT. Well, I would love the phone numbers, because I am not aware of any unreturned phone calls. So, if you have got companies in your thing, please, you can hand me the phone numbers right now. We will call them today. So, we are engaged with all the counterparties on our deals that are going on. We are gathering information, we are gathering data; we are communicating. For things that are already awarded and work is in progress, we are paying our bills.

We are getting a little bit of additional information from companies because the vast majority of the counterparties never delivered a business plan, never delivered something credible, but yet they were given a vague promise of funding. We have continued to fund the things that are in place. But there has clearly been an abuse of tens of billions of dollars of taxpayer money, and I want to make sure that when we are sending money to someone, there really is a business on the other end, they are really going to have a product that is viable at the end—and that that product is going to benefit the American taxpayers at the end.

We are all for those things. Grid reliability is right in the wheelhouse. So, I think, you know, there have been all sorts of things about how we have cancelled everything. They are just not true.

Senator PETERS. Well, I am hearing that. So, I will take you up on an offer.

Secretary WRIGHT. Yes.

Senator PETERS. Let us know. Our team will follow up with your team. I appreciate your commitment to make those calls. I can tell you, at least the ones that have come to me are very credible insti-

tutions and companies. And so, there is a real problem there, and it raises a real alarm for me. So, I appreciate your willingness to get on the phone or get whoever you have to get on the phone, and we will follow up later today or tomorrow.

Secretary WRIGHT. Thanks for raising that. We absolutely want to connect. I can assure you, no one at the DOE is sitting on their hands and just ignoring people's phone calls. That is just not the way we roll.

FISCAL YEAR 2026 BUDGET REQUEST

Senator PETERS. Well, good. Let us get to the bottom of that. I also see the President's budget calls for the cancellation of over \$15 billion of bipartisan infrastructure funding. And in there, there is a brief description accompanying that cut, the \$15 billion cut, mentioning, quote, "battery makers" end of quote. That makes me think you are referring to the Battery Manufacturing and Recycling Grants Program, or the Battery Materials Processing Grant Program.

If so, I hope you know that that could mean hundreds of good-paying jobs that are going on in Michigan right now, a lot of incredible work in batteries. In fact, there was a recent announcement you may have seen from General Motors, that new battery chemistry they are announcing, with incredibly longer range, lightweight, uses less critical minerals, exciting things that are happening. So, to see this is concerning.

So, I want to know, is that what the President's skinny budget sets out to do? Zero out the Battery Manufacturing and Recycling Grants Program, and the Battery Materials Processing Grants Program? And if so, should I take that to mean that domestic manufacturing is not a priority for the administration?

Secretary WRIGHT. Domestic manufacturing is absolutely a priority for the administration, absolutely. One clarification too—sorry—not provided there. That \$15 billion you mentioned, right there, none of that is committed to any company. There is no counterparty on that. That is just non-placed funds.

Senator PETERS. So, it is not going to be cut. We are hearing that it—

Secretary WRIGHT. That is not cuts to any business—

Senator PETERS. The President budget calls for the cancellation of over \$15 billion, so.

Secretary WRIGHT. Because it has been unallocated. It hasn't been committed to anyone, and their proposed budget is to rescind it back to the Treasury.

Senator PETERS. So, for this company, it is not coming back, it is gone. That money is going to be rescinded back?

Secretary WRIGHT. Yes, that is the proposed budget, but it is not for any existing current projects.

Senator PETERS. We will follow up with you on that as well.

Secretary WRIGHT. Yes. Thank you, Senator.

Senator KENNEDY. Senator Merkley.

Senator MERKLEY. Well, thank you very much, Mr. Chairman.

If I understand right, you said you have not met a single nuclear company that is—

[Off mic]

Senator MERKLEY [continuing]. I have all those—those over 60 sometimes have a little technical problem—that is talking about the importance of public funding. Is that right?

Secretary WRIGHT. Wait. Say that again? Sorry, Senator Merkley?

NUCLEAR ENERGY

Senator MERKLEY. You said you have not met a single nuclear company that is talking about the importance of public funding?

Secretary WRIGHT. No, I think—I may have been unclear. But what I responded to was I don't know of any nuclear company that said to me or anyone at our Department: Hey, you are pulling back. We are less likely to invest. I have been talking to everyone who will listen and everyone who visits about how we can work with nuclear companies to get things going, to help their project in all different avenues. In fact, I think we have been called the most constructive administration with the nuclear industry ever.

Senator MERKLEY. Yes, so I just wanted—if that had been your statement, it seemed out of sync with the fact that just this month, the state of the nuclear energy industry was one of the platforms that was hyper focused on Federal policies and programs that expand nuclear generation, an event that you had attended. So that does fit, then?

Secretary WRIGHT. I mean, I have attended a number of nuclear events. One of them was yesterday or the day before, is that the event you are talking about?

Senator MERKLEY. Well, I was just trying to clarify because I think maybe the way it came out of your—maybe the way you had phrased it, didn't seem consistent with the record. But I think you have clarified it. Thank you.

Okay. And I know, for example, one company that was founded in Oregon has really advocated for public funding for the SMR, this is the NuScale company, and they have got a lot of funding over time to help them get through the Nuclear Regulatory process.

DEPARTMENT OF ENERGY PROJECTS—SCHOOLS

Turning to a challenge in my State: I have a small school district in Mosier, a tiny, tiny town in the Columbia Gorge, that has a hundred-year-old building, and they got a grant to be able to redo their HVAC system. And they were very excited, it was actually a small school, often does not have a grant writer. They did not have a grant writer, the parent of one of the students wrote the grant. So, for them to be one of only 24 schools that got this was like a whopping big deal of celebration.

You can imagine the problems with a hundred-year-old school, asbestos, and so on, and so forth. And so then, with the change of administration, they were first told that the funds were frozen. And then they were told they are not frozen, but they then could not reach a point of contact on how to proceed. And I know you have lost—well, let go a lot of staff, but there was no way to like: How do we go forward?

And then they proceeded to hear that, okay, they did reach a contact, and they were told that a final decision has not been made yet. And then they were told that they have to get DOE to approve

their contractors. And so, this has just been, it is like one step to another of just a complete bureaucratic nightmare over the last 3 months. And can you have your team get these contractors approved and let this school get their project done?

Secretary WRIGHT. Senator, absolutely. We will check into that right away. You know, we are here to serve the communities and serve the businesses of the country. So, I am not familiar with this story, but if you have marked—hopefully one of my staff has written down the name of the school, and we will dive onto it.

Senator MERKLEY. And we will get you a whole page on it.

Secretary WRIGHT. Thank you.

Senator MERKLEY. Because the contractor was ready to go. The school that did not have much money has already done upfront costs, are just hanging out there. And it is a mess. And one of your staff members could hopefully, like: Okay, done. You have got a responsible contractor, you are free to go. Go for it.

And second, Frontier Oregon, which is the term we use for even more rural than rural, we have a Grant School District, it is a school district that includes John Day, a town that just lost its lumber mill, one that Senator Wyden and I had strived for years and years to keep open through a special agreement for the delivery of logs. Unfortunately, the owner wants to retire. They are tied up trying to figure out the transition.

But here is the school district, and it is also stuck in kind of a crazy space. So, without taking up your time with all the details, Grant County School District, the school district, can we get someone on your team to work with them to clear this up and let them—they have a—it is also an HVAC issue?

Secretary WRIGHT. Yes, Senator. Thanks for raising that. Thanks for raising that. Sorry for their experiences.

BONNEVILLE POWER AUTHORITY STAFFING

Senator MERKLEY. So, I wanted to turn to Bonneville Power Authority. Bonneville controls dozens of dams, a huge amount of electricity. They have to integrate wind energy, solar energy, meanwhile, on the Columbia River, they have the challenge of enough water for the barges to take the wheat to market. They have a challenge of the salmon. I mean, it is one of the most complicated—I am I past 5 minutes already?

Senator KENNEDY. That is okay.

Senator MERKLEY. Can you give me another moment?

Senator KENNEDY. Everybody else went over. You go ahead and go over too.

Senator MERKLEY. All right, thank you. So, they had a bunch of people fired who are probationary. And we said: Oh, man, this is such a complicated area. And they need these employees, and some of them, I think 80 were rehired, but we have not gotten exact numbers. But then we had lost 200 in the first buyout. Another 160 have taken the second buyout, maybe that you have not approved those yet. Here is the thing, this is such a complicated system. We were really stunned by these whole initial firings, and the first buyout, because these are really experienced people doing really complicated systems. And so, was there careful analysis beforehand of the challenges they would face with the strategy of the buyouts?

Secretary WRIGHT. With the buyouts, we have a clause that we need to approve them, and I think we have tried not to approve any in the power marketing administrations because they were short-handed when we arrived in this administration. So, they have been voluntary programs. They should not have even been extended the offer—they were probably extended the offer the second go-round, but the hope is not to lose more people from there.

Senator MERKLEY. Well, I was surprised in the hearing last week with Dan Newhouse that your response was you had just recently heard about their shortage. And this is such a complicated system, I encourage any strategies of buyouts or firings to do the analysis up front, especially when so many experienced people are needed to keep the grid functioning, and the water level right, and the salmon rules followed, et cetera, in such a system.

Secretary WRIGHT. The dams are critical. Bonneville is critical. I agree, Senator.

Senator MERKLEY. Thank you. And by the way, they are still under a Federal hiring freeze, which is handicapping their ability to fill in the expertise that they need to replace the people who took the first buyout.

Secretary WRIGHT. We will look into that.

Senator MERKLEY. Thank you.

Secretary WRIGHT. We will look into that.

Senator KENNEDY. Senator Murray, do you have anything else?

Senator MURRAY. I just have a couple comments. You have heard from my side, one after the other, of contracts that were canceled or frozen. These are real. You said no grants are frozen, no invoices unpaid. I don't know if you are not paying attention, or you have not seen it. But I just want to remind you, it is illegal to ignore the clear directions of Congress. These are programs, spending bills that we passed through this committee. They were signed into law. And if you are not—if you are canceling them, or freezing them, or whatever, that is impoundment, and it is illegal.

And I don't raise that concern lightly. I am deeply concerned, and we are hearing the same stories over and over again. I do have a list. You said you have not seen any. I will submit it for the record, of canceled and frozen grants. These are just a handful that we know about. So, we expect your office to follow through and to do it quickly.

DEPARTMENT OF ENERGY SPEND PLAN

Secondly, on the CR (Continuing Resolution) spend plan. That was required within 45 days. That is by law. Your Department still has not given that to us. And again, I don't raise this lightly. This committee, all of our committees, need to know where that money is going, where it is being spent. Hanford site is on the brink of having to lay off subcontractors and restart an entire procurement process on an important project because they are being directed now to hold off on implementing projects at fiscal year 2025 spend levels.

So, this is not efficient. And Congress requires that. And we need those fixed. So that is really critical. And we expect a real response not, you know, a nice little phrase.

And finally, on communication, you have heard it from several people. I appreciate that you are telling everybody, call my office we will call you back. But two-way communication is two-way communication. You told me you would pick up the phone whenever, but we are not getting calls back. People are not getting calls back. And I think it is really important that you know that. I know you told some people that you were too busy, but you told me to call whenever. I have tried to get in touch with you. It took us a month and a half to get a call scheduled. So, communication is not, you know: Someday I will call you back. It is unacceptable.

RESPONSE TO LETTERS

And I do want to enter seven letters into the record that I have sent with colleagues over the past several months requesting information about what is going on at DOE, radio silence until yesterday. That was convenient. So, we need to get responses back to those letters. And I want to be on record saying that communication is not ignoring us.

[The information follows:]

Congress of the United States
Washington, DC 20515

January 31, 2025

Ingrid C. Kolb
Acting Secretary
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Acting Secretary Kolb:

We write expressing deep concerns regarding the Department of Energy's (DOE) recent unlawful actions to halt programs that are imperative to the Department's mission of ensuring America's security and prosperity by addressing the nation's energy, environmental, and nuclear challenges through transformative science and technology solutions. The Department's actions to halt these programs will immediately contribute to rising energy costs for families and businesses, and they are a dereliction of the Department's responsibility to carry out duly enacted spending laws.

President Trump's January 20, 2025, Executive Order 14154 seems to direct all agencies to immediately pause the disbursement of any funds appropriated through the Inflation Reduction Act (IRA) or the bipartisan Infrastructure Investment and Jobs Act (IIJA). The President's Executive Order has abruptly frozen funding for an extremely broad array of investments in American communities, causing widespread chaos and confusion for American businesses and communities and threatening to raise energy costs for American families. The Trump administration's memo freezing vast swaths of federal funds, its failed attempt to clarify the scope of the memo, and its subsequent rescission of the memo have created mass chaos and added to the confusion about what investments are currently being blocked. Today, our understanding is that much of the Departmental funding is still frozen. Moreover, the attached Department of Energy's Secretarial Order on January 20, 2025, and the attached follow-up January 27, 2025, memorandum, paused all personnel actions; procurement announcements and actions; funding actions; release of reports, studies, congressional correspondence, and public announcements; Federal Register notices; and actions under the National Environmental Policy Act. Together, these actions halt a vast array of the Department's essential programs—programs American families and businesses are counting on.

These actions will devastate programs that reduce energy consumption and increase affordability. Your administration will be raising energy costs for families and businesses and threatening to kill thousands of jobs. Continuing to freeze these investments—or permanently blocking them—will unravel critical progress the Department has made and cost American households and

businesses dearly. Since 1980, energy efficiency technologies and improvements—made possible by programs like those currently halted by this administration—have saved Americans approximately \$800 billion in energy costs.

Stopping these programs is taking money from the pockets of Americans. For example, the Home Energy Rebates programs, funded by the IRA, has been putting money directly back in the hands of American households. The rebates help consumers save money on select home improvement projects that can lower energy bills by providing up to \$14,000 per household in rebates. It is estimated that these programs will save households up to \$1 billion per year on energy bills and support over 50,000 U.S. jobs. The President's attempt to freeze the Home Energy Rebates Program means these costs will fall back on American consumers.

In addition to raising energy costs for American families, the President's Executive Order is illegal. The President may not unilaterally decide to ignore the laws passed by Congress and stop funding for programs just because he disagrees with their goals. The Government Accountability Office, the Department of Justice Office of Legal Counsel (including in an opinion written by future Chief Justice of the Supreme Court William H. Rehnquist), and the Supreme Court of the United States have all disavowed the notion of some "inherent Presidential power to impound," as some in the Administration, as well as pending Administration nominees, have tried to argue without legal or textual basis.

Not only does the Constitution vest the power of the purse with Congress and provide no power to the President to impound funds, but there have been several bedrock fiscal statutes enacted to protect Congress' constitutional power of the purse and prevent unlawful executive overreach, including the Antideficiency Act and the Impoundment Control Act of 1974 (ICA). The ICA prohibits any action or inaction that precludes Federal funds from being obligated or spent, either temporarily or permanently, without following the strictly circumscribed requirements of that law.

Given the importance of these programs, the unlawful actions ordered by this Administration, and the dubious actions that have been undertaken by the Department, we request additional information about the Department's implementation of Executive Order 14154, the referenced Secretarial Order, and other related actions.

Regarding Executive Order 14154, please provide answers to the following questions:

- The Executive Order discusses limitations on "disbursements." Does this include only payments or is it broader to include obligations and other financial transactions at the Department?
- Please provide a list of obligations already incurred by DOE for which the Executive Order now prohibits liquidating legal liabilities already incurred by the Federal government.
- Does the pause on the disbursement of funds appropriated through IJJA and IRA impact formula and/or discretionary grant programs, i.e. only one or both?

- Does the aforementioned pause impact advance appropriations provided through IIJA?
- What fiscal years from IIJA does the aforementioned pause impact?
- Will DOE notify recipients, those with obligated and awarded funding, impacted by the pause? If so, how will DOE notify impacted recipients?
- Will DOE reimburse non-Federal recipients for invoices submitted for work already performed that predates the Executive Order? What about for ongoing or halted work that has not yet been invoiced? If reimbursements will not be provided in either case, please provide the legal justification for failing to meet the obligations of contracts with non-Federal recipients.
- Does the pause impact payroll disbursements for employees paid through IIJA and IRA?
- Please provide a full list of DOE programs from IIJA and IRA that are impacted by section 7 of the Executive Order, including the requirement for programs to be consistent with section 2 of the Executive Order.
- Please provide the minimum amount of time the aforementioned pause could last.

Regarding the Secretarial Order dated January 20, 2025, please provide answers to the following questions:

- Is ongoing work for operations at the National Labs, facilities, and other DOE sites permitted at this time or are these facilities under review as well? If so, how long will this review last? Will these labs, facilities, and sites be notified of the scope of the review?
- Please provide a list of obligations already incurred by DOE for which the Secretarial Order now prohibits liquidating legal liabilities already incurred by the Federal government.
- Will DOE reimburse non-Federal recipients for invoices submitted for work already performed that predates the Secretarial Order? What about for ongoing or halted work that has not yet been invoiced? If reimbursements will not be provided in either case, please provide the legal justification for failing to meet the obligations of contracts with non-Federal recipients.
- What is the status and scope of the reviews of studies, reports, and announcements?
- What is the guidance on processing internal and external reprogramming actions?
- What is the status of reviewing routine reauthorizations of existing contracts and cooperative agreements?

Additionally, please provide answers to the following questions:

- Have any federal employees been terminated since January 20, 2025? If so, how many and in which organizations?
- Have any federal employees been furloughed since January 20, 2025? If so, how many and in which organizations?
- Have any federal employees been put on administrative leave since January 20, 2025? If so, how many and in which organizations?

- Have any federal employees received notices of future required administrative leave, furloughs, or reductions in force since January 20, 2025? If so, how many and in which organizations?

We ask for your response to our questions no later than February 7, 2025.

Finally, we want to remind you of your oversight obligations under appropriations law. Members of Congress of both parties have worked together to craft provisions instituting common-sense transparency and accountability measures. All executive branch agencies must proactively alert the Appropriations and other appropriate House and Senate Committees when apportionments are not made in required time periods, are approved only with conditions, or may hinder the prudent obligation of apportionments or the execution of a program, project, or activity. Agencies are also required to report all violations of the ICA to Congress. Finally, agencies may not prohibit or prevent any federal employee from having direct communication with any Member, committee, or subcommittee of Congress. All federal employees must be free to communicate directly with Congress, whether Congress has requested that communication or not.

We hope you will work with us—not against us—to lower energy costs and help create good-paying jobs, but we demand that you follow the law as intended.

Sincerely,



Marcy Kaptur
Ranking Member, Subcommittee on Energy
and Water Development
House Committee on Appropriations



Patty Murray
Ranking Member, Subcommittee on Energy
and Water Development
Senate Committee on Appropriations

cc: Christopher Johns, Deputy Chief Financial Officer

Congress of the United States
Washington, DC 20515

February 26, 2025

The Honorable Christopher Wright
Secretary
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Secretary Wright:

We write to follow up on the attached letter sent on January 31, 2025. This letter raised grave concerns about the Department of Energy's (DOE) unlawful actions to freeze program funding. The Department's actions continue to cause widespread chaos and confusion, affect a broad array of investments in American communities, and threaten to raise energy costs for American families. We have yet to hear back on any of the questions raised and many of these critical programs remain illegally frozen.

As Secretary, you have a responsibility and duty to execute the laws faithfully. We reiterate our call for the Department to responsibly carry out duly enacted spending laws, execute its programs, and follow the law as intended for all of its appropriated funding. Congress has enacted laws to invest in America's security and prosperity and lower American households' energy costs by addressing our nation's energy, environmental, and nuclear challenges through transformative science and technology solutions. This administration's funding freeze continues to create mass uncertainty, will cause energy prices to rise, risks good-paying jobs in communities across the country, and undermines the pursuit of energy dominance.

We respectfully ask that you respond to the questions raised in our prior letter and release all of the illegally frozen funds expeditiously.

Sincerely,



Marcy Kaptur
Ranking Member, Subcommittee on Energy
and Water Development
House Committee on Appropriations



Patty Murray
Ranking Member, Subcommittee on Energy
and Water Development
Senate Committee on Appropriations

cc: Christopher Johns, Deputy Chief Financial Officer

United States Senate

WASHINGTON, DC 20510

April 2, 2025

The Honorable Christopher Wright
Secretary of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

Dear Mr. Secretary:

We are deeply troubled by recent news reports that the Department of Energy (Department) is creating a “hit list of clean energy projects” to “wipe out” for being inconsistent with the President’s priorities. This list reportedly includes hydrogen hubs and carbon capture, critical mineral, and battery storage projects that have already received grant and loan funding from the Inflation Reduction Act, the Bipartisan Infrastructure Law, and annual appropriations bills.

You assured us during your confirmation hearing that you believe that legal agreements should be honored (including managing the financial commitments you have inherited) and that you will follow the law. Indiscriminately canceling program funding and executed contracts, and refusing to execute on the funding directives Congress enacted, neither honors existing agreements nor is consistent with the spending laws that have appropriated funding for specific purposes.

Our Constitution gives Congress the power of the purse and exclusive power to appropriate funds. Once a law is properly enacted, the Constitution requires the President to “take Care that the Laws be faithfully executed.” The President cannot substitute his policy preferences for requirements in law, and that includes refusing to spend funds Congress requires the President to spend.

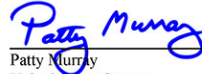
In this instance, where Congress has authorized and appropriated funds for programs that support clean energy projects, the Department must faithfully execute the law and expend the funds for the purposes provided. For example, programs authorized that have received federal appropriations under the Bipartisan Infrastructure Law have requirements on timing of expended funds, purposes, and contractual expectations. An internal Office of Management and Budget guidance document cannot hide the Department’s obligation to follow the enacted law.

Dissolving contracts, cancelling grants and loans, and renegeing on loan guarantees without any intention to execute the laws is not only illegal, but is harmful to the public and energy consumers. Your indiscriminate cancellations of spending will increase energy prices, make our grid less secure, and stop energy innovation. If the Department has a policy disagreement and does not want to spend money on programs Congress has funded, the lawful response is to ask Congress to rescind that funding. The decision ultimately rests with Congress, not with the President, the Department of Energy, or the Department of Government Efficiency. Please provide us a detailed list and briefing that identifies which grants, loans, or loan guarantees you believe should be rescinded and why you think they should be rescinded.

Sincerely,




Martin Heinrich
United States Senator
Ranking Member, Committee
on Energy and Natural
Resources



Patty Murray
United States Senator
Vice Chair, Committee on
Appropriations



Jack Reed
United States Senator



Catherine Cortez Masto
United States Senator



Adam B. Schiff
United States Senator




Jeffrey A. Merkley
United States Senator



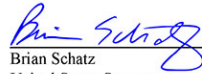
Chris Van Hollen
United States Senator



Kirsten Gillibrand
United States Senator



Mark R. Warner
United States Senator




Brian Schatz
United States Senator



Gary C. Peters
United States Senator

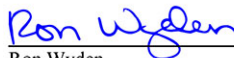


Richard J. Durbin
United States Senator



 Jeanne Shaheen
 United States Senator

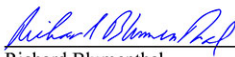

 Jacky Rosen
 United States Senator


 Tina Smith
 United States Senator



 Ron Wyden
 United States Senator



 Sheldon Whitehouse
 United States Senator

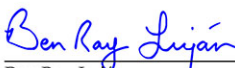

 Mazie K. Hirono
 United States Senator

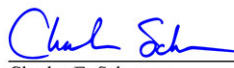

 Richard Blumenthal
 United States Senator


 Ruben Gallego
 United States Senator

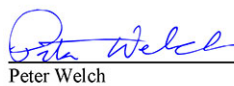

 Alex Padilla
 United States Senator


 Elissa Slotkin
 United States Senator


 Ben Ray Lujan
 United States Senator


 Charles E. Schumer
 United States Senator


 Mark Kelly
 United States Senator


 Peter Welch
 United States Senator



Maria Cantwell
United States Senator

Congress of the United States
Washington, DC 20515

April 11, 2025

The Honorable Gene L. Dodaro
Comptroller General of the United States
Government Accountability Office
441 G Street NW
Washington, D.C. 20548

Dear Mr. Dodaro,

We write to you today to raise concerns regarding the Department of Energy's recent Secretarial Order titled "Strengthening National Laboratory Efficiency and Mission Execution," announced by Secretary Wright on March 27, 2025. The stated purpose of the Secretarial Order is to remove "red tape" and accelerate mission execution. While the objective of enhancing efficiency is a laudable one, the approach outlined in this order, curtailing oversight and regulatory processes, presents significant risks that warrant thorough evaluation. Specifically, we are concerned that reducing oversight, rather than strengthening it, could lead to greater cost overruns and project delays, ultimately undermining the very mission objectives that this order intends to support.

This new policy seeks to expedite the Department's ability to carry out its projects and initiatives by scaling back existing government controls, particularly those related to procurement, contracting, and oversight. While streamlining processes can indeed be beneficial in certain contexts, the absence of proper federal oversight mechanisms often leads to unintended consequences—cost overruns, inefficiencies, and failures to meet project timelines. The Government Accountability Office (GAO) has consistently highlighted the importance of strong project management and oversight in federal projects, particularly in areas as complex and high-stakes as those under the purview of the Department.

The Department is responsible for an extensive range of activities, including managing nuclear facilities, clean energy initiatives, and critical infrastructure. Each of these areas requires detailed oversight, rigorous financial controls, and transparent decision-making processes to ensure that taxpayer dollars are spent effectively. Reducing these safeguards in the name of efficiency could expose these programs to a higher risk of financial mismanagement and project failure, as we

have seen with past projects where inadequate supervision led to significant delays and budget overruns.

GAO's body of work underscores the importance of maintaining a balance between the need for speed and the need for accountability. And the Department's own tracking confirms the risk. For example, 53 percent – representing over \$24 billion – of the Department's total project portfolio is currently at risk or expected to breach its performance baseline. Without sufficient oversight, there is a higher likelihood that projects will not meet their cost estimates or will fail to be completed within the allocated timelines. These issues can be especially pronounced in large-scale, long-term projects, where the absence of regular evaluations and assessments creates opportunities for waste, fraud, and abuse.

Furthermore, an "accelerated mission execution" culture risks prioritizing expediency over quality, safety, and long-term sustainability. For instance, the rush to move projects forward without adequate risk assessments or regulatory reviews could expose the Department to safety hazards, environmental risks, and long-term maintenance burdens that are costly to correct down the line. This risk is heightened given the high-hazard activities of the National Nuclear Security Administration, which involve nuclear weapons and radiation safety, and the Office of Environmental Management, which include addressing the cleanup and safe disposal of radioactive waste.

Given these concerns, we respectfully request the GAO to review the potential implications of this Secretarial Order on the Department of Energy's major programs and projects. Specifically, we ask that your office evaluate whether the removal of key oversight measures could increase the likelihood of cost overruns that cost Americans taxpayers and whether these changes provide sufficient safeguards to prevent waste, fraud, and abuse and protect taxpayer interests.

We look forward to your insights on this matter and any recommendations your office might provide to mitigate these risks.

Sincerely,



Marcy Kaptur
Ranking Member, Subcommittee on Energy
and Water Development
House Committee on Appropriations



Patty Murray
Ranking Member, Subcommittee on Energy
and Water Development
Senate Committee on Appropriations

Congress of the United States
Washington, DC 20515

April 16, 2025

The Honorable Christopher Wright
U.S. Department of Energy
1000 Independence Ave SW
Washington, DC 20585

Dear Secretary Wright:

We write to express our deep concern regarding the Department of Energy's (DOE) recent decision to impose a cap on indirect cost rates for DOE-funded research. This change threatens to destabilize America's scientific research infrastructure, delay critical energy innovation, and result in widespread economic harm. At a time when China is investing billions to catch up to the scientific advancements driven by decades of DOE investments, the U.S. should be accelerating its technological leadership, but this policy does the opposite.

DOE has long played a crucial role in supporting cutting-edge research in energy, climate science, advanced manufacturing, and national security. By capping indirect cost rates at 15 percent, this new policy undermines the essential support systems that make this research possible—such as the operation and maintenance of research facilities, labs, and technical infrastructure. Research institutions depend on these funds to conduct safe, innovative, and effective science.

This cap represents a sweeping, indiscriminate funding cut that will jeopardize not just projects at universities but also university partners at the national laboratories and in industry. Scientists could be forced to scale back or shutter vital studies; collaboration across sectors may be frozen; and the next generation of clean energy technologies could be delayed or lost entirely. Even more worrying is the impact on our future science workforce, particularly in energy and critical and emerging technologies, where our Nation has long struggled to recruit and train the best talent into roles at the intersection of technology and national security.

Beyond its scientific implications, this policy change has serious economic consequences. DOE-funded research supports tens of thousands of jobs—from researchers and engineers to technical staff and support personnel—across all 50 states. In fiscal year 2024 alone, federal energy research investments generated billions in economic activity and helped anchor American competitiveness in global innovation markets. Weakening that support will reverberate through entire regions and industries, putting livelihoods at risk.

The policy's abrupt implementation—absent consultation with the research community or Congress—has also introduced confusion and uncertainty into the energy research ecosystem.

Programs will be paused, partnerships disrupted, and project leaders left with no clarity about how to proceed. In a moment that demands bold, collaborative leadership to meet America's energy needs, these actions cause paralysis instead. In regards to this new policy cap, please provide answers to the following questions:

1. What will happen to existing awards at universities if they do not meet the new terms and conditions in this policy?
2. What specific data or analysis did DOE use to determine that a 15% cap on indirect costs is appropriate and sustainable for research institutions?
3. How does DOE justify this cap given that many universities currently operate with indirect cost rates significantly higher than 15% to cover essential research infrastructure and compliance?
4. Was there any consultation with academic stakeholders, such as university administrators or research organizations, prior to implementing this policy change?
5. What impact assessments has DOE conducted to understand how this cap will affect the financial viability of ongoing and future research projects at universities?
6. Has DOE evaluated how this cap could influence the United States' position in global research and innovation competitiveness?
7. What are the long-term implications of this policy on the pipeline of future scientists and researchers trained through university programs?

Particularly in light of the lack of information justifying this policy we also ask that you to immediately reverse this shortsighted and harmful new cap, which amounts to nothing short of a disastrous funding cut. DOE's mission is too important to allow political interference to undercut America's progress in energy research, climate resilience, and economic development. Let our scientists, engineers, and institutions continue their lifesaving, world-shaping work—uninterrupted.

Sincerely,



Marcy Kaptur
Ranking Member, Subcommittee on Energy
and Water Development
House Committee on Appropriations



Patty Murray
Ranking Member, Subcommittee on Energy
and Water Development
Senate Committee on Appropriations

Congress of the United States
Washington, DC 20515

May 5, 2025

The Honorable Christopher Wright
 Secretary of Energy
 U.S. Department of Energy
 1000 Independence Avenue, SW
 Washington, DC 20585

Dear Secretary Wright,

We write to follow up on the serious concerns outlined in several recent letters we have sent regarding the Department of Energy's (DOE) suspension of critical energy programs, cancellation of executed awards and contracts, mass reductions in staffing, and changes to contracting policies. Collectively, these actions have created mass confusion and uncertainty that is putting critical projects and initiatives at risk, and contributing to rising energy costs for American families and businesses—not to mention stunting what should be a strong period of economic growth across the energy sector.

As highlighted in our recent letters, the actions to freeze and rescind funding for programs enacted under the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and annual appropriations are deeply troubling. These abrupt reversals—some in response to Executive Order 14154 and DOE's Secretarial Order on January 20, 2025—are causing severe uncertainty and economic risk for energy stakeholders and communities that depend on the continuity of these investments.

The recent comprehensive review and freeze of all DOE financial assistance and contracts, and the subsequent cancellations that may occur, not only undermine the spirit of competitive-based awards but also would be illegal and harmful to the public and energy consumers. Your indiscriminate cancellations of projects and deliberate blocking of approved funding will increase energy prices, make our grid less secure, and stop energy innovation. If the Department has a policy disagreement and does not want to spend money on programs Congress has funded, the lawful response is to ask Congress to rescind that funding. The decision of what programs to fund—or not—ultimately rests with Congress, not with the President, DOE, or DOGE.

Moreover, we have concerns about reports that DOE is undergoing an unprecedented reduction in staffing, with many employees facing forced retirements, administrative leave, or termination. Additionally, the Administration has extended a federal hiring freeze until July 15. The reductions and hiring freeze are reportedly affecting program offices essential to implementing existing laws and managing awarded funds. DOE's ability to effectively execute its statutory mission depends on the presence of qualified, experienced personnel. A hollowed-out workforce cannot administer the complex portfolio of federal energy programs Congress has funded.

We are also concerned by DOE's new policy that sets a 15% limit to indirect costs, otherwise known as facilities and administrative costs, for university research grants. Indirect cost support is critical for universities to cover research-related expenses, such as laboratory equipment, facilities, and operations critical for cutting-edge research. Cutting off this support, especially without warning or input from stakeholders, severely impedes universities' ability to carry out the scientific work that has been authorized by Congress and has produced critical breakthroughs we all benefit from. Further, the ramifications of this policy will likely spread far beyond the grants themselves—maintaining U.S. competitiveness depends on our research institutions' world-class facilities, which are made possible through the use of indirect costs.

Therefore, in addition to renewing our requests regarding the concerns raised in the aforementioned congressional letters—to which your Department has yet to meaningfully respond—we respectfully request responses to the following:

1. **Programmatic and Legal Compliance:**
 - How is DOE or any other part of the administration assessing which DOE projects to cancel or continue, and under what criteria?
 - Is DOE currently honoring all legal obligations for previously obligated and executed awards, including those at the National Laboratories?
 - Will non-federal recipients be reimbursed for work performed and invoiced prior to or during the funding freeze?
2. **Workforce Reductions and Operational Capacity:**
 - How many DOE employees have been furloughed, terminated, placed on administrative leave, or taken a deferred resignation package since January 20, 2025?
 - What are DOE's plans for further staffing reductions, including through reductions in force, and which offices or program areas will be most impacted?
 - Why did DOE collect workforce data from the National Laboratories, including the number of laboratory employees and on-site contractors, and is the Department considering reductions in force at the National Laboratories?
 - How will DOE ensure continuity of services, compliance, and oversight of active awards amid these reductions and hiring freeze?
 - What contingency plans exist to support grantees and contractors currently engaged in DOE-funded work, especially if their DOE points-of-contact are no longer available?
3. **Transparency and Congressional Notification:**
 - Has DOE provided the required reports to Congress on apportionment delays or violations of the Impoundment Control Act, as outlined in federal fiscal statutes?
 - Will DOE commit to proactively updating Congress and stakeholders on the status of affected programs and personnel?
4. **Indirect Costs:**
 - How did DOE comply with required procedures, or provide appropriate justification, to deviate from its long-standing indirect cost rate policies?
 - What steps is DOE taking to ensure that changes to its indirect cost policies do not cause immediate and irreparable injury to our universities' capabilities to train a next-generation energy workforce?

The Department's implementation of executive orders and internal DOE directives has introduced significant legal, fiscal, and operational concerns. The widespread programmatic disruptions and workforce reductions risk irreparably undermining DOE's credibility and mission. These actions are not only counter to DOE's legal obligations—they directly harm the American public.

We urge you to provide clarity, transparency, and accountability in these matters—as you have repeatedly promised to do—and we request a written response to the questions above by May 18, 2025.

Thank you for your attention to this urgent matter. We look forward to your timely reply and to working together to restore lawful, effective operations at the Department of Energy.

Sincerely,



Patty Murray
Vice Chair
Senate Committee on Appropriations



Martin Heinrich
Ranking Member
Senate Committee on Energy and Natural
Resources



Rosa L. DeLauro
Ranking Member
House Committee on Appropriations



Frank Pallone, Jr.
Ranking Member
House Committee on Energy and Commerce



Zoe Lofgren
Ranking Member
House Committee on Science, Space and Technology

Congress of the United States
Washington, DC 20515

May 19, 2025

The Honorable Christopher Wright
Secretary of Energy
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Wright,

We write in response to the Department of Energy's (DOE) decision to impose sweeping new caps on indirect cost rates across a wide spectrum of its funding recipients—including state and local governments, non-profit organizations, and for-profit partners. While direct costs support salaries, supplies, and equipment, indirect costs provide essential support for general operations and infrastructure. Capping indirect cost rates far below their current values compounds the detrimental policy you have already announced cutting funding for university-led research, and these proposed cuts put energy innovation and economic development in communities across the country at serious risk. Like so many actions your Department has already taken, these new cuts will also raise energy costs for American families and businesses.

By imposing an arbitrary, inflexible cap of 10 or 15% on indirect costs—regardless of organizational type, mission, or financial structure—the Department is undermining the ability of its grantees and partners to deliver on DOE's core priorities. Ultimately, this policy threatens to prevent smaller, under-resourced organizations from getting the support they need to conduct cutting-edge research, which will stifle innovation in regions that need investment the most. These indirect cost caps disregard the essential infrastructure required to administer safe, scalable, and high-impact projects. Local governments and non-profits, already stretched thin, now face arbitrary limitations that will squash efforts to fortify electricity grids to be robust to storms and other disruptions, initiatives to ensure all community members can access affordable and reliable energy, and emerging technology deployment at the local level.

If left to stand, the consequences of these cuts will be severe: multi-sector collaboration will be chilled, community-led innovation efforts across the US will be disrupted, and thousands of jobs supporting energy and infrastructure will be at risk. This abrupt policy change will undercut the very institutions—state and local governments, non-profits, and research organizations—that drive energy innovation, workforce development, and clean energy solutions in local communities. America's energy future must be built on strong partnerships—not policies that penalize those on the front lines of progress.

These abrupt changes have been announced without the transparency you have promised, without public engagement, and without any meaningful justification. Worse, they appear to ignore the diverse cost structures and compliance burdens that entities must absorb to

responsibly manage federal funds. These are not “wasteful” administrative expenses—they are essential costs of conducting federally sponsored research that benefits the American people.

We reiterate our call to immediately reverse these harmful caps, urge you to engage stakeholders and experts in crafting any future reforms, and request written responses to the following questions by no later than May 30:

1. What will happen to existing (conditional and nonconditional) awards if they do not meet the new terms and conditions in this policy?
2. What data and models did DOE use to conclude that a uniform 10 or 15% cap would be sufficient and sustainable across such varied institutional types (e.g., local governments, non-profits, for-profits)? Will DOE release this analysis publicly?
3. How does DOE justify this cap given that many organizations and governments currently operate with indirect cost rates significantly higher than the new proposed cap?
4. How does DOE reconcile these cost caps with existing negotiated indirect cost rates under OMB Circulars and 2 CFR 200, particularly where they exceed the new ceilings?
5. What outreach or consultation—if any—did DOE undertake with non-profit, municipal, or private-sector stakeholders prior to issuing these policy changes?
6. What specific exemptions, waivers, or appeal mechanisms will DOE make available for awards where capped indirect costs would result in program delays, layoffs, or funding shortfalls?
7. Has DOE assessed the potential regional economic and workforce consequences of capping indirect costs on state, local, and non-profit implementation partners? If so, will DOE release that analysis publicly?

We look forward to your responses and attention to this critical issue.

Sincerely,

Marcy Kaptur
Ranking Member, Subcommittee on Energy
and Water Development
House Committee on Appropriations

Patty Murray
Ranking Member, Subcommittee on Energy
and Water Development
Senate Committee on Appropriations

Senator MURRAY. Again, thank you very much for being here today.

Thank you, Mr. Chairman. I look forward to it. We have got a lot of work ahead of us.

LOAN PROGRAM OFFICE

Senator KENNEDY. Thank you, Senator.

Mr. Secretary, I want to go back to some of your earlier testimony, be sure I heard it correctly. The 76-day period you are talking about, that is the period between the time that President Trump was elected and President Biden left office; is that right?

Secretary WRIGHT. That is correct.

Senator KENNEDY. And during that short period of time, 76 days, how much taxpayer money went out the door of the Department of Energy?

Secretary WRIGHT. From the Loan Program Office in loans and commitments; \$93 billion, well over twice as much as in the previous 15 years.

Senator KENNEDY. So how do you vet and do due diligence on a loan in 76 days, one loan, much less \$93 billion? How do you do it?

Secretary WRIGHT. I think it is probably pretty clear it was not done in many cases. As I mentioned, I am told I am holding back clearly in-place stuff. There is lots of funds that have gone out the door and commitments that were made from businesses that provided no business plan, no numbers about their own financial solvency or how this project can actually work.

Senator KENNEDY. So, you are telling me that the Department of Energy, in a 76-day period, before their boss was going to leave office, gave or loaned money to entities that had no business plan?

Secretary WRIGHT. Correct.

Senator KENNEDY. No financials?

Secretary WRIGHT. Correct. A number of those were not—were before the 76-day period as well. I have come in with great concern about how this institution, this great American institution, has been run and how American taxpayer money has been handled. I am sorry everyone is upset that we are taking some time to do it, but what we have seen and what the record shows—

Senator KENNEDY. I am not upset. I am not upset, could it be that—a lot of people say you have not returned your calls, could it be that you and your colleagues have returned the calls, but the people calling just did not like the answer? Could that be a possibility?

Secretary WRIGHT. I am not aware of that. You know, I give my cell phone number to any Senator that wants it.

Senator KENNEDY. I know you do.

Secretary WRIGHT. And I return my calls.

Senator KENNEDY. I mean, has your Department gone dark? Somebody said your Department has gone dark. Is it dark over there?

Secretary WRIGHT. It doesn't look dark behind me.

Senator KENNEDY. I don't see any of you sitting on your hands. Somebody made that charge. I see everybody's hands. Let me ask you something else, Mr. Secretary, does anybody ever come to the Department of Energy to get some of this free money and lie to you?

Secretary WRIGHT. I have not experienced that, but I think it is a reasonable assumption that that has happened.

Senator KENNEDY. Does anybody ever come to you, or is it conceivable that some of these folks that heard about this free money came to you with a half-baked idea?

Secretary WRIGHT. I think it is very conceivable. In fact, I have seen such plans that were half-baked, it would be charitable.

Senator KENNEDY. You are seeing plans about that didn't have a business plan, right?

Secretary WRIGHT. Correct; a promise to develop one, to find a location.

Senator KENNEDY. Just give me the money and I will develop the plan later.

Secretary WRIGHT. Correct.

Senator KENNEDY. And now you are going back through not money that has already been contracted, but you are going back

through and checking each one of these loans and these grants to make sure there was no stealing, aren't you?

Secretary WRIGHT. We are. We are.

Senator KENNEDY. And to make sure there was no incompetence, aren't you? Is that correct?

Secretary WRIGHT. We are looking at that, and yes, my blood pressure is rising right now just thinking about what we have seen and what did happen at the Department.

Senator KENNEDY. And you are going to tell some of these boondoggles no, aren't you?

Secretary WRIGHT. That is correct.

Senator KENNEDY. And they are going to be upset, aren't they?

Secretary WRIGHT. That is correct.

Senator KENNEDY. And they ought to be upset, shouldn't they?

Secretary WRIGHT. I don't think they should be upset. I think they should be ashamed.

Senator KENNEDY. I am—it is rare that I am speechless, but I want to be sure I understood. The people running the Department of Energy for President Biden's administration shoveled \$93 billion, not million, \$93 billion out the door in 76 days. And it just happened to be the time between when President Trump was elected and President Biden, their boss, was leaving; is that right?

Secretary WRIGHT. It is correct and distasteful, confidence undermining.

Senator KENNEDY. My, God. Look, I hope you take whatever time you need to go through all of these projects penny by penny. I mean, I have heard this testimony today, well, it will cost jobs in my State. If somebody steals \$50 million and goes and spends the money in their State, that is going to stimulate the economy, isn't it?

Secretary WRIGHT. Yes, it will.

Senator KENNEDY. But it is still stealing, isn't it? And it is still illegal, isn't it?

Secretary WRIGHT. Yes.

Senator KENNEDY. I mean, they were spending money at the Department of Energy like it was ditch water. Their budget went from \$60 billion to \$160 billion since fiscal year 2021. It just sounds to me like there were a lot of people coming to the Department of Energy who had all four feet and their snout in the trough. And I hope you will turn down the boondoggles and refer the thieves to the Department of Justice.

Secretary WRIGHT. We will indeed. Senator, the one complication in there, too, is mixed in there are good companies doing good things, honestly, with credible plans.

Senator KENNEDY. And you are trying to separate the wheat from the chaff?

Secretary WRIGHT. Yes, that is what we are trying to do. That is our job, and we are doing it. But there is a lot of chaff.

STAFFING AT DEPARTMENT OF ENERGY

Senator KENNEDY. Let me ask you one final question, let me go back to how many employees you have now. There have been some allegations today that you have cut tens of thousands of employees. Is that accurate?

Secretary WRIGHT. Well, I think the allegations were thousands, and our headcount will ultimately be reduced by thousands. But we are doing it slowly.

Senator KENNEDY. You have 16,000 now?

Secretary WRIGHT. Yes.

Senator KENNEDY. And you think you can do it with fewer than 16,000?

Secretary WRIGHT. Correct.

Senator KENNEDY. What is wrong with that?

Secretary WRIGHT. I think it is just common-sense business.

Senator KENNEDY. Yes. Businesses do it every day in the real world.

Secretary WRIGHT. American taxpayers deserve it.

Senator KENNEDY. That has never happened in the Federal Government. I mean, it is easier to divorce your spouse than to get rid of a Federal employee up here. That is not the way the world works, is it, Mr. Secretary?

Secretary WRIGHT. It is not the way the world should work. And I give enormous credit to President Trump, who had the boldness to say if there is a right thing that needs to be done and it is difficult, please do it. And so, yes, this is new territory. This is not what happens normally in the Federal Government. But it is what needs to happen periodically in the Federal Government.

And I give the credit to President Trump, who is willing to take the heat and has set the Departments free, make the changes you need to make to better serve American taxpayers and American consumers. And across his administration, that is what is being done.

Senator KENNEDY. All right. On that note, I just wanted to clear that up, Mr. Secretary, because I—you know, I don't know you to be a person who does not return his phone calls or take care of business. And my guess is you don't tolerate people around you who take a cavalier approach to their job. And I wanted to get that on the record. I applaud you for being able to do the job with fewer people.

Thank you for being here today, thank you to all your staff. You all can't take the rest of the day off, it is still——

[Laughter.]

ADDITIONAL COMMITTEE QUESTIONS

Senator KENNEDY. The hearing record is going to remain open for a week. Some Senators may send you additional questions. They might submit additional information for the record within that time. It is their prerogative. If they have questions, I hope you will try to answer them in a reasonable amount of time. I want to thank you for being here today.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. CHRISTOPHER WRIGHT

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

Question. The U.S. Senate Committee on Energy and Natural Resources led a successful, bipartisan effort last year in passing the Nuclear Fuel Security Act of 2023

(NFSA) and the Prohibiting Russian Uranium Imports Act, both of which have been enacted into law. Specifically, the NFSA directed the U.S. Department of Energy to “. . . promote diversity of supply in domestic uranium mining, conversion, enrichment, and deconversion capacity and technologies, including new capacity, among U.S. nuclear energy companies.”

Given efforts being undertaken with regards to the Department’s Request for Proposals (RFP) for Low-Enriched Uranium (LEU) Enrichment Acquisition—can you commit that this program is working to promote a diversity of supply and technologies among companies that can provide LEU, additive uranium, and conversion supply to meet the needs of the existing nuclear fleet?

Answer. The Department of Energy’s Office of Nuclear Energy is continuing forward with Request for Proposals (RFP) for Low-Enriched Uranium (LEU) Enrichment Acquisition, which are intended to spur additional domestic LEU production capacity, reduce reliance on Russian nuclear fuel, and ensure LEU demand is met through trusted sources. DOE/NE is working to meet this goal, which includes diversity of supply in the uranium fuel supply chain.

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

MESC

Question. I appreciate the administration’s commitment to ensuring taxpayer dollars are used responsibly and the backlog of grants left by the previous Administration. Can you provide an update on the expected timeline for a signed agreement with the following South Carolina applicants:

- TS Conductor
- Mercedes Benz Vans
- Ice Air (DE-MS0000059)

Answer. TS Conductor (DE-MS0000125)—MESC has a signed agreement with TS Conductor, as a fully conditioned award (\$61,849,328 total project, \$28,248,485 DOE share) that is not yet authorized to begin work, as it still requires finalization of the project’s terms and timeline. DOE is continuing to conduct a thorough review of this project and is analyzing the responses to a recent data request. DOE is working expeditiously to complete this review in a timely manner.

Mercedes Benz Vans (DE-MS0000155)—MESC has a signed agreement with Mercedes Benz Vans, as a fully conditioned award (\$569,983,704 total project, \$284,991,852 DOE share) that is not yet authorized to begin work as it still requires finalization of the project’s terms and timeline. DOE is continuing to conduct a thorough review of this project and is analyzing the responses to a recent data request. DOE is working expeditiously to complete this review in a timely manner.

Ice Air (DE-MS0000059)—This is a standard award (\$34,999,068 total project, \$17,499,534 DOE share) that has been authorized to proceed. MESC continues to receive and pay invoices on work conducted during Budget Period 1 (9/1/2024–9/30/2026) of the project. The project is contingent on further NEPA review through an Environmental Assessment and the outcome of the DOE’s review of the projects including analysis of responses from a recent data request.

For all awardees, we are moving expeditiously through the process while conducting a diligent review. If there are any major concerns or issues encountered through the process, it may take longer to finalize our review. We remain committed to working with your office on these important matters as we continue to conduct this thorough review.

Question.

LPO

Nuclear energy is critical to our national security and provides clean reliable power across South Carolina. The U.S. Department of Energy Loan Programs Office (LPO) plays an essential role in attracting private capital to ensure US leadership and meet our growing energy demand. Do you support a DOE Loan Office that has sufficient resources to support the construction of nuclear projects in the United States?

Answer. Yes, I support a Loan Programs Office that has sufficient resources to advance the Administration’s energy dominance agenda. LPO is one of the most efficient and high impact tools that DOE has to support nuclear energy through financing nuclear projects in the United States. Notably, LPO is currently disbursing a loan to Palisades, the first restart of a nuclear reactor in U.S. history.

Question. The nation’s nuclear arsenal needs modernization, and the key to this modernization strategy is the production of no fewer than 80 war-reserve plutonium pits. The Department of Energy and the National Nuclear Security Administration

have determined that a two-site solution is required to meet the objectives of no fewer than 80 war-reserve pits per year. The Savannah River Plutonium Processing Facility, located at the Savannah River Site, is critical to meet the required plutonium pit objective and is slated to produce not fewer than 50 war-reserve pits per year. Do you commit to support all efforts to complete the construction of the Savannah River Plutonium Processing Facility?

Answer. Yes, I am committed to the two-site solution to produce no fewer than 80 war reserve plutonium pits, including at the Savannah River Plutonium Processing Facility.

Question. It has come to my attention that an organization seeks to acquire a sizable plot of land near the Savannah River Site, specifically near the Barnwell Gate. The Department of Energy has expressed concern over the transfer of this land to the community, as there is groundwater and surface contamination on the site. It is my understanding that there was funding requested in the FY25 budget for land transfers; however, due to the Continuing Resolution this funding was not appropriated. Do you commit to working with me and my staff to advancing this land transfer and site clean up?

Answer. The tract of land in question is not excess to DOE's needs and is not available for transfer. Additionally, it is not suitable for transfer since, as you note, contamination has leached from offsite operations onto the area, including surface and groundwater. Remediation would be required to protect human health prior to exessing any land. Since the extent of the contamination is thus far unknown, the extent and cost of such remediation is similarly unknown. After remediation, additional activities include an environmental baseline survey, archeological survey and report, moving/reestablishing the site barricade and building, establishing a new boundary fence, and revising all safety and security studies would be necessary.

Question. In December 2023, the United States imported nearly 243,000 kilograms of uranium from China, despite there being no recorded imports from China between 2020 and 2022. Do believe the uptick of uranium imports from China pose a national security risk? Do you also believe China is helping Russia circumvent a ban on U.S. imports of Russian enriched uranium?

Answer. We feel that it is critical for the United States to establish domestic enrichment capacity to ensure that we are not reliant on Russian uranium. It is also important that Russian shipments are not supplanted by Chinese shipments of uranium. Therefore, DOE, along with other Departments and Agencies continue to track shipments of uranium from Russia and China.

Currently, foreign imports of low enriched uranium (LEU) are needed to meet our nuclear fuel needs, until we get our domestic nuclear fuel enterprise up and running, as directed by President Trump's executive orders.

While some imports to the U.S. from foreign sources may be necessary in the short-term, limiting the importation of foreign LEU mitigates several energy and national security risks:

- Supply chain:* Concern has been expressed that foreign countries may be exporting LEU into the U.S. at below-market prices. While the data shows a significant decline in LEU price in 2023, there is a demonstrated history of foreign "dumping" (biodiesel, steel, solar panels, EVs, etc.) to undercut domestic competitors and dominate markets.

- National Security:* Upon implementation of the Prohibiting Russian Uranium Imports Act, there has been some concern domestically as well as from international partners that Russia may attempt to route LEU through foreign nations, effectively "red-washing" the imports. DOE and other USG agencies have been tracking imports from foreign adversaries to ensure the proper implementation of the ban and to prevent the circumvention of the ban on the import of LEU into the United States.

QUESTIONS SUBMITTED BY SENATOR CINDY HYDE-SMITH

Question. The U.S. Department of Defense (DoD) and the National Aeronautics and Space Administration (NASA) are investing in the technology development of commercial radioisotope power systems (RPSs), a technology that converts the heat from the decay of radioisotopes into thermal and/or electrical power for national security and scientific missions. Due to the scarcity of the existing plutonium-238 radioisotope for RPS technology from the U.S. Department of Energy, alternative RPS technology using strontium-90 (Sr-90) is being pursued.

The Waste Encapsulation and Storage Facility (WESF) at the Hanford Site holds the largest source of separated legacy Sr-90, with enough Sr-90 to power up to 200 RPSs for DoD and NASA. Two studies were completed by DOE-EM using FY21 ap-

propriated funds, concluding that recovering these Sr-90 capsules during the existing wet-to-dry storage transfer effort planned by 2029 would have minimal impact on the overall project. DoD funded \$3M in FY25 to begin critical path design and nuclear safety activities to ensure the availability of these capsules by early FY28.

Secretary Wright, we know that costs associated with defense nuclear waste cleanup rank as one of the largest liabilities in the entire U.S. Government. What creative opportunities, such as the reuse of legacy material and partnerships with the private sector, are you pursuing to reduce these long-term liabilities at nuclear cleanup sites?

Answer. The Department is partnering with American industry to eliminate environmental risks in a manner that saves money and enables beneficial reuse of materials the government does not need. Due to past national defense activities, some EM sites are home to materials that are suitable for beneficial reuse to enable American energy, innovation, and jobs.

To tap into this potential, unnecessary restrictions, such as the ban on the release on scrap metal from radiation areas and the moratorium on the free release of volumetrically contaminated metals, have been rolled back. This effort boosts potential reuse opportunities for nickel stockpiles as well as other metals at EM sites, while saving money on disposal costs—enabling a win-win for DOE, industry, and American taxpayers.

In Oak Ridge, Tennessee the Department is drawing down our inventory of uranium-233 while increasing the world's supply of a rare isotope crucial for a promising form of cancer treatment by 1,500 percent. In Tennessee, we are also partnering with industry to provide materials the Department no longer needs for radioisotope power systems.

DOE has successfully partnered with private industry on beneficial reuse of nuclear materials at Oak Ridge and remains open to any potential additional opportunities at other DOE sites, including Hanford.

The Department is also transferring land no longer needed for DOE missions to local development authorities and governments in states like Tennessee, Ohio, and Kentucky to grow jobs, unleash commercial nuclear, fuel AI, expand private industry opportunities and produce more American energy.

The Department looks forward to working with Congress on these and other opportunities to transform liabilities into opportunities for American energy and innovation.

Question. The President's efforts to revitalize nuclear power production will enhance our nations' competitiveness, national security, and prosperity. My home state of Mississippi is extremely supportive of the Department's effort to modernize our nuclear infrastructure, increase safety and extend the lifespan of our existing commercial fleet. Your department has invested in Silicon Carbide material development through the Accident Tolerant Fuel program. Industry and Congress have been very supportive of onshoring this critical technology innovation, but the effort has recently stalled over seemingly bureaucratic delays, so I wanted to make sure you had visibility on this issue.

Mr. Secretary, what is the Department's plan to implement Congressionally allocated Silicon Carbide funding in an expedited manner to ensure that the program is completed as directed by the Congress?

Answer. The Department of Energy is pleased to continue to support U.S. nuclear leadership consistent with priorities and direction provided from Congressional appropriation. The Department has funded multiple industry-led efforts towards the development of Silicon Carbide (SiC) cladding concepts over a number of years. In December 2022, consistent with congressional appropriation, the Department awarded a multi-year incrementally funded SiC development award. The Department continues to obligate congressional appropriations on this award and has accelerated over \$8 million to date. Originally SiC was included as a technology drive of the Accident Tolerant Fuels (ATF) effort, however because of our near-term focus this will be now more appropriately part of the Next Generation Fuels (NGF) effort.

QUESTIONS SUBMITTED BY SENATOR MIKE ROUNDS

Question. The Department of Energy's support for large-scale scientific projects, such as the Long Baseline Neutrino Facility (LBNF) and the Deep Underground Neutrino Experiment (DUNE), is a prime example of how Federal investment drives global leadership in science and technology.

What steps can be taken to make certain the LBNF/DUNE experiment timeline remains on track?

Answer. LBNF/DUNE is critical to maintaining U.S. leadership in particle physics. When completed, it will be the foremost neutrino experiment in the world. To successfully deliver the project on time and schedule, DOE will continue to emphasize sound project management, proactive risk management, and clear communication with all stakeholders. Given the scale and complexity of LBNF/DUNE, international partnerships are also critical to its success.

Question. The Sanford Underground Research Facility (SURF) in South Dakota plays a critical role in the LBNF/DUNE mission. As the deepest underground laboratory in the country, it hosts groundbreaking research in dark matter and neutrino physics. Would you be willing to visit the SURF facility?

Answer. The Sanford Underground Research Facility (SURF) in Lead, South Dakota, is important for advancing fundamental physics research. As the deepest underground laboratory in the United States, its depth provides natural shielding from cosmic rays, creating an unparalleled environment for highly sensitive experiments. This shielding is critical for detecting elusive particles like neutrinos and for searching for dark matter without interference from background radiation. DOE supports SURF through a cooperative agreement to foster underground science experiments that require this unique environment. Currently, SURF hosts groundbreaking research, including the LUX-ZEPLIN (LZ) experiment, which is actively searching for dark matter and has world-leading sensitivity in the search for dark matter particles. The LBNF/DUNE project is also under construction at SURF, further underscoring the facility's unique role in cutting-edge experiments. I hope to visit SURF in the future to see the innovative science being performed in this unique environment.

Question. A number of scientists have considered thorium as a potential alternative fuel for nuclear energy production. Countries such as India, China, and Canada have shown significant interest in thorium-related research. In the past year, China has successfully developed a thorium-fueled reactor. The Department of Energy has conducted some analysis of thorium as a reactor fuel at its national laboratories. Would you consider expanding research into the potential of thorium-fueled reactors?

Answer. The Department of Energy, as a premier U.S. research and development (R&D) organization, is pleased to execute far reaching R&D towards alternative nuclear fuel technologies. In fact, this is an area that DOE has studied in the past.

In 2023, the Department, as directed by the Energy Act of 2020, completed an initial assessment of nuclear fuel options other than uranium; "Alternate Fuels: Thorium and Uranium-233." The report discusses holistically the historical use of Thorium in light water reactors (LWR) and Non-LWRs.

Ultimately, with limited USG resources, there isn't a sufficient economic driver associated with thorium. Nonetheless, China will not gain a military advantage over the United States by utilizing thorium reactor technology, as the U.S. military is currently and actively evaluating the realistic, near-term potential of deploying advanced reactor technology to power DoD facilities, as directed by President Trump's recent nuclear Executive Orders. But with the absence of an economic driver to establish commercial thorium fuel infrastructure and with the current abundance of domestic uranium, U.S. Government investment in a thorium fuel cycle is not warranted at this time. If a need for thorium fuel emerges in the future, this position may be revisited. Moreover, the proliferation risks associated with thorium fuels would also need to be addressed.

As such, the Department currently is focused on uranium fueled technologies; however, the Department continues to monitor developments.

Question. Numerous electric cooperatives in South Dakota have been awarded funding through the Grid Resilience and Innovation Partnerships (GRIP) program. These cooperatives intend to utilize the funding to address the increasing demand for transmission capacity in the region. It is my understanding that the Department of Energy's review of grant programs may be affecting the GRIP initiative. Could you please provide an update on when recipients of GRIP Round 1 and GRIP Round 2 funding might expect to hear back from the DOE regarding this matter?

Do you believe the purpose of the GRIP program aligns with the Trump administration's energy goals?

Answer. DOE has implemented a new policy to ensure responsibility for DOE's financial assistance that identifies waste of taxpayer dollars, protects America's national security and advances President Trump's commitment to unleash affordable, reliable and secure energy. DOE is committed to conducting a thorough review of these projects under its existing authorities to ensure they are among other things, financially sound and economically viable, aligned with national and economic security interests, and consistent with Federal law and this Administration's policies.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

Question. As the only DOE National Laboratory stewarded by EERE, NREL delivers the scientific knowledge and innovations that advance energy technologies, systems, and markets. Its unique strength lies in developing and integrating technologies into robust, resilient systems—bridging foundational research with practical applications to lower energy costs, drive economic growth, bolster national security, and deliver abundant and reliable energy. Indeed, NREL is the United States’ energy systems laboratory. Top-line funding consistent with enacted Fiscal Year 2024 levels for EERE is essential to safeguarding NREL’s workforce, infrastructure, and cutting-edge capabilities—and to maintaining the United States’ global leadership in science and technology. In Fiscal Year 2024, 64 percent of NREL’s funding came from EERE programs, most of it for research and development (R&D).

Will you commit to protecting the R&D funding flowing to NREL at levels consistent with FY24?

Answer. The National Labs are the engines that drive research and development. We can both increase efficiency and drive innovation. EERE will prioritize research that supports true technological breakthroughs, which will maintain America’s global competitiveness.

Question. EERE’s Facilities and Infrastructure (F&I) Program ensures that NREL’s existing research and support infrastructure is maintained and upgraded, helping to attract world-class scientists and develop innovative solutions to our most pressing energy challenges. The program supports maintenance and repair, operational readiness for safeguards and security, environment, safety, health, and quality (ESHQ), and general plant projects—as well as the operation of EERE’s high-performance computing and NREL’s Energy Systems Integration Facility (ESIF).

Will you commit to funding EERE’s F&I Program at FY24 levels?

Answer. EERE’s FY26 request for Facilities and Infrastructure to operate and maintain NREL decreases by only 5% from FY24 to FY26. This funding ensures continuity of essential laboratory operations. The request provides direct funding for operational activities of major facilities and infrastructure and site-wide investments, including the continued construction of the Energy Materials and Processing at Scale (EMAPS) facilities.

Question. NREL is in the final stage of constructing its Energy Materials and Processing at Scale (EMAPS) facility, which will accelerate the transition from scientific breakthroughs to commercial applications through collaboration with industry partners, universities, and other DOE labs. As global competitors like China invest heavily in their science and technology ecosystems, these capabilities are vital to meeting U.S. energy needs and sustaining leadership. Any reductions or delays in EMAPS funding could result in higher costs to taxpayers.

Do you support NREL’s EMAPS construction, and are you prepared to fully leverage the facility to keep pace with global science and technology competitors such as China?

Answer. EERE’s FY26 request for Facilities and Infrastructure includes the continued construction of the Energy Materials and Processing at Scale (EMAPS) facility.

Question. With rumors circulating about downsizing or disbanding EERE—and at a time of increasing demand across the energy system—there is growing concern that the Department’s reorganization could leave its energy systems laboratory without a clear steward. In FY24, 64 percent of NREL’s funding came from EERE’s R&D and F&I programs, including every dollar of the critical Facilities and Infrastructure Program.

In your reorganization of DOE, where will stewardship of NREL—one of the “Crown Jewels” of American scientific innovation, to use your words—reside?

Answer. At this time, there has been no announcement of any plans to reorganize the Department.

Question. At your confirmation hearing, you stated that grid stability is your “single biggest concern.” This is no small challenge. Our electric grid is under increasing stress, with energy demand accelerating at an unprecedented pace due to AI and the proliferation of data centers. Research and development in energy systems will be critical to addressing this challenge—from smarter grid planning and modeling to advanced technologies that manage grid-related threats.

Will you commit to funding and prioritizing research and innovation in grid resiliency, reliability, affordability, and energy systems integration—areas where NREL plays a critical role?

Answer. Research and innovation in grid resilience, reliability, affordability, and energy systems integration are key priorities for the Office of Electricity and we commit to supporting them consistently with the President’s energy dominance

agenda and within the scope of appropriated funding levels and Congressional direction we receive.

Question. I have concerns about reports that DOE is undergoing an unprecedented reduction in staffing, with many employees facing forced retirements, administrative leave, or termination. Additionally, the Administration has extended a Federal hiring freeze until July 15. The reductions and hiring freeze are reportedly affecting program offices essential to implementing existing laws and managing awarded funds. DOE's ability to effectively execute its statutory mission depends on the presence of qualified, experienced personnel. A hollowed-out workforce cannot administer the complex portfolio of Federal energy programs Congress has funded.

How many DOE employees have been furloughed, terminated, placed on administrative leave, or taken a deferred resignation package since January 20, 2025?

Answer. As of the date of the hearing, DOE did not have full resolution of the number of employees who would enter the Deferred Resignation Program (DRP). Since January 20, 2025, DOE has not furloughed any employees.

The Department of Energy continues to take a hard business look at our current capabilities and how we need to evolve to meet growing energy needs. In partnership with OMB and OPM, DOE is evaluating agency mission and goals to ensure staff are strategically aligned to support agency priorities.

Question. What are DOE's plans for further staffing reductions, including through reductions in force, and which offices or program areas will be most impacted?

Answer. As of May 21, 2025, no action has been taken to develop an official/comprehensive reduction-in-force (RIF) plan for the Department of Energy.

Question. Why did DOE collect workforce data from the National Laboratories, including the number of laboratory employees and on-site contractors, and is the Department considering reductions in force at the National Laboratories?

Answer. DOE regularly collects workforce data because it is prudent practice, in managing our labs, to have an understanding of the size and composition of the workforce. Also, as directed by Executive Order (E.O.) 14222, "Implementing the President's 'Department of Government Efficiency' Cost Efficiency Initiative," we conducted a review of all contracts and grants in order to reduce overall spending or reallocate spending to promote efficiency and advance Administration policies. Reduction in force is a term allocated to only Federal employees, not contractors. DOE is not aware of any plans from the National Laboratories to reduce staff.

Question. How will DOE ensure continuity of services, compliance, and oversight of active awards amid these reductions and hiring freeze?

Answer. DOE has an acquisition workforce with the knowledge, tools, and capability to manage and oversee active awards. Internal controls are essential and they are in place. We have also eliminated non-essential contracts and financial assistance agreements that are no longer effectuating program goals or agency priorities, freeing up time for our dedicated acquisition workforce to manage existing awards.

Question. What contingency plans exist to support grantees and contractors currently engaged in DOE-funded work, especially if their DOE points-of-contact are no longer available?

Answer. Contracts have explicitly defined deliverables and requirements and financial assistance agreements have clear objectives and outcomes. Contractors and grantees should have demonstrated past performance and expertise to appropriately deliver on their requirements. All contracts and financial assistance awards have Contracting and Grants Officers and Specialists to administer the awards.

Question. Please provide an update on the Water Power Technologies Office spend plan for the remainder of FY 2025. Additionally, provide information on any additional carryover funds from past fiscal years that have not yet been obligated/spent but are required to fulfill prior commitments. TEAMER, for example?

Answer. WPTO's FY25 spend plan and plans for prior year carryover, including plans for TEAMER, are still being finalized and undergoing departmental review.

Question. Cuts to research, development, and deployment at DOE destroy essential programs that allow companies to scale up new technologies. Getting a new device from the lab to a manufacturing line requires investment without guaranteed returns. This period is called the "valley of death," and government plays a crucial role in shepherding companies through it during a time when private industry is reluctant to invest due to the inherent risk. Secretary Wright and Elon Musk both benefitted from DOE programs to get their companies over these "valleys of death." Sec. Wright invested in Fervo, which received \$5.6M from ARPA-E and up to \$60M from the Office of Energy Efficiency and Renewable Energy, and in Natron, which received \$19.8M from ARPA-E SCALEUP, and was on the board of Oklo, which received \$4.5M from ARPA-E. Elon Musk's Tesla got a crucial \$465M loan from the Loans Program Office to build the factory behind its first widely available model. Yet the President's Budget proposes cutting many of these essential offices.

Will DOE continue to provide support to companies facing the “valley of death?”

Answer. DOE is still evaluating awards to ensure appropriate resources are allocated efficiently, and that the Department’s initiatives are in line with the statutory mission of DOE and the policies and priorities of the Administration. We thank you for understanding, as DOE is processing and evaluating all selections and awards in accordance with all laws, regulations, and fiscal responsibility, as efficiently as possible.

Question. How do DOE and DOGE justify these cuts given the important role these offices played in enriching their heads?

Answer. The Department is focused on streamlining operations within the agency to increase efficiency. We will continue to evaluate every program and office on a case-by-case basis to ensure that we are progressing the goal of American energy dominance as is the priority of this Administration.

Question. Actions to freeze and rescind funding for programs enacted under the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and annual appropriations are deeply troubling. These abrupt reversals—some in response to Executive Order 14154 and DOE’s Secretarial Order on January 20, 2025—are causing severe uncertainty and economic risk for energy stakeholders and communities that depend on the continuity of these investments.

Is DOE currently honoring all legal obligations for previously obligated and executed awards, including those at the National Laboratories?

Answer. The Department of Energy is undertaking a review of its entire financial assistance portfolio. Any action taken will be consistent with the underlying statutory authority and terms of financial awards and Federal regulations.

Question. Will non-Federal recipients be reimbursed for work performed and invoiced prior to or during the funding freeze?

Answer. The Department of Energy will ensure that authorized invoices are paid.

Question. Has DOE provided the required reports to Congress on apportionment delays or violations of the Impoundment Control Act, as outlined in Federal fiscal statutes?

Answer. The Department is committed to meeting its statutory obligations and will follow the law.

Question. Will DOE commit to proactively updating Congress and stakeholders on the status of affected programs and personnel?

Answer. Yes.

Question. I am concerned by DOE’s new policy that sets 10 or 15% limit to indirect costs, otherwise known as facilities and administrative costs, for research grants. Indirect cost support is critical to cover research-related expenses, such as laboratory equipment, facilities, and operations critical for cutting-edge research. Cutting off this support, especially without warning or input from stakeholders, severely impedes research institutions’ ability to carry out the scientific work that has been authorized by Congress and has produced critical breakthroughs we all benefit from. Further, the ramifications of this policy will likely spread far beyond the grants themselves—maintaining U.S. competitiveness depends on our research institutions’ world-class facilities, which are made possible through the use of indirect costs.

How did DOE comply with required procedures, or provide appropriate justification, to deviate from its long-standing indirect cost rate policies?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912–ADB in the U.S. District Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

Due to pending litigation challenging Policy Flash PF 2025–25 regarding indirect costs for state and local governments, DOE respectfully refers to its filings in Case No. 6:25-cv-01458–MTK in the U.S. District Court for the District of Oregon.

Note: DOE has issued several policies capping indirect and fringe costs—Policy Flashes PF 2025–25 (state and local government awards), 2025–26 (non-profit awards), and PF 2025–27 (for-profit awards). These policy flashes operate differently from Policy Flash PF 2025–22 in that they do not prescribe a fixed indirect cost rate (like 15%, as announced in Policy Flash PF 2025–22). Rather, they cap the total amount of indirect costs and fringe benefits that DOE will repay, expressed as a percentage of the total award amount.

Question. What steps is DOE taking to ensure that changes to its indirect cost policies do not cause immediate and irreparable injury to our universities’ capabilities to train a next-generation energy workforce?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE)

respectfully refers to its filings in Case 1:25-cv-10912-ADB in the U.S. District Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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Question. What are the long-term implications of this policy on the pipeline of future scientists and researchers trained through university programs?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912-ADB in the U.S. District Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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Question. Has DOE assessed the potential regional economic and workforce consequences of capping indirect costs on state, local, and non-profit implementation partners? If so, will DOE release that analysis publicly?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912-ADB in the U.S. District Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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Question. What will happen to existing (conditional and nonconditional) awards if they do not meet the new terms and conditions in this policy?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912-ADB in the U.S. District Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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Question. What data and models did DOE use to conclude that a uniform 10 or 15% cap would be sufficient and sustainable across such varied institutional types

(e.g., universities, local governments, non-profits, for-profits)? Will DOE release this analysis publicly?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912–ADB in the U.S. District Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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Question. How does DOE justify this cap given that many organizations and governments currently operate with indirect cost rates significantly higher than the new proposed cap to cover essential research infrastructure and compliance?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912–ADB in the U.S. District Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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Question. What outreach or consultation—if any—did DOE undertake with university, non-profit, municipal, or private-sector stakeholders prior to issuing these policy changes?

Answer. A Policy Flash is a communication tool used by the DOE Office of Acquisition Management to disseminate acquisition or financial assistance-related information, guidance, and updates to procurement and financial assistance personnel. A Policy Flash simply informs the contracting community of a planned course of action. A Policy Flash is not a regulation; can be modified or cancelled at any time; is not subject to a public comment process; and does not have the force and effect of law. Policy Flash 2025–22 was an announcement of a planned course of action, along with the procedure to be used—application of a 15% indirect cost rate for grants to Institutions of Higher Education. The Policy Flash promised that “[a]dditional information is forthcoming[,]” including a “separate notice and guidance” to any recipients subject to termination of awards. Some DOE program offices sent notices to awardees after Policy Flash 2025–22 was issued, but due to an April 16, 2025 Court order that enjoined implementation of Policy Flash 2025–22 in any form, DOE has not pursued implementation of the Policy Flash or the indirect cost rate specified in it since that time.

Due to pending litigation challenging Policy Flash PF 2025–25 regarding indirect costs for state and local governments, DOE respectfully refers to its filings in Case No. 6:25-cv-01458–MTK in the U.S. District Court for the District of Oregon.

Note: DOE has issued several policies capping indirect and fringe costs—Policy Flashes PF 2025–25 (state and local government awards), 2025–26 (non-profit awards), and PF 2025–27 (for-profit awards). These policy flashes operate differently from Policy Flash PF 2025–22 in that they do not prescribe a fixed indirect cost rate (like 15%, as announced in Policy Flash PF 2025–22). Rather, they cap the total amount of indirect costs and fringe benefits that DOE will repay, expressed as a percentage of the total award amount.

Question. What impact assessments has DOE conducted to understand how this cap will affect the financial viability of ongoing and future research projects?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912–ADB in the U.S. District

Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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Question. Has DOE evaluated how this cap could influence the United States' position in global research and innovation competitiveness?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912–ADB in the U.S. District Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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Question. How does DOE reconcile these cost caps with existing negotiated indirect cost rates under OMB Circulars and 2 CFR 200, particularly where they exceed the new ceilings?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912–ADB in the U.S. District Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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Question. What specific exemptions, waivers, or appeal mechanisms will DOE make available for awards where capped indirect costs would result in program delays, layoffs, or funding shortfalls?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912–ADB in the U.S. District Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

Question. The President's "skinny" Budget Request calls for a \$1.15 billion cut to the Department of Energy (DOE) Office of Science. The Office of Science is the primary sponsor of research in the physical sciences, the home of 28 cutting-edge user facilities, and a direct funder and operator of the National Labs. You previously described our National Labs as "the crown jewel of our nation's scientific research," yet the Fiscal Year (FY) 2026 Budget Request calls for a roughly 14 percent cut to the Labs' primary funding mechanism. You also have claimed that DOE can, "Do more with less." Meanwhile China, our chief scientific rival, is reportedly investing tens of billions of dollars in critical technologies like artificial intelligence, quantum computing, and critical materials. In contrast with the 14 percent cut you propose, the Chinese government increased its basic science budget by 10 percent last December. While China doubles down on its scientific investments, the unprecedented cuts proposed in the President's FY26 Budget Request suggest that America plans to cede scientific leadership to China in these technologies and in basic science research.

How will you ensure American scientific competitiveness with China while gutting funding for the National Labs?

Answer. The President's Budget Request reduces funding for climate change and Green New Scam research, but maintains U.S. competitiveness in priority areas such as high-performance computing, artificial intelligence, quantum information science, nuclear energy (fission and fusion), and critical minerals. This funding level will refocus DOE's Office of Science to its core scientific priorities and cut spending on the previous administration's political priorities. DOE recognizes that the national laboratories play a vital role in advancing scientific discovery and technological innovation. They drive fundamental discoveries that underpin future technological advancements, pushing the boundaries of human knowledge in areas critical to national security and economic competitiveness. Their activities bridge the gap between basic research and practical application, translating scientific breakthroughs into tangible technologies with real-world impact. The President's Budget Request reflects a commitment to responsible stewardship of taxpayer dollars, balancing broader Administration priorities. Strategic choices must be made to ensure resources are allocated to maximize overall benefit to the nation. This budget reflects a commitment to prioritize national laboratory investments that demonstrate the greatest potential for near-term impact, preserve the foundations for scientific discovery, and align with core administration goals.

Question. The FY26 Budget Request names quantum information science as a priority technology area for DOE. If the National Quantum Initiative Act is reauthorized to enable greater funding for quantum programs and technologies through the DOE Office Science, will you support increased appropriations to execute quantum activities at DOE?

Answer. QIS is a priority for the administration and DOE welcomes the opportunity to discuss QIS investments across the Department's portfolio in the context of a reauthorization of the National Quantum Initiative (NQI) Act. In FY 2020, DOE's Office of Science established five lab-led National Quantum Information Science (QIS) Research Centers, as called for in the NQI Act. These centers focus on accelerating transformational advances in basic science and quantum-based technology needed for world-leading capabilities in QIS. In addition to these centers, the Department of Energy, through the Office of Science, continues to prioritize investments in quantum research across all of its core science programs. At \$329M in the Fiscal Year 2026 Request, QIS is one of the Office of Science's largest initiatives. These investments span foundational science, application development, and user access programs.

Question. Universities are a vital part of the science and innovation system in Illinois and across the country. For that reason, DOE's recent actions to restrict indirect cost recovery are a concern, as it could reduce investments and participation by U.S. universities in DOE's basic science programs, and limit scientific discovery. During the hearing, I was pleased to hear your willingness to engage universities in a constructive dialogue on this difficult issue. You referred to an invitation from DOE to U.S. universities to engage in such a dialogue, but there do not appear to be any public statements from you or DOE confirming such an invitation.

Will you share all written materials, whether publicly released or not, that solicited opportunities for dialogue with universities regarding the departmental indirect cost policy?

Answer. Due to pending litigation challenging Policy Flash PF 2025-22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912-ADB in the U.S. District

Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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Question. What is the specific time period during which this outreach was made, as well as the time period for responses to be gathered, including its end date?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912–ADB in the U.S. District Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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Question. Were any universities proactively approached or consulted, formally or informally, on this issue? If so, which ones?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912–ADB in the U.S. District Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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Question. A coalition of national organizations, including the Association of Public and Land-Grant Universities and the Association of American Universities, have announced an effort to develop a more efficient and transparent indirect costs funding model. Does DOE plan to engage with this effort?

Answer. Due to pending litigation challenging Policy Flash PF 2025–22 regarding indirect costs for Institutes of Higher Education, the Department of Energy (DOE) respectfully refers to its filings in Case 1:25-cv-10912–ADB in the U.S. District Court for the District of Massachusetts, and in particular, Document 47, the Opposition to the Motion for Temporary Restraining Order filed on April 22, 2025.

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SUBCOMMITTEE RECESS

Senator KENNEDY. And the subcommittee will now stand adjourned.

[Whereupon, at 4:14 p.m., Wednesday, May 21, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS FOR FISCAL YEAR 2026

WEDNESDAY, JUNE 11, 2025

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:02 a.m., in room SD-124, Dirksen Senate Office Building, Hon. John Kennedy (chairman) presiding.
Present: Senators Kennedy, Murkowski, Hyde-Smith, Britt, Rounds, Murray, Merkley, and Peters.

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

STATEMENT OF MR. D. LEE FORSGREN, ACTING ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

OPENING STATEMENT OF SENATOR JOHN KENNEDY

Senator KENNEDY. The Energy and Water Development Subcommittee of the Appropriations Committee will come to order. I want to thank all of our witnesses today. I think I'll start by deferring to the vice-Chair of the Appropriations Committee and the ranking member of this subcommittee, my colleague, Senator Murray. She'd like to make some comments, and then I'll have a few comments to make, and then we'll hear from our witnesses.

STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. All right. Thank you very much, Chair Kennedy. Good morning to all of you, acting Assistant Secretary Forsgren, Lieutenant General Graham, acting Assistant Secretary Cameron. Thank you all for being here today.

We are here today to talk about the fiscal year 2026 budget request for the Army Corps of Engineers and Bureau of Reclamation. Whether they know it or not, every American depends on the work of these agencies every day, and that's especially true for folks in my home State of Washington, and anyone who lives out West, or near a major waterway.

The Army Corps keeps our ports running smoothly, which is critical for our economy and our trade. They manage critical infrastructure like our dams, levees, and bridges, and protect commu-

nities from dangerous floods. And they support our ecosystems and help protect keystone species like salmon among a lot else.

The Bureau of Reclamation brings water to over 30 million people and irrigation to 1 in 5 farmers out West. It generates power to keep the lights on in millions of homes, and it protects farmers and communities against drought to name a few things. It is critical work that we cannot afford to shortchange, but President Trump's budget request shows yet again that he has no clue and no problem gutting essential water investments our communities rely on to feed their families and stay safe from flooding.

The President's budget requests a nearly 25 percent cut for the Corps of Engineers. And when you consider the fact that House Republicans last yearlong CR (Continuing Resolution) already cut funding for the Corps, we are really talking about a nearly 30 percent cut for the Corps, relative to the funding level just a few months ago.

This request, for example, falls \$1.7 billion below the target level for the Harbor Maintenance Trust Fund, leaving more than half of that target funding on the table. Not only that, you include just \$60 million for donor and energy ports like my home State when our bipartisan Water Resources Development Act has specifically instructed that there be \$417 million for these ports. And President Trump's budget also proposes a massive 30 percent cut for the Bureau of Reclamation.

These cuts would end critical work on flood prevention, port dredging, basic management of our water resources and more. This is flat out dangerous, and Trump's budget is dead on arrival here in Congress as far as I'm concerned. But we have a lot more to cover beyond the budget request because as we sit here today, the President seems bent on doing everything he can to undermine the work of the Corps and the Bureau with reckless staffing cuts, and by brazenly and corruptly politicizing the allocation of funding and control over our Nation's water resources.

In the span of just a few months, DOGE (Department of Government Efficiency) has pushed out a quarter of the Bureau's staff without any discernible strategy. This mass exodus of talent puts the Bureau's mission at serious risk. The last thing we need are fewer dam safety inspections or big delays on repair projects.

And when it comes to politicization, the President spent much of his first few weeks in office making up conspiracies about California's water supply as wildfires raged, vowing to block disaster relief, picking fights with the state's governor, and against the advice of all experts, ultimately ordered the Corps to open two dams and unleash billions of gallons of water on California's central valley.

That move, predictably, did absolutely nothing to stop the fires and came nowhere near LA (Los Angeles), but it did waste huge quantities of precious water, and nearly flooded, yes, flooded local farms and communities, and put agriculture at risk. It was one of the first instances we saw of this President meddling in the Corps's work and overruling experts to chase some fixation.

But it was not the last. A few weeks ago, the Corps released plans detailing how it is allocating funding for construction projects in fiscal year 2025. Now, usually, that is something we decide here in Congress, but that decisionmaking power was turned over to

Trump Administration with the House Republicans yearlong slush fund CR. That was one of the many reasons I voted against that bill, and it's a reminder to all of us about why we do need strong bipartisan spending bills.

So, instead of allocating construction funding to projects that were selected in both our bipartisan Senate Appropriations Bill and the Republican House Bill, and giving funding to red and blue States roughly evenly, as both bills did, this administration decided to steal hundreds of millions of dollars million in critical investments from blue States and steer those investments instead to red States and the President's political allies.

Every single construction project in California, the most populous State in the country was zeroed out. We're talking about funds that protect people in one of the most flood-prone States in the country gone, and Trump completely defunded construction at the Howard Hanson Dam in Washington State, leaving a literal hole in the ground. This is a shovel-ready project that will ensure water reliability for over 1 million people in the region. And of course, the administration budgets proposal does not fund those projects in fiscal year 2026.

All told, two-thirds of the Army construction funding is now headed to red States for no reason other than Trump wanting to punish political enemies and reward friends. This is not how these projects should work ever in the United States of America.

Lieutenant General Graham, a few weeks ago, the assistant secretary's office was asked in a house hearing about this nakedly partisan allocation. That official didn't even try to justify it. Instead, they said, tellingly, the buck stopped with OMB (Office of Management and Budget). So, there it is, Trump and Russell Vought called the shots and defended those projects on their own.

Now, I shouldn't need to tell anyone here floods hit red States and blue States alike. Droughts, hammer farmers in rural districts and strain families in big ways. Every single American in one way or another depends on our ports being well maintained to get the basic goods we count on and keep our economy humming. And everyone should be able to trust their government will decide how to invest resources and protect them from threats like flooding, drought, and wildfire based on science, based on engineering. That is what's best for people, not on a President's desire for retribution.

So, I believe Congress needs to reject these reckless cuts that you are requesting for the Corps and the Bureau, and we need to see an end to this egregious politicization of these kinds of resources. This is not a path we can afford to continue going down as a country.

So, I'll just give a warning to all of my colleagues. Once again, it may not have been your State this time, but you all know full well just how fickle the President can be. We should not leave this authority with him. We do need to come together and write our own strong bipartisan bill. Thank you.

Senator KENNEDY. Put Senator Murray down as doubtful gentlemen about your budget. I look at your budget a decrease of 23 percent, it's \$2 billion from fiscal year 2025 enacted. A reduction in funding for the Mississippi River and tributaries account of 29 percent. That's \$106 million.

A reduction in funding for the operation and maintenance account of 28 percent, \$1.6 billion. The budget doesn't propose any use, none, of the Inland Waterways Trust Fund receipts, and proposes to use only \$1.7 billion from the Harbor Maintenance Trust Fund. That's about \$1.7 billion less than the Congressional target.

I was reading the other night, I don't remember the exact figures, but scientists estimate that there are 2 to 3 trillion galaxies in the universe. And in not a single one of those galaxies is this Congress or any Congress likely to approve this budget. I mean, that's just a fact.

Now, I understand the way it works, that you gentlemen didn't write this budget. Hopefully, you had input, but you didn't write it. It came from OMB. And I also understand that Congress has never accepted a President's budget, any President's budget, and just enacted it without changes. That's never happened in the history of ever. So, I get all that.

But having said that this is obviously not acceptable, and I hope we can talk about that frankly today. I don't know what's going to happen this year in terms of a budget. I'm an optimist, but I am a paranoid optimist. Last year, I watched Senator Murray and Senator Collins work really, really hard to put together 12 bills. I watched the entire Appropriations Committee work very, very hard to approve those bills.

And a lot of us had to, on both sides of the aisle, had to swallow things that we almost choked on, but we wanted to put together a budget because that's our first job. I know you hear a lot about the Senate being in the personnel business, and we are, but really, our job's put together a budget. And we did. And my friend Senator Schumer refused to bring any of those bills to the floor. Not one, none, zero.

My goal was to see the bills come to the floor and then have an open amendment process where colleagues of mine both on and off the Appropriations Committee could weigh in. But Senator Schumer chose not to. I mean, that's just a fact.

I don't know what's going to happen this year under President Trump. I want to try to be as impartial as I can be in making this statement, but I think it's accurate. Under President Biden, and President set the tone in Washington, under President Biden, the general discussion was who needs to pay more in taxes?

Under President Trump, it's clear to me at this juncture that the discussion has changed. The discussion is now what the hell happened to the money? And that's a healthy discussion to have. But when it comes to the Corps of Engineers—and before I get there, and that leads me to believe that we may not have a budget this year. I just don't know if we can come together on it. It's always a challenge.

But it's clear to me that at least on my side of the aisle we are expecting to reduce the amount of spending, strategically, but reduce it. And I know some of my friends in the Senate are going to have a problem with that, but that's the reality.

Now, when it comes to the Corps of Engineers, that is slightly different because there is bipartisan support for the important work that you do. It doesn't mean that we can't find savings, and it doesn't mean that we shouldn't make changes. And we're going

to talk about that today, but a 23 percent decrease, I think some to Murray by her calculations, it might be a 30 percent. That's just not acceptable. So, help us, help us work through this and come up with a plan that looks like somebody designed it on purpose, which is not this one.

Let me make one other comment and then, then I want to hear from you gentlemen. Look, I know you have a tough job. I get that. Every Senator, every congress person wants their projects, and they want them first, and they want them yesterday. I get that. And you have finite resources. We all do. And you have a lot of smart people working at your agency, but you could use more. I get all that.

So, I don't want to—I'm spending a few minutes on this because I appreciate the job that you do. I do. But we've got to do better. Our estimates on the cost of projects are just too wide off the mark. I mean, I could give you, I'm not going to do it, but I could give you example, after example, after example. And we're not talking 10 percent off, or 20 percent off, or 30 percent off, we're talking squillions of dollars off. I understand inflation, but it doesn't account for this.

We also have to figure out a way you do—frankly, to bring these projects in on time or at least closer to the estimated time. If you did in the private sector in terms of your delays in your, I'll say higher, our cost overruns, if you did that in the private sector, you would be out of business. Nobody would hire you, and the penalties from not completing the project on time would put you out of business. We just got to do better. It's just that simple. And I hope you, today, you'll talk about how you're planning on doing that.

Let's start with us today. I guess I should introduce our colleagues who are here today. Acting Secretary Lee Forsgren, he was appointed principal deputy Assistant Secretary of the Army Civil Works on March 31. Welcome. Lieutenant General Williams H. Butch Graham, Jr. You are the 56th Chief of Engineers and Commanding General of the United States Army Corps of Engineers. You assumed your duties on September 13, 2024. Welcome. Acting Assistant Secretary for Water and Science, Scott Cameron. Secretary Cameron has been in this role since January 21. We welcome all of you. The floor is yours. Why don't we start with Secretary Forsgren.

SUMMARY STATEMENT OF MR. D. LEE FORSGREN

Mr. FORSGREN. Thank you, Mr. Chairman, Ranking Member Murray, other members of the subcommittee. It's an honor to be here this morning. Before I go too deep, I wanted to point out that on Saturday, the Army turns 250, and the Army Corps of Engineers turns 250 on Monday. So, this—the Corps of Engineers and the Civil Works Program have been around since the dawn of the country, and I could not be prouder to be working with the professionals that to every day take that legacy forward.

I would like to ask that my entire statement be placed in the record. But a couple of just points, Mr. Chairman. We couldn't agree with you more that we need to find ways to bring projects in, on time, and as much as closer to being on-budget. There is a myriad of reasons for that.

But pointing fingers isn't going to solve the problem. We are committed to trying to do that there. There's probably not a single silver bullet that would've fixed that problem, or it would've been fixed decades ago. So, we've got to find a bunch of a number of ways to work the problem, to make our projects be more cost effective and faster.

That said, General Graham works every day on that process. We are committed, as Secretary of the Army's Office and in the administration, to support those functions in all of our interest, and it's in the national interest to do so.

And with that, I would just welcome any questions that you-all might have.

[The statement follows:]

PREPARED STATEMENT OF MR. D. LEE FORSGREN

Chairman Kennedy, Ranking Member Murray, and distinguished members of the subcommittee, thank you for the opportunity to be here today to discuss the President's Fiscal Year 2026 Budget for the Army Civil Works program.

The Fiscal Year 2026 Budget includes nearly \$6.7 billion for the Army Civil Works program, with a focus on the Corps' primary missions of commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. The Budget focuses on opportunities to support these missions that provide a high return to the American public, such as by facilitating maritime commerce, addressing the most significant flood risks facing communities, and restoring the highest priority aquatic ecosystems.

In total, the FY 2026 Construction program is funded at more than \$1.6 billion. The majority of that amount is provided in the Construction account, but also \$43 million from the Harbor Maintenance Trust Fund, and \$55 million from the Mississippi River and Tributaries account. The Construction program uses objective, performance-based criteria to give priority to the projects with the highest economic, environmental, and safety returns.

The President's Fiscal Year 2026 Budget focuses on commercial navigation, which is a key pillar in our nation's economic strength. In support of our nation's manufacturing supply chain and the Administration's commitment to our nation's coastal ports and inland waterways, the Fiscal Year 2026 Budget includes \$379 million in construction funding including \$161.591 million for the Houston Ship Channel, Texas project and \$176.6 million to continue construction of the Sault Ste Marie (Replacement Lock), Michigan project to provide efficiency and redundancy for a critical trade route for iron ore in the Great Lakes region. Also included in the Budget is \$1.1 billion to operate and maintain the top 50 U.S. coastal ports, which handle around 90 percent of the nation's waterborne cargo that is shipped to or from the United States in foreign commerce.

Flood and storm damage reduction is at the center of the Civil Works program's actions to support the Administration's goal of addressing the most significant flood risks facing communities. Accordingly, the Budget contains over \$1.7 billion for flood and storm damage reduction. Of this amount, the Budget includes \$571 million in funding to address dam safety at the Whittier Narrows, CA project.

The Budget includes \$650 million for the aquatic ecosystem restoration mission. The Budget supports the high-priority environmental restoration priorities of the Administration with the inclusion of \$446 million for the South Florida Ecosystem Restoration program, which will enable significant progress to continue in restoring America's Everglades.

Of course, in addition to construction projects, the Budget focuses on maintaining the key features of the vast water resources infrastructure that the Corps owns and manages. Specifically, the FY 2026 Budget funds the Operation and Maintenance program at over \$4.1 billion, consisting of just over \$2.3 billion from the Operation and Maintenance account, nearly \$1.7 billion from the Harbor Maintenance Trust Fund, and nearly \$192 million from the Mississippi River and Tributaries account. For Operation and Maintenance, the Budget prioritizes the maintenance of commercial navigation on Federal channels over spending on projects that are not a Federal responsibility. The allocation of funding among projects for maintenance reflects a risk-informed approach that considers both project and project component conditions and the potential consequences of a failure. The Budget also gives priority to the

maintenance of coastal ports and inland waterways with the highest commercial traffic.

As I wrap up, I'll note the FY 2026 Budget provides \$139 million for the Investigations program, consisting of \$130 million from the Investigations account and \$9 million from the Mississippi River and Tributaries account. This includes preconstruction engineering and design work for dam safety modification projects with high risk of failure, including \$18.5 million for Garrison Dam, Lake Sakakawea, North Dakota and \$26 million for Keystone Lake, Oklahoma.

Additionally, the FY 2026 Regulatory Program is funded at \$221 million to provide efficiency in permit processing.

Lastly, I would like to note that \$7 million is included for the Office of the Assistant Secretary of the Army for Civil Works. Since 2009, my office has never received an appropriation larger than \$5 million, and some years less. However, our costs—salaries and retirement, services and rent, and travel and supplies—have all continued to rise over the past 15 years. Using the latest U.S. government Consumer Price Index data (at a 44.6% cumulative rate of inflation), the \$5 million my office received in 2009 equates to over \$7 million in today's dollars. However, this funding has remained flat. Full funding is critical to provide effective oversight of the Army Civil Works program.

To summarize, the Budget makes critical investments in water resources that will benefit the American people and promote greater prosperity and economic growth for decades to come.

I am very honored to implement the President's priorities for the Army Civil Works program and excited to be a part of a great team—serving our Nation.

Thank you for inviting me here today. I look forward to your questions.

Senator KENNEDY. Lieutenant General Graham, welcome.

**STATEMENT OF LIEUTENANT GENERAL WILLIAM H. GRAHAM, JR.,
CHIEF OF ENGINEERS AND COMMANDING GENERAL, U.S. ARMY
CORPS OF ENGINEERS**

General GRAHAM. Thanks. Chairman Kennedy, Ranking Member Murray, I'm honored to testify before you today in regard to the President's fiscal year 2026 budget. The United States Army Corps of Engineers, as we've heard this morning, the course of works program is absolutely key to the Nation's commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration missions, amongst others.

To highlight a couple of those, the navigation program underpins the entire national economy ensuring that commodities can move reliably and efficiently. Our flood and storm damage reduction program maintains over 746 dams, and over 13,000 miles of Federal levees that protect over \$200 billion in flood damages avoided, averaged over a 10-year period.

The 2026 President's budget is performance-based and focused on high performing projects and programs, and the Corps uses a targeted approach to invest in the water resources that benefit the Nation now and into the future.

Chairman, we absolutely take you seriously on we've got to improve delivery. Our objective every day is to safely deliver quality projects on schedule and within budget. That's our objective. It's not a goal, it's our objective. To this end, we've improved our ability to measure our on-schedule performance. And right now, when I checked this morning, we're at 81 percent. That's a low, low, low B, and that's unacceptable.

This performance, as you've discussed, is influenced by factors that we can't control, such as inflation. But there's a bunch that we can control, and I'd like to highlight three, and then we're organizing the Corps around these three.

First and foremost, we've got to get the engineering right, and we've got to get the engineering right before we ask for authorization. It's like coming up to the authorizing committees and say, "I need a house," and I put a price tag on it, but I didn't tell I need a four-bedroom house with a two-car garage.

We've asked for authority to build things where we haven't had the scope nailed down fully. And in engineering terms, the design needs to be matured at least to the 35 percent design before we ask for the authority to build it. And that's my commitment to you. I'll sign no chief's report unless the engineering is advanced to the 35 percent design.

Second thing we need to do is we've got to get the project management right. And Chairman, that's what you said. We've got to make good schedules that have contingency to deal with the unknowns. And then, we've got to stick to those schedules with a great sense of urgency.

And the last one, we've got to get the team that's building this right. And we're striving every day to bring in the right team members or the right contractors to augment our team to build these facilities. So, the path to successful deliveries is clear; plan projects thoroughly, build them rapidly with predictable funding, and have the right team of master craftsmen to deliver them. And I look forward to working with this committee to stay on that path.

And I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL WILLIAM H. "BUTCH" GRAHAM, JR.

Chairman Kennedy, Ranking Member Murray, and Members of the Subcommittee:

I am honored to testify before your committee today, along with Mr. D. Lee Forsgren, the Acting Assistant Secretary of the Army (Civil Works), in regard to the President's Fiscal Year 2026 (FY 2026) discretionary Budget request (discretionary request) for the Army Civil Works Program.

Through the Civil Works Program, the United States Army Corps of Engineers (Corps) works with other Federal agencies, and with state, Tribal, and local agencies and others, to develop, manage, restore, and protect water resources, primarily through the construction, operation and maintenance, and study of water-related infrastructure projects. The Corps focuses on work that provides high economic, environmental, and public safety returns to the Nation. The Corps also regulates development in waters of the United States and works with other Federal agencies to help communities respond to, and recover from, floods and other natural disasters.

SUMMARY OF FY 2026 DISCRETIONARY REQUEST

The Civil Works Program is performance-based and focuses on high-performing projects and programs within the three main water resources missions of the Corps: commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. The Corps uses a targeted approach to invest in water resources, which will benefit the Nation now and in the future.

The discretionary request includes nearly \$6.7 billion for the Civil Works Program.

INVESTIGATIONS PROGRAM

The Investigations program is funded both in the Investigations account and in the Mississippi River and Tributaries account. The Corps uses these funds to evaluate water resources problems and opportunities within the Corps' three main mission areas, design proposed projects, and support related work. The Investigations program includes the Corps planning assistance and technical assistance programs, where the Corps shares its expertise with local communities to help them identify and understand their water resources challenges, and to develop options, with an

emphasis on steps that they can take on their own to address these issues. For FY 2026, the Budget includes a total of \$139 million for the Investigations program.

CONSTRUCTION PROGRAM

The Construction program is funded through the Construction account, the Mississippi River and Tributaries (MR&T) account, and the Harbor Maintenance Trust Fund (HMTF) account.

The goal of the Construction program is to produce as much value as possible for the Nation from the available funds. The Corps also gives priority to investments, selected on a risk-informed basis, in dam safety assurance, seepage control, and static instability correction work at dams that the Corps owns and operates. The FY 2026 Budget includes a total of \$1.656 billion for the Construction program to support these high-priority investments.

OPERATION AND MAINTENANCE (O&M) PROGRAM

The O&M program of the Corps is funded through the O&M account, the MR&T account, and the HMTF account.

Generally, the O&M program supports completed works owned or operated by the Corps, including operation and maintenance of locks and dams along the inland waterways; maintenance dredging of inland and coastal Federal channels; operation and maintenance of multi-purpose dams and reservoirs for flood risk reduction and related purposes such as hydropower; and management of Corps facilities and lands, including serving as a responsible steward of the natural resources on those lands.

The FY 2026 Budget includes a total of \$4.174 billion for the Operation and Maintenance program to support the Corps' efforts to sustain the benefits of its existing infrastructure.

All structures age and can deteriorate over time, causing a potential decline in reliability. The Corps has a large portfolio of water resources projects and is working to sustain the benefits that the key features of its infrastructure provide.

The Corps continues to improve the efficiency and effectiveness of its Operation and Maintenance program. The Corps does so by targeting its investments in infrastructure maintenance, repair, and rehabilitation on a risk-informed basis. It invests in the highest priority needs with emphasis on the key features of the infrastructure that the Corps owns and operates, and in work that will reduce long-term O&M costs in real terms.

REGULATORY PROGRAM

Through its Regulatory Program, the Corps protects the Nation's waters including wetlands, and regulates development that could impede navigation, while allowing reasonable development to proceed. The FY 2026 request includes \$221 million to support this important permitting and compliance work.

FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM (FUSRAP)

Through FUSRAP, the Corps is involved in the investigation and cleanup of certain low-level radioactive materials and mixed wastes, located mostly at sites contaminated as a result of the Nation's early atomic weapons development program. The FY 2026 Budget includes \$200 million to continue this remediation work.

CONCLUSION

The FY 2026 discretionary Budget request for the Army Civil Works Program represents a continuing, fiscally prudent investment in the Nation's water resources infrastructure. The U.S. Army Corps of Engineers is committed to a performance-based Civil Works Program, based on innovative, high-return, risk-informed solutions.

Thank you, Chairman Kennedy, Ranking Member Murray, and Members of the Subcommittee. This concludes my statement. I look forward to answering any questions you or other Members of the Subcommittee may have.

Senator KENNEDY. Thank you, General. Mr. Secretary.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

STATEMENT OF MR. SCOTT J. CAMERON, ACTING ASSISTANT SECRETARY FOR WATER AND SCIENCE

Mr. CAMERON. Thank you, Chairman Kennedy, Ranking Member Murray, and Senator Hyde-Smith for the opportunity to testify to you today on behalf of the President's 2026 budget request for the Bureau of Reclamation.

Reclamation's projects and programs serve as the water and power infrastructure backbone of the American West constituting an important driver of economic growth in hundreds of basins throughout the 17 Western States. Reclamation manages water for agriculture, hydropower production, municipal and industrial use, and provides flood control and recreation for 90 million people.

Recreation's activities support economic activity valued at \$64 billion, and support approximately half a million jobs. Reclamation delivers 10 trillion gallons of water to millions of people each year and provides water for irrigation of 10 million acres of farmland, which yields approximately 25 percent of our Nation's fruit and nut crops, and 60 percent of the vegetable harvest.

Water and related resources account ensures reliable water and energy for agriculture, industry, cities, and rural populations, foundational pillars of the President's America first agenda. These investments deliver tangible results aligned with executive orders, promoting energy dominance, and streamlined governance.

The Central Valley Project in California maintains and modernizes facilities and increases water conveyance to Southern California and the San Joaquin Valley. The Klamath Project in Oregon and California ensures operational flexibility for irrigation deliveries and natural resource management.

The Bureau of Reclamation's work on the Colorado River directly advances presidential priorities of securing American energy, ensuring domestic water supply, and asserting sovereignty and international negotiations with Mexico through the lower Colorado River Operations Program, including implementation of the drought contingency plans, and binational agreements with Mexico. Reclamation enhances water supply reliability for U.S. communities while acknowledging our treaty obligations.

We're working very closely with the seven Colorado River Basin States at this point because a number of key agreements expire in 2026, and we are working very hard to find a seven-State solution that the seven governors will find agreeable to manage the increasingly scarce water resources over the Colorado Basin for the next 20 years.

Thank you for your time. I look forward to answering your questions.

[The statement follows:]

PREPARED STATEMENT OF SCOTT J. CAMERON

Thank you, Chairman Kennedy, Ranking Member Murray, and members of the Subcommittee for the opportunity to testify in support of President Trump's Fiscal Year 2026 budget blueprint request for the Bureau of Reclamation and discuss what our team is doing to make America safer, stronger, and more prosperous. I am Scott

Cameron, Senior Advisor to the Secretary, Exercising Delegated Authority of the Assistant Secretary.

Reclamation's projects and programs serve as the water and power infrastructure backbone of the American West, constituting an important driver of economic growth in hundreds of basins throughout the 17 Western States. Reclamation manages water for agriculture, hydropower production, municipal and industrial use, and provides flood control and recreation for 90 million people. Reclamation's activities support economic activity valued at \$64 billion and support approximately 450,700 jobs. Reclamation delivers 10 trillion gallons of water to millions of people each year and provides water for irrigation of 10 million acres of farmland, which yields approximately 25 percent of the Nation's fruit and nut crops, and 60 percent of the vegetable harvest.

Reclamation serves 17 Western States: Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, Oklahoma, South Dakota, Texas, Utah, Washington, and Wyoming. Reclamation works with a wide range of stakeholders, including water and power customers, Tribes, State and local officials, non-governmental organizations and others.

The Bureau of Reclamation's FY 2026 budget blueprint of \$1.2 billion focuses on the core mission of maintaining assets that provide safe, reliable and efficient management of water resources through the western United States.

WATER & RELATED RESOURCES OVERVIEW

The Bureau of Reclamation's Water & Related Resources (W&RR) account is the primary source for carrying out its mission to manage, develop, and protect water and related resources in the western United States. This account supports the planning, construction, operation, maintenance, and rehabilitation of Reclamation projects that deliver water for agricultural, municipal, and industrial use; generate hydroelectric power; and support environmental stewardship and recreation. It also supports programs that promote water conservation, improve infrastructure reliability, and ensure compliance with applicable environmental laws.

Within the W&RR account, appropriations are organized into several functional categories. Water and Energy Management and Development supports projects and programs that enhance water supply reliability, and water infrastructure development. Land Management and Development covers the stewardship of Federal lands associated with Reclamation projects, including recreation, cultural resources, and public safety. Fish and Wildlife Management and Development supports species and habitat protection, ensuring compliance with the Endangered Species Act and other environmental statutes. Facility Operations ensures that Reclamation's dams, canals, and powerplants operate safely and efficiently to meet delivery and power generation commitments. Facility Maintenance and Rehabilitation addresses aging infrastructure, conducting major repairs, and modernizing facilities to maintain system reliability and performance. This account also funds the ongoing operational and maintenance needs of completed Indian Water Rights projects as well as work to help meet statutory compliance of enacted settlements. Together, these categories ensure the Bureau can meet its core mission while addressing long-term sustainability and risk management.

The W&RR account ensures reliable water and energy for agriculture, industry, and rural populations—foundational pillars of the President's "America First" agenda. These investments deliver tangible results aligned with Executive Orders promoting energy dominance and streamlined governance.

PRIORITIZING WESTERN WATER DELIVERIES FOR PEOPLE AND AGRICULTURE

On January 20, 2025, President Trump issued a memorandum titled "Putting People over Fish: Stopping Radical Environmentalism to Provide Water to Southern California." This directive instructs Reclamation to "route more water from the Sacramento—San Joaquin Delta to other parts of California" to benefit farms and communities. Reclamation is taking action now to support the President's initiatives by:

Focusing on California Water Supply: The Central Valley Projects (CVP) includes multiple divisions, including the American River Division, Delta, and the Trinity River division. These projects maintain and modernize facilities and increase water conveyance to Southern California and the San Joaquin Valley.

Emphasis on Water Deliveries for People & Agriculture: The Klamath Project ensures operational flexibility for irrigation deliveries.

Streamlining Regulatory Hurdles: Supporting ESA compliance and legal coordination to invoke emergency exemptions.

COLORADO RIVER WATER

The Bureau of Reclamation's work on the Colorado River directly advances presidential priorities of securing American energy, maximizing domestic water supply, and asserting sovereignty in international negotiations. Through the Lower Colorado River Operations Program, including implementation of Drought Contingency Plans and bi-national agreements with Mexico under Minute 323, Reclamation enhances water reliability for U.S. communities while maintaining strategic control of cross-border resources. Simultaneously, operation of Glen Canyon Dam and Lake Powell, along with the Upper Colorado River Operations Program, reinforces national energy production through stable hydropower generation, and ensures water delivery certainty across the Southwest, fulfilling directives to prioritize infrastructure, reduce regulatory interference, and deliver for farmers, families, and industry.

CENTRAL UTAH PROJECT COMPLETION ACT

The Budget supports continuing construction of the Utah Lake Drainage Basin Water Delivery System, the final component of the Central Utah Project; allows for development and implementation of water conservation projects to extend limited water supplies; and provides support for associated fish and wildlife conservation measures.

Senator KENNEDY. Thank you, Mr. Secretary.

I'm going to listen for a while. My guess is Senator Murray has some questions.

Senator MURRAY. I do.

Senator KENNEDY. The floor is yours, Madam vice-Chair.

Senator MURRAY. Thank you very much, Mr. Chairman. Thank you for your testimony this morning.

General Graham, let me start with you. The Howard Hanson Dam project is to address dam safety issues, provide additional water supply and meet the court's legal obligations by opening up miles of critical salmon habitat. Would you agree with that assessment?

General GRAHAM. Ranking Member Murray, yes. The Howard Hanson project right now is the one we're working on, is primarily a fish passage to figure out how to get small juvenile fish off of a high head dam, which we've never done before. But it's part of a larger project that provides, as you said, critical flood risk management and water supply protection to the southeastern part of Seattle.

Senator MURRAY. Is it true that the \$500 million the project was slated to receive in the fiscal year 2025 budget as well as in the House and Senate bills would've allowed construction to proceed on schedule?

General GRAHAM. Yes, that would've allowed us to keep on our current construction schedule.

Senator MURRAY. Yes. Well, it's clear that Howard Hanson Dam project is shovel ready. And despite that, the Trump Administration seems ready to walk away from that. Everyone needs to understand turning the Army Corps into a political slush fund sets a very dangerous precedent. In fact, in testimony before the House, a top Army Corps official very explicitly stated that OMB, not the experts at the Corps, called the final shots here.

Section 107 has been passed on a bipartisan basis in our bill for the last 5 years and makes clear that funding should be allocated only to projects determined to be eligible by the chief of engineers. It appears that OMB handed the Corps the final spend plan without consulting you as required. The law needs to be followed.

So, I'm going to ask you yes or no. Were you provided a final spend plan so you could determine all the project listed were eligible?

General GRAHAM. Ranking Member Murray, we provided our best technical recommendation to the assistant secretary.

Mr. FORSGREN. And Senator Murray, we provided input through the presidential budget process on that spending plan.

Senator MURRAY. You provided—

General GRAHAM. We provided technical input on that spending plan.

Senator MURRAY. So, that you could prove that all of them were eligible. Correct?

General GRAHAM. I don't think eligibility was ever the question.

Senator MURRAY. Well, that's really troubling and really an example of this administration that just somehow thinks they're above the law. I mean, I got news for Russell Vought; the law applies to him the same as for everybody else. So, that is very troubling.

Mr. Forsgren, let me go back to you. I consistently hear from ports and harbors across the country about how they rely on the Harbor Maintenance Trust Fund to maintain critical port infrastructure.

Now, in April, the administration issued an executive order acknowledging that cargo carriers divert goods to Canada from our donor ports, Seattle-Tacoma, others, to avoid the harbor maintenance tax. That's really an unfair practice. I've spoken about it for years, but this year's budget request does not even attempt to meet the word of targets for HMTF (Harbor Maintenance Trust Fund) donor port funding. And even more troubling in the skinny budget.

This administration tries to tell Congress that it is not a Federal responsibility to provide those dollars, even though that is one of the explicit purposes Congress passed into law. That is really unacceptable. Donor port funding has already been determined through the water process and our annual appropriations bills for years. It is extremely frustrating that I have to continue raising this issue year after year to get our ports the fair share they are entitled to under the law.

Will you commit to ensure that donor ports like Seattle and Tacoma will receive their full fair share of the HMTF dollars as Congress intended?

Mr. FORSGREN. Senator, I will commit to working to ensure that the Harbor Maintenance Fund is used to the maximum extent it possibly can. We understand the Harbor Maintenance Fund is the backbone of the commercial navigation—

Senator MURRAY. Yes.

Mr. FORSGREN [continuing]. System for our ports, and that system has to be able to be functional across all the Nation's ports. But I will say there needs to be a primary focus on the principal Federal responsibility, which is the mainline channels. But I do will commit to working with you to fully utilize the Harbor Maintenance Trust Fund as it is passed into law.

Senator MURRAY. Okay. Well, let me ask you one more question in my last few seconds. The Columbia River provides habitat for salmon, endangered species. It also irrigates 600,000 acres of farm-

land and serves as a marine highway. It also provides electricity to the entire northwest, and critically, it has a transboundary waterway shared with Canada. So, the State Department has been leading efforts to negotiate a modernized Columbia River Treaty, which is really critical to providing certainty for people and businesses across our region who rely on the Columbia River.

But this administration appears committed to doing everything they can now to tank our relationship with our friend and neighbor, Canada. And the key to getting this agreement in place and all the hard work that has gone into it was collaboration between all the stakeholders. It is really imperative that as the interim agreement is executed, that that collaboration continues.

So, Mr. Cameron, Mr. Forsgren, will you commit to ensuring that the Corps and Reclamation continue to communicate with Tribes and the public utilities on the operation of the Columbia River System?

Mr. FORSGREN. Senator Murray, we certainly commit. We are committed to the treaty, as is reflected in the budget, and we are committed to continuing the dialogue necessary to operate and maintain the system.

Senator MURRAY. Mr. Cameron.

Mr. CAMERON. Yes, Senator. I've already had multiple meetings with stakeholders from throughout the Columbia River Basin, so we're including Tribes. So, you know, conversations are ongoing.

Senator MURRAY. Okay. This is really a critical treaty. We need to get it enacted. And again, Canada is not our enemy there. We need to conclude them. Thank you.

Senator KENNEDY. Senator Hyde-Smith.

Senator HYDE-SMITH. Thank you, Chairman Kennedy. And thank you, panel, for being here today. I certainly appreciate your willingness to serve in the capacities that you do.

My first question is going to be on the Yazoo Backwater Area Management Project, which is no surprise to anyone. I've been working on this for many, many years. And Secretary Forsgren and General Graham, as you know, the U.S. Army Corps of Engineers, Mississippi Valley Division, signed a record of decision for the new Yazoo Backwater Area Management Plan earlier this year, which I, with thousands of Mississippi, were thrilled about this milestone. And I'd also like to express my gratitude to the Corps for the \$32 million allocated to the project in your fiscal year 2025 work plan that was announced last month.

Of those funds, \$15 million we used for pre-construction engineering and design work, \$15 million for mitigation to protect wildlife and wildlife habitat, and \$2 million for mitigation infrastructure construction. We're certainly moving in the right direction now and providing adequate flood protection for area residents. Something that was promised literally decades ago.

The findings outlined in the project's final environmental impact statement stated in addition to reducing catastrophic flooding that project implementation would not convert any wetlands to wetlands. Wildlife and habitat will be better off for the project, aquatic resources will be better off with this project, water quality will be better off for this project, everything is positive here. Everything will be better off.

Secretary for Forsgren and General Graham, would you agree with the findings detailed in the final EIS (Environmental Impact Statement)?

Mr. FORSGREN. Yes, Senator. We are committed to that project. We were—I will say, put my personal hat on, I sat in your office about 5 years ago when we discussed the outlines of the beginnings of that project and how we might move forward. And I was thrilled to see that it, you know, is moving forward. So, when I was sworn in, I was happy, to be honest, not to have to take up—that the project had moved forward in that interim period.

The short answer is there's going—we're committed to the project. We're committed to moving forward. I believe the findings are accurate. That doesn't mean the Corps still has a lot to do for as the engineering and how we finalize exactly what that project needs to look like. But we're talking about deciding on the—which crown molding we're going to take, put in the house. We're not deciding on to build the house in this case.

General GRAHAM. I don't have much to add. We're thrilled, and we're excited to see this moving forward. Our commitment to you is as we go into pre-construction engineering and design, is let's advance that design now to include the mitigation that—you know, the extent of that, so that when we come forward, this is how much this is going to cost, that we give you an accurate cost estimate. That's our commitment to you.

Senator HYDE-SMITH. Wonderful. And the total capability for this project for the fiscal year 2026 is truly significant. I get that. I'm shocked by that, nor does it scare me away because it's something we have to do. Should Congress provide robust funding for the Yazoo Backwater Area Management Project in this year's appropriations process, how confident are you that the Corps will be able to put that to good use?

Mr. FORSGREN. Senator, you raise a very pertinent issue in the context of the Yazoo Project. That's true across that. And that is how to—the Corps's capabilities set against their capabilities on any given project versus the totality of the project. And you really can't take the capabilities for a project without looking at the totality of the region, of the district, and of the Nation in total.

So, with that said, I will defer to General Graham to talk specifically, but I think we're still trying to figure out how our capabilities match against the resources.

General GRAHAM. And Senator, that's it, with the work plan funding, with the engineering pre-construction work we're doing right now. I don't really know what our capability is. Concretely, for 2026, we owe you that. And our commitment to you is to work with you and your office as the months progress and share what we do know with you on the efficacy of our current cost estimate.

Senator HYDE-SMITH. Great. Well, I certainly want us all to get to yes, and I'm willing to help us get there, whatever it takes. Thank you, Mr. Chairman.

Senator KENNEDY. Senator Britt.

Senator BRITT. Thank you, Mr. Chairman.

Thank you all for appearing before this committee today. I want to start by telling you how much I appreciate your attention and that of Deputy Assistant Secretary Stacy Brown to the needs of

Alabama's inland waterway system. Thank you for getting on the phone with me. Thank you for helping us work through this.

As you all know, we had catastrophic failures this year, whether it be at Demopolis, whether it be in Holt, whether it be in Wilson. When these things happen, it disrupts entire economies. I mean, we saw it negatively impact our Ag industry, negatively impact our energy industry, negatively impact our aerospace industry. So, I am very grateful for your attention to those matters and helping us get them back up and moving.

That being said, I'm also pleased to see that the work plan budgeted for repairs in Demopolis and Holt and also appreciate what you're doing in Coffeetown as well. I think it is imperative that we actually fix these things before they become a problem. And so, that's my question to you. How do we get to the place where we are doing the type of maintenance that is needed to prevent these failures, on time, on budget, but ahead of when they actually occur?

And so, Mr. Forstgren, let's start with you. I know there is a substantial O&M (Operations and Maintenance) backlog. I know when you are looking at all of the different needs across the Nation, how do we make sure that we're appropriately taking care of our inland waterway system and not playing catch up, but doing these things on the front end?

Mr. FORSGREN. Senator, the Corps basically does all of its O&M budgeting and proposals against the engineering and risk assessed. You know, for risk of—well, I'm meaning risk of failure, and we prioritize those things with the highest risk of failure. Could there always be more resources in O&M? Absolutely. But we all live in a constrained environment, but the Corps does very, in fact, they do a very good job of assessing the damage, assessing the potential risks associated with failure when they look at O&M. Have we been absolutely perfect with that? No. But—

Senator BRITT. Is it an issue of funding? Is it an issue of front loading that so that you have that, or is it an issue of manpower? Like, what gets us to these points?

Mr. FORSGREN. I think it's principally an issue of—funding is too easy a way to say that. You know, it's easy. If we had more money and more people, of course we could do better.

Senator BRITT. Absolutely.

Mr. FORSGREN. But I think it's more of a case of what can—how do we really focus what we're doing with the resources we do have.

Senator BRITT. Well, let's continue this conversation. I have limited time here, but I want us to actually dig down on this. There is no reason for us to get to the point of failure. We should be taking a look and making responsible upgrades and maintenance on the front end so that we don't get to this point. So, I want to talk to y'all about that in a real way—

Mr. FORSGREN. Absolutely.

Senator BRITT [continuing]. So that we can have a tangible pathway forward. I want to talk about a project that I think has worked well, and Lieutenant General Graham, I'd like to ask you about the Mobile Harbor Deepening Project. Look, we've taken it down to 50 feet. It's going to be the deepest deep-water port there, right there

in the Gulf. This is a project that has been on time and under budget. Talk to me about how you achieved that.

General GRAHAM. Oh, in the few minutes we have left, on Black Warrior, we are now providing a reliable transportation system that your constituents can count on. We own that. I stood down at the sill—

Senator BRITT. Thank you.

General GRAHAM [continuing]. Theopolis, and I had all of our smart engineers from around the Nation there, and we were trying to figure out how could we have seen that that still might be great.

Senator BRITT. I appreciate you taking ownership of that. Thank you.

General GRAHAM. We absolutely own that. They got really inventive up at Holt so that we can get that back in operation with the temporary fix. And then, we have the long-term fix. We absolutely are not providing a reliable system, and that's our commitment to do that.

Senator BRITT. I really appreciate that. Thank you so much.

General GRAHAM. On Mobile Harbor, this is going to be a great year on the deepening. The key to success, stable, predictable funding.

Senator BRITT. Stable predictable funding. I only have a few minutes left, so let me talk about something there. In the word of bill this year, order 2024, I included a provision in there that said no less than 70 percent of suitable dredge material would be used for beneficial use. This is critically important. We can do two things. We can make sure that we have the economic engine that is the Port of Mobile, and we responsibly preserve our natural resources.

It's imperative. This dredge material could be used for habitat restoration, for beach nourishment, for wetland creation. And I am not going to move off of that. So, we have to make sure that we are good stewards of the natural resources that the good Lord has given us. And we can do both of these things at the same time.

I am out of time, but listen, it is not acceptable that we have delays in this. I want to make sure that we figure out a pathway to get these answers quickly, and that we can speed up the process. It is imperative that we do so, both on the permitting side, and taking a look at some of these overburdensome reviews.

So, I know that I am out of time, but do you have just a comment on how we can do that? Quickly—

Mr. FORSGREN. Short answer is—

Senator BRITT [continuing]. The chairman's being gracious to me.

Mr. FORSGREN. Senator, we are committed to beneficial use of dredge materials as the—probably the preferred method to dispose—

Senator BRITT. Good

Mr. FORSGREN [continuing]. Of our dredging material. And we are committed both on the permitting side and on the project design side to maximize the use of beneficially used materials.

Senator BRITT. Okay. Let's—go ahead.

General GRAHAM. Senator, what we're doing down at Dolphin Island is—

Senator BRITT. Yes, sir.

General GRAHAM [continuing]. I think exemplary.

Senator BRITT. Yes sir.

General GRAHAM. What Mobile's district doing with a programmatic agreement so that we can get that all up front on the permitting, and that is we treat the clean sand, clean silt as a resource for the environment and for—in terms of the beach protection as well, so.

Senator BRITT. Absolutely. Okay, well, let's work together. I am absolutely not going to back off of this and believe that we can do both things.

And Mr. Chairman, thank you for giving me this time. I also, just a point of personal privilege, real quick. I am looking forward to the confirmation of Adam Telle. We were baby staffers together, brand new in Richard Shelby's office. Got to know each other. I've never met a bigger Mississippi State fan in my life, by the way. So, you'll get ready for that.

But worked with he and his wife through the years. He is a true public servant. He is a tireless advocate for America's infrastructure. I mean, in addition to that, he happens to be an Alabama native. And so, I know he knows firsthand the needs and how significant the inland waterway system is for our country's continued growth. So, I am excited about getting him confirmed, and getting him in place, and having him in front of this committee, Mr. Chairman.

Senator KENNEDY. Thank you, Senator. Senator Rounds.

Senator ROUNDS. Thank you, Mr. Chairman.

Acting Assistant Secretary Forsgren, it's good to see you here today. I'd like to talk about the Tribal Partnership Program, or TPP. It's been a very successful program in my State of South Dakota. This program provides Federal support to Tribes for projects related to environmental restoration, flood mitigation, and protection of natural and cultural resources.

The Water Resources Development Act award of 2024 made the Tribal Partnership Program permanent, allowing the U.S. Army Corps of Engineers to continue supporting this important work. Do you believe the U.S. Army Corps of Engineers currently has the resources necessary to effectively continue executing projects under the TPP?

Mr. FORSGREN. Yes, Senator, I believe we do. There are many ways that we can reach the goals of that partnership to work with Tribes to enhance their water infrastructure.

Senator ROUNDS. Good. Look, I think these Tribal nations really do want to have an ongoing and working relationship. These are areas that can really improve the economic opportunities and literally the safety in those areas as well. Consultation is critical. They appreciate not only the idea that we can work together, but the clear evidence is when we actually ask their opinion, we get their feedback, and then we work in a consultative way to get a project done.

Mr. FORSGREN. We commit to continuing the Tribal consultations.

Senator ROUNDS. Thank you, sir.

Lieutenant General Graham, thank you, first of all, for being here today. And thank you for your service to our country. Nearly 1 year ago, Southeastern South Dakota experienced some cata-

strophic flooding, record rainfall. Destroyed numerous homes and caused significant damage to public infrastructure.

General Graham, the U.S. Army Corps of Engineers plays a vital role in flood response efforts. Each year, Congress allocates funds specifically for disaster-related flood work, enabling the Corps to support, preparedness response and recovery measures. In your view, does the Corps currently have the capability to adequately prepare local communities for large scale flooding?

General GRAHAM. So, Senator, on the emergency response side, on Public Law 84-99, I believe, we do work closely to use those authorities and those appropriations to the maximum extent possible. We've been very aggressive with that over the last couple years. And then working with the Federal Emergency Management Agency under the Stafford Act, we can bring in the expertise of the Corps on flooding, particularly to the area along the Big Sioux River.

I'm excited to see in the President's budget that we've got a new start for a study to take a look at the Corps project that exists there and see if we can improve it, understand that putting a dirt berm across I-29 is probably not the best solution we could come up with it. It was what they could back in the '70s, but so our commitment to you is we're excited to see this is a known problem, and we're committed to working with you to solving this.

Senator ROUNDS. There was a beautiful residential district there called McCook Lake. And basically, what this did was to divert the water, and it diverted it right through that residential district. There's a better way to do it, and we'll look forward to working with you to see that we find the appropriate plans so that when this happens again in the future, and it will, that those types of flooding conditions are diverted so that there is less damage to public property and infrastructure in that region.

General GRAHAM. Thank you, sir.

Senator ROUNDS. Assistant Secretary Cameron, first of all, I want to thank you for being here today. As you know, Congress has authorized the Bureau of Reclamation to design and construct rural water supply projects. These projects are intended to deliver potable water to rural communities in western States.

To advance large scale water projects two types of Federal authorization are required. First, the authority to conduct a feasibility study, and the authority to construct the project. The three regional water organizations in South Dakota are currently seeking congressional authorization to conduct feasibility studies. If these entities receive the necessary authorizations, will the Bureau of Reclamation have the capacity to promptly initiate and complete these studies?

Mr. CAMERON. Thank you for that question, Senator. We are committed to working with those communities to help them figure out how we can proceed with feasibility studies. And, in the event that Congress authorizes the work, we will find a path to advance that activity.

Senator ROUNDS. In a timely fashion.

Mr. CAMERON. Yes, sir, given the availability of resources.

Senator ROUNDS. Okay. I noticed that the budget is not the best this year. It means that if we can get some money in there for that purpose, we'll get it done.

Mr. CAMERON. Yes, happy to work with you on that, sir. I point out that you mentioned Tribes earlier. We are prioritizing rural water projects that have some connection to Tribes as well inside the President's budget, given our trust responsibility to Tribes. And often, there are Indian water rights settlements as Congress has passed that. We're trying to implement that.

Senator ROUNDS. That's part of the projects that we've got going on, so I look forward to working with you to accomplish it this year. Thank you, sir. Thank you, Mr. Chairman.

Senator KENNEDY. Senator Merkley.

Senator MERKLEY. Thank you very much, Mr. Chairman. And you can see we're dashing in and out of many different hearings this morning. So, I really appreciate the chance to come and ask a couple of questions.

And I wanted to start, Mr. Forsgren, about the Cole Rivers Hatchery. Cole Rivers sounds like a name of a river, but actually it's the name of a person for a hatchery that's on the Rogue River, one of the most extraordinary rivers in the world. This hatchery provides fish for not just the Rogue River, but for lakes, for the Umpqua River. It is like incredibly important, and we've had huge cooperation with the Army Corps in working on it.

But even with that, it seems like progress is very slow as though study after studies gets completed, yet the actual implementation of the restoration is proceeding way, way too slowly. I want to know if the Corps fully understands how important this hatchery is dedicated to its rehabilitation. The supply of clean water is essential. We've took quite a bit of work just to get steady supply of electricity to this site. And let me stop there and just say, are you familiar with the project, and are you all in on helping us restore the hatchery?

Mr. FORSGREN. Senator, I must admit, I am familiar only at the—I'll call it 60,000-foot level as to the project. I'll defer to General Graham on more specifics on that particular project. I don't want to tell you wrong.

General GRAHAM. So, Senator, we understand the importance of that hatchery and Oregon's running it for us. We've got money, I think it was in fiscal year 2024 to fix the roof, but we know it has a failed water supply. Still challenges with the transformer, and we will continue to push make our best technical recommendations for the budget packages to make those fixes.

Senator MERKLEY. So, the Portland District has identified significant capacity of, they refer to it as capability, to support going more aggressively to attack the challenges at this hatchery. I mean, years of it being a priority. You mentioned a roof, like it's a complete rebuild. Even the challenge of the water not being properly supplied and filtered, causing the death of a number of the hatchery projects. And it's like, have we gotten to the point that we can't even figure out how to get clean water, steady electricity, steady filtering?

So, what would the Army Corps be able to do if Congress were to appropriate full capability for this project, given the Portland District is telling us they have that capability?

Mr. FORSGREN. I will put some context over, and then I'm going to let General Graham give the specifics. Capabilities are always done in the context of the totality of the budget and the resources and the needs in a given district, in a given division, and nationwide. And so, yes, you know, the Corps may have on paper have the capacity to do this or that as a complete focus on that project to the exchange of other—you know, to the detriment of other projects in the same region. So, you—it's really to say that a district has capacity is always a little bit of an unfair thing, because it has to take into account the totality of the program.

Senator MERKLEY. Because of my shortage of time, I'll just note, here's the deal. When these dams were built, a promise was made to everyone that the Corps would make sure that these hatcheries provided the fish that could not go upriver to spawn. That promise is being broken. It is extremely important that that be understood, and that promise be upheld. And that means we've got to get the clean water, not just studied, but supplied. We've got to get the filtering equipment, not just thought about, but rebuilt and so, so forth.

I'm down to 20 seconds, so I'm going to switch gears to Scoggins Dam. Last month, my office noted, after 20 years of planning, the Bureau of Reclamation made the decision to rescope and downsize the planned structural reconstruction of the dam safety project at Scoggins Dam.

Why is this scary to everyone? Because we are reaching the point in that several 100-year cycle where a major earthquake occurs, the big one, if you will, and that dam and releasing the water out of it would flood down that valley and wipe out urban areas.

And yet, after 20 years of investment in planning, we are hearing that the goal of strengthening that dam to prevent that type of catastrophe is being abandoned. Why?

Mr. CAMERON. Senator, I'll have to look at the particulars there. I can tell you more broadly that we are committed to dam safety around the Nation, and we're pleased that Congress still has provided some funds for the bipartisan infrastructure law to spend money on dam safety in addition to what's in the President's budget. But I'll have to get back to you on the particulars of that, sir.

Senator MERKLEY. Were the partners who used the dam supply water consulted on the factors that went into this decision?

Mr. CAMERON. I not prepared to answer that question. I just don't have the information at hand, but I will get back to you, sir, on that.

Senator MERKLEY. The answer is they were not. Can you commit to ensuring that the Bureau will work with the community on a path forward?

Mr. CAMERON. I can absolutely commit to that, sir.

Senator MERKLEY. Thank You. Mr. Chairman, not seeing any of my colleagues across the aisle, I have one more question if you have time for it.

Senator KENNEDY. Sure, go ahead.

Senator MERKLEY. Yes. So, I wanted to address the challenge in the Klamath Basin. It's been plagued by drought for many years. Water is precious in the basin and vital to the survival of the community. The stakeholders have all come together to support each other in a whole variety of projects.

One of those projects was to install sensors. They're referred to as SCADA sensors along the Klamath Project to allow real-time water evaluation in order to do real-time water management. This was passed into law in March 2022. The sensors have not been installed. Can anyone give me a sense of when this project is going to be completed?

Mr. CAMERON. I'm not prepared to give you a timeline right now, Senator. I will say we are aware of that issue with the SCADA sensors and believe the funding is available to move ahead. But I'd be happy to provide a schedule for you after the hearing.

Senator MERKLEY. Thank you. If you'll commit to briefing me and my staff, I'd certainly appreciate it.

Mr. CAMERON. Absolutely, sir.

Senator MERKLEY. I'll tell you folks, go, listen, that \$5 million is written into law. This first phase of this is putting sensors on poles that stick in bodies of water. How is it? We seem to go years unable to get a project funded. That's it's funded, but nothing happens. And that is really frustrating. We're only a few months into this administration, but maybe the team, the new team, can get this done.

Mr. CAMERON. We'll look into it, and we'll look forward to briefing you and your staff on a path forward, sir.

Senator MERKLEY. Thank you.

Senator KENNEDY. Senator Peters.

Senator PETERS. Thank you, Mr. Chairman.

Gentlemen, welcome to the committee. I want to start by first focusing on the Soo Locks a project of national significance. Simply put an unscheduled outage of the poll lock, which is the largest lock at the Soo would devastate the economy, harm our manufacturing sector, and jeopardize national security. To put things into perspective, just a 6-month unscheduled outage at the Soo would result in an estimated 11 million jobs lost, and \$1.1 trillion hit to the economy. That's a classic definition of critical infrastructure.

The bottom line is we need a second poll lock to alleviate the risk, and I've been leading the charge with a lot of my colleagues for quite some time. Most recently, I led a bipartisan and bicameral letter advocating for the inclusion of Soo Lock's funding in the most recent Army Corps work plan and budget request.

And I want to say thank you thank you for answering that call. Crucially, the \$264 million included in the work plan will allow for the award of all remaining construction contracts, which is a big deal. And the budget request matches the project's full work capability for this fiscal year, something that I'm going to work to ensure makes it into the final funding bill.

But looking ahead I'm going to be doing everything in my power to see that this critical project actually gets completed. I think we're on a good track, but we always got to keep the eye on the ball.

And so, that's my question to you Secretary Forstgren and General Graham, if you could let me know, can I count on you to make sure we get this thing across the finish line, and make sure I continue to have your focus?

Mr. FORSGREN. Senator, yes is the short answer. The longer answer is the President is committed to maintaining the integrity of the inland waterway and national lock system. It is, as you so articulately laid out, it is the backbone of the economy of this country, and we cannot afford as a Nation to let that happen. And I commit we will be working forward, looking for ways forward to enhance that system.

Senator PETERS. Great. I appreciate that general,

General GRAHAM. And Senator Peters, absolutely. It was great to see the funding and the work plan allowing us to hit those last three options. And to Chairman Kennedy, that's how we safely deliver quality projects on schedule, within budget, is we keep the efficient funding flowing, and then we can—I mean, we're never going to get better prices than what we had locked in to finish those last three options up at the Soo. I'm heading up there in a few weeks to make sure that there are no surprises up there, and that the team on the ground has everything they need to continue to deliver. And I think we're on track for 2030, which is exciting.

Senator PETERS. Great, great. Good to hear. Good to have you back up there soon as well.

Speaking of the Soo, I also hope that both of you will work with me to establish a special salary rate table for Soo Lock operational and maintenance positions. I think both of you understand the challenge of getting folks there. The reliability of the Soo Lock complex is going to hinge on those workers, and for a variety of reasons it is very challenging. So, to both of you, again, can I count on your help to make sure we have adequate staffing for the facility as it operates?

General GRAHAM. Senator Peters, absolutely. That wonderful investment to make sure that this key piece of infrastructure, as you laid out, will only serve the public well if we have the right staff there. And based on kind of some irregularities, I'll call it in kind of how the pay model works, getting the special salary rate through will allow us to pay our staff what we believe they're worth. And so, you have our commitment.

Senator PETERS. Great. Appreciate that. I appreciate that, thank you. Next, I want to talk to you about the importance of the Brandon Road in our basin project, as you know, invasive bighead and silver carp, pose a truly an unprecedented risk to the Great Lakes, which together support a \$7 billion fishing industry, a \$16 billion boating industry, and roughly about \$6 trillion in the regional economy.

At present, the electric dispersal barriers in the Chicago Sanitary and Ship Canal represent the sole structural measure to deter invasive carp from reaching Lake Michigan where this remains our primary line of defense against the steady advance of this invasive carp. It would only be a matter of time before the bighead and silver carp established themselves in the Great Lakes decimating the ecosystem or fishing or boating recreational industries as well.

The Brandon Road Project is a solution to this problem, and it'll employ the precise measures necessary to halt the spread of carp before they reach the Great Lakes. I think this project is nothing short of critical to the lasting health of the Great Lakes. And as both of you know, I think time is of the essence as well.

So, my question for both of you, again, similar, can I count on you to work with me and my colleagues here in Congress, as well as both the States of Michigan and Illinois, to keep this project moving in the right direction? It's been a project for years in the making, but again, time is of the essence and your forceful assistance is necessary.

Mr. FORSGREN. Senator, I have the luxury in this particular instance and being able to quote the President directly on it, and that is he's fully committed to that project. I know he, and your governor, worked very closely on that project. And you might guess my direction vis-a-vis that project is to see that happens. We got great help from, as was mentioned, the President and the governor. We were able to get the real estate secured that we need. We released Contract 1A, which is the leading-edge bubbler of this multi-tiered defense. And so, that will be the start of fish deterrence. And so, that's exciting to see that contract on the streets.

Senator PETERS. Excellent. Well, thank you. Thank you both.

Mr. CAMERON. Senator, if I could add.

Senator PETERS. Oh yes.

Mr. CAMERON. The Interior Department is also actively involved with supporting the Corps and their work there. So, it's not Reclamation, but our Geological Survey and the Fish and Wildlife Service are both actively involved.

Senator PETERS. Excellent. Thank you. Thank you, Mr. Chairman.

Senator KENNEDY. I've got a few questions, gentlemen. Let me start with you, Mr. Secretary. I'm trying to understand how you, and all of you, and OMB, are thinking here. Where's the money come from for the Inland Waterways Trust Fund?

Mr. FORSGREN. Senator, it's principally raised by tax on the diesel fuel used in the tug and barge industry.

Senator KENNEDY. Yes. Do you know the balance in that account off the top of your head?

Mr. FORSGREN. I don't know off the top of my head. I I'll be happy to provide that to you for the record—

Senator KENNEDY. Okay.

Mr. FORSGREN. But it is not insignificant.

Senator KENNEDY. I'm sorry.

Mr. FORSGREN. The number, the balance is not insignificant.

Senator KENNEDY. Okay. The proposed budget proposes not to spend it. Why would we—it can't be used for anything else. Why would we not spend it?

Mr. FORSGREN. Sir, well, first of all, most of the needs that with—I hate I'm going to kind of back up with the Corps's capabilities. Most of the needs that we were currently capable of using that trust fund for were moved forward into the 2025 spending plan. So, a lot of that were taken care—a lot of those projects were funded in 2025 pretty close to their full capabilities in the interim future.

And it also, the advantage of the trust funds is that they're designed to be for monies to be raised to used, including out years, you know, and over a longer period of time. So, you know, we moved the funds forward into 2025 for most of the projects that we're currently ongoing. And then the projects, you know, there were balances left that will be used in future years to fund projects as they come up and the Corps capability come available.

Senator KENNEDY. So, Mr. Secretary, you're saying you don't need the money right now?

Mr. FORSGREN. No, sir. We're going to need the money very soon.

Senator KENNEDY. I'm talking about right now. It's a timing issue?

Mr. FORSGREN. I would say largely, sir, yes. That there could—we always use some. You know, what we don't want to do is get into a situation where we're trying to spend money just because it's about to expire.

Senator KENNEDY. Agreed.

Mr. FORSGREN. We'd rather find that—you know, fund it as the project's needed as they go forward.

Senator KENNEDY. Where's the money come from for the Harbor Maintenance Trust Fund?

Mr. FORSGREN. Sir, it's a value-based user fee that is charged against cargo, all cargoes, entering or exiting United States.

Senator KENNEDY. Okay. It's got some money in it, doesn't it?

Mr. FORSGREN. It does. And again, to be used over time.

Senator KENNEDY. Right. This proposed budget only proposes using \$1.7 billion. Is that right?

Mr. FORSGREN. Yes, sir.

Senator KENNEDY. That's below the mark that we set. Is it not?

Mr. FORSGREN. Yes sir.

Senator KENNEDY. How come?

Mr. FORSGREN. Again, more of a timing issue. Some of the things were moved forward, others, it—the President did put a focus on what were principal Federal responsibilities, which is the maintenance and dredging of Federal channels. And so, again, the Harbor Maintenance Trust Fund is to be used over time for those projects.

Senator KENNEDY. Okay. Well, nobody's thinking about using this money for something else. Are they?

Mr. FORSGREN. No, sir.

Senator KENNEDY. Okay. General, I want to ask you a question about bringing these projects in on budget and on time. I know you said it was engineering, we got to get the engineering right, project management right, team right. Let me give you an example. I'm not going beat this to death, and I'm just picking a project. We've got a lot of projects in Louisiana, just like Alaska. A lot of projects. Everybody has a lot of projects. But the Inner Harbor Navigation Canal in New Orleans, 10 years ago, we projected it would cost about \$951 million. Now, the cost is up to about \$4.7 billion. And the courses, it'll take 14 years. I mean, I understand inflation, but why? And I'm using this as an example.

General GRAHAM. So, Senator, the Inner Harbor Navigation Canal down there where the intercoastal waterway bisects and gets across and up onto the Mississippi River is absolutely key. And you know, the history that we've had on multiple lawsuits and injunc-

tions over the years, a lot of it built from the lack of trust from the local communities, particularly the Lower Ninth Ward.

So, that cost estimate, and I, for everybody who's listening, that IHNC (Inner Harbor Navigation Canal) is also part of the flood protection for the greater New Orleans area, the river facing gates. So, it's imperative that we get this right. And what I told the district to do is to make sure that they have put in their cost estimates, the risks associated. Most of those risks are the fact that—not the fact, most of those risks are elements of not having local support to build this. We want to get a team together.

Senator KENNEDY. How do you quantify that?

General GRAHAM. So, that's what we owe you. You take a risk that it's going to get delayed, and then you try your best to put money associated with that would get delayed. So, we would've loved to build this thing for less than \$1 billion 10 years ago, but the court cases have prevented us from doing that. The lack of trust from the citizens of the Lower Ninth Ward have prevented us from doing that. So, we're trying to build that trust so that we don't end up in this infinite loop of litigation.

Senator KENNEDY. I got it. All right. Senator Murkowski, I'm going to ask General—ask you one more question. And you're well aware of all this. For whatever reason, sea levels are rising, our land in South Louisiana is sinking. Part of that is because over time, sediment becomes more and more compacted. Where did that sediment come from? That sediment came from the Mississippi River, which used to overflow, which was a blessing and a curse.

But our Corps did an extraordinary job at our request of levying the Mississippi River. We weighed the cost and the benefit and said the right thing to do here is to levy the river. Well, that obviously stopped the sediment. And I'm not suggesting we take the levies down.

[Laughter.]

Senator KENNEDY. What do we do? We're not going to take the levies down. The land's sinking. There's no new sediment coming in. The sediment's becoming more compacted, and the sea levels are rising. What would you do, if you were king for a day? General, let me start with you, and then I'll ask the secretary.

General GRAHAM. Sure. Chairman Kennedy, so some of the projects are that we have a tremendous amount of non-structural projects going on in Southeast.

Senator KENNEDY. Yes. And I'm not asking you to comment on any particular project. I get all the politics, and the wailing, and the national gnashing of teeth. And everybody's bows are in an uproar over which one's the best one. I get that. I'm just asking, what approach should we take?

General GRAHAM. So, raising homes to deal with sea level rise coming up in the land sinking, that non-structural approach is a tool that we're starting to execute at scale in Southern Louisiana. What we're also taking a look at is supporting the State of Louisiana in whatever sediment diversion pass that it's choosing to take. They had applied for a permit and granted it.

Senator KENNEDY. Do you think sediment diversion works?

General GRAHAM. In some instances, I believe it does. It has to be done very carefully. And in anytime we move the Mississippi

River off from where it's going to someplace else, that's going to have tremendous forces. And so, we have to take a look at that mindfully. But I believe we have the engineering expertise and working in conjunction with the State, I believe that we can use that tool effectively.

Senator KENNEDY. Now, do you—on the sediment diversion, are you saying we should do it in small amounts, pilot projects, or larger amounts, or does that matter?

General GRAHAM. I think pilot projects to prove that we know what we think we know are always wise.

Senator KENNEDY. So, you're thinking of a pilot project?

General GRAHAM. I think those—

Senator KENNEDY. We've done some.

General GRAHAM. We have done some.

Senator KENNEDY. We don't have enough pilots.

General GRAHAM. I owe you a better, more detailed answer on that.

Senator KENNEDY. Okay. What do you think, Mr. Secretary?

Mr. FORSGREN. Senator, I certainly agree that the Corps's expertise in moving and doing sediment projects and doing a traditional Corps approach is—will be one of the tools that has to happen. I think we need to think about the other side of some of the stuff the Corps does, and that's using the regulatory program to create some incentives for the private sector to do positive things.

Senator KENNEDY. For example?

Mr. FORSGREN. I'll use a perfect example in South Louisiana. Right now, in the 404 Program, we cannot give a mitigation bank credit for preventing subsidence losses of wetlands. Those coastal wetlands losses are mounting to about the only losses nationally in wetlands resources.

But we can't—we don't have a mechanism now between law, between—I don't think it's law, it's really regulation, that would allow someone—for example, there are several large landowners down there that at a relatively low cost, you know, a few million dollars could, you know, barrier the breaches that have been in the—into the coastal wetlands for a long time and put some that would stop some of the salt water incursion, which accelerates the wetlands losses and some of the subsidence.

But if they could sell credits for 404 purposes for elsewhere in Louisiana, that would provide the economic incentive for doing that. But we don't have—we can do it. So, now, you've got people in South Louisiana going up to North Louisiana to buy credits to do development.

Senator KENNEDY. Got you.

Mr. FORSGREN. There's a mismatch. We need to find more creative ways, some more creative ways to use the regulatory system in a positive manner to help.

Senator KENNEDY. Okay. I want to sit down—we'll sit down and talk about that.

Mr. FORSGREN. Absolutely, Senator.

Senator KENNEDY. Thank you for your creative thinking. I want to be sure I understand you, General, you think diversion works?

General GRAHAM. I believe there's cases where it can be part of the solution. Yes.

Senator KENNEDY. You think it can work in South Louisiana?

General GRAHAM. Yes.

Senator KENNEDY. Okay. Senator.

Senator MURKOWSKI. I love these conversations. This is why the Corps is so important. Quite honestly, we need really smart people who are really good engineers to figure out some of these challenges. Whether it is what you're facing down there in Louisiana with the loss of your wetlands, and the subsidence, and all that. We got other problems up north that come about through coastal erosion, river erosion, the permafrost melting. We've got subsidence there. It's just a different kind.

But at the end of the day, we're all looking to the Corps for many of these answers. And like your situation in Louisiana, there is no small project that I can find in the State of Alaska. The thing that should be simple is not simple. These are legacy projects, and whether it's Lowell Point, most people in America will never hear of Lowell Creek Tunnel and why it's important, but it's going to save a little community like Seward.

But honest to God, it's 20 years maybe more in the making. I'm not even going to count the dollars. But that's not what I want to talk to you about today. I want to talk to you about the Port of Nome, because I'm worried that as we're looking at your budget, what we are talking about here today, the projects that are important to Alaska and Louisiana, the amount of folks that we've got at the Corps, coupled with the decrease in the budget, problems like we're facing in Juneau with the jökulhlaups, that is a Norwegian term for glacial outburst flooding, which just about on August 7 of each year, the people of Juneau are visited by a massive flood where a glacier rises up because you've got so much volume under this basin, floods the river, floods, the area. We need some smart engineering solutions, and it's not going to get any cheaper to the Port of Nome every single time, whether it's in public hearing like this or in private conversations in my office.

The Corps has assured me that the Port of Nome is a priority project. They realize that the United States of America needs a deep-water port given Nome's strategic advantage where it's sitting right up there, right directly across from Russia. All of the traffic that we're seeing coming through the Bering Strait, nobody disagrees that this is a significant port.

And yet, when I look at the budget request, I'm just confused. I'm just confused because you've got a port that is not getting any cheaper. We all recognize that the problem is that when you don't have adequate funding in the beginning, the costs are only going to increase. I'm hoping Mr. Forsgren, that you're going to have some creative ways that you can share with me today about either funding streams or perhaps it's on the regulatory side to help lessen the burden.

But when you've got short construction season, when you've got logistical challenges for places that are not contiguous to the rest of the United States, you know the challenges that we have. First question, and I hope I know the answer to this; is the Port of Nome a priority for the U.S. Army Corps?

General GRAHAM. Yes, Senator.

Senator MURKOWSKI. Okay.

Mr. FORSGREN. The fact that it was included for funding, specifically by name, demonstrates that commitment.

Senator MURKOWSKI. And I think that that's good. And I take that for what it is, but I'm concerned that when you don't include meaningful funding. Basically, there's \$3 million here. It looks to me that this is—what we're talking about is a contingency amount for a prior year's funding rather than looking at the project, evaluating the need, and putting the commitment behind it. How am I supposed to read the commitment from the Corps about a project like this with a budget like this? And I know you anticipated that question.

Mr. FORSGREN. I did, but that doesn't make the answer any easier.

Senator MURKOWSKI. No, it doesn't, because it defies a rational explanation, in my view.

Mr. FORSGREN. Senator, all I can say is, the Port of Nome is a commitment, is a project that the administration has committed to. And we are—there have been a number of challenges at the Port of Nome, contracting and others, that have put us in a place where the exact level of resources that we thought we could execute in the short-term is uncertain. And so, yes, and I'll defer.

General GRAHAM. So, Senator, we're working through the solicitation right now, and the bids, and working to see if we can get to an award. And that's with the \$250 million that we have on hand. The \$3 million in 2026, we would use to advance the next feature, the engineering for the next feature. That's the east breakwater. So, we are moving that forward. The key is getting to award this year for the causeway extension, and I'm still—that's our goal. But we're not quite there yet.

Senator MURKOWSKI. So, the last time we talked about this we've had many, many, many conversations about this. The effort was going to be to see if you couldn't attract more interest from outside contractors. I'm told that that has happened. I'm told that we're further along with getting a successful bid out there, but what you're both sharing with me today by body language and words is not very comforting.

General GRAHAM. Actually, we're further along, certainly, Senator. This is still all part of the acquisition process. Talked to the district yesterday and they're optimistic.

Senator MURKOWSKI. And define optimistic. Does that mean that we get, we get through the bid process this summer?

General GRAHAM. That's what they're optimistic about. Yes.

Senator MURKOWSKI. And do we actually do anything physical this year,

General GRAHAM. Moving Rock this year. Senator, I owe you an answer on that. As you said, the construction season's short, and I can't remember offhand the sequence of buying rock. So, I owe you an answer on that.

Senator MURKOWSKI. I think you need to talk to your folks in Alaska. I'm sure you have. The assurance that I got was that we were going to be seeing physical activity this year. This year. And we know what happens in Nome after October when the ice comes in and everything—all work effectively stops.

So, what you're sharing with me is we're going to be better off on paper. You're going to try to move some rock, but I just don't want one stack moved from one corner to another. Either stop calling it a priority project and just acknowledge that the Corps and the administration is saying that the Arctic is no longer significant, and I refuse to accept that for an answer. Or put some direction to this in a way that is aggressive, that is meaningful and is responsive to what we're seeing 57 miles across the water in Russia.

I think we're an embarrassment when we say one thing and we simply do not move to facilitate it in a way that could be recognized as positive. So, I don't mean to be lectury, but I am so frustrated with where we are on Port of Nome right now. I know you've got a lot of other projects in Alaska that we're working on. We go through our checklist all the time. We're making some good progress there, thank you. We need to deal with Lowell Point, we need to deal with—and we need to deal all this stuff.

But in the meantime, the Arctic is not waiting. Right now, there's more interest in the administration with Greenland for an Arctic port. That's inexcusable. We have Alaska, right? Anyway, thank you Mr. Chairman. Thank you, gentlemen.

ADDITIONAL COMMITTEE QUESTIONS

Senator KENNEDY. All right, gentlemen. Thank you. We'll meet again. We'll talk some more. The hearing record will remain open for a week. My colleagues can submit additional information, if they would like. Thank you for being here today. If you get questions, please respond to them in a reasonable amount of time, both for this hearing and generally.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO MR. D. LEE FORSGREN

QUESTIONS SUBMITTED BY SENATOR CINDY HYDE-SMITH

Question. Secretary Forsgren and General Graham, Arkabutla Lake is a federally authorized flood control reservoir that stores floodwater to provide vital flood protection for a large portion of northwest Mississippi. In May 2023, the Corps issued an emergency declaration after it discovered a depression at the toe of the Arkabutla dam, which could result in a dam breach if left untreated. Mississippians—particularly those who live or own property below the dam—have been on pins and needles ever since. On multiple occasions over the past 2 years—usually in the spring—there have been instances where substantial rain events have caused the lake to fill up. In response, the Corps has declared potential breach emergencies, 24-hour dam surveillance has been activated, and so on. The Corps Vicksburg District has and continues to work hard to correct the problem. But Mississippians are very eager for the Corps to get this corrected, sooner rather than later. Will you work with me to help expedite the Arkabutla dam repairs as quickly as possible? I have requested funding above the budget request to address this issue. If enacted into law, how will the Corps put those funds to good use, swiftly and effectively?

Answer. The Corps is working expeditiously to address the safety concern at this dam. Consistent with this objective, the Budget provided the full amount that the Corps estimated that it could use effectively and efficiently in FY 2026. Since then, the Corps has revised its approach to the pre-construction engineering and design phase of this project, which may affect the amount that it could use effectively and efficiently in FY 2026. At this point, our focus is on making the best use of the enacted FY 2025 funds.

QUESTIONS SUBMITTED BY SENATOR TAMMY BALDWIN

Question. For the past several years, I have supported the Navigation Ecosystem Sustainability Program, which has made great progress on the ecosystem restoration activities under that authority. When will Lock and Dam 25 be ready for funding?

Answer. So far, \$732 million has been appropriated for design and construction of Lock and Dam 25. The Corps is continuing work on the project using these funds.

QUESTIONS SUBMITTED BY SENATOR MARTIN HEINRICH

Question. The enacted 2024 Water Resources Development Act included a provision to carry out planning, design, and construction measures for the Middle Rio Grande Bosque. This project is crucial for wildlife prevention and restoration. How does the Army Corps plan to balance wildfire prevention and restoration efforts with the need to maintain water flow and protect this ecosystem, especially the removal of jetty jacks?

Answer. In January 2004, Congress authorized the Corps to assist with the planning, design, and construction of measures for wildfire prevention and restoration in the Middle Rio Grande bosque in and around the City of Albuquerque in accordance with PL 108–137, Operations and Maintenance, Section 116. Under this authorization, the Corps developed a plan in partnership with the Bureau of Reclamation and the Middle Rio Grande Conservancy District to identify jetty jacks that could safely be removed without compromising the flood mitigation function while maintaining flow levels in the river and bosque ecosystem. The 2024 authorization expands this authorization to the entire Middle Rio Grande and under this authorization, the Corps would expand the plan in partnership with the Bureau of Reclamation and the Middle Rio Grande Conservancy District, and in coordination with relevant landowners and stakeholders.

Question. If the Corps is not appropriated the full amount for the acequia irrigation infrastructure program, how is the agency planning to fill the funding gap between shovel-ready work and the appropriated amount?

Answer. The Corps awarded two acequia construction contracts in FY 2025 (Farmers and La Joya) and plans to award another contract in FY 2026 (Rio Chama-Chamita). The Corps has sufficient funds on hand for that work.

QUESTIONS SUBMITTED BY SENATOR GARY C. PETERS

Question. While I am pleased to see that the FY2026 Army Corps Budget Request called for much-needed funding for the Soo Locks and Brandon Road, I am disappointed to see that two vital flood risk mitigation studies—one in Southeast Michigan and the other in the Midland region—were left out.

Let me be clear, there remains work to be done on these studies. Recognizing that, the Detroit District is working on Additional Resources Requests for both studies, and the non-Federal sponsors are fully on board.

Be assured, I'm going to fight to secure the full funding for these studies through the appropriations process, because these communities simply can't afford to see the progress made to date come to a halt.

Secretary Forsgren and General Graham, I urge you to approve these Additional Resources Requests as soon as possible and work with me to ensure additional funding is provided to match those resource requests. Can I count on your support for these studies—both the Southeast Michigan Flood Risk Management Feasibility Study and the Tittabawassee River Watershed Flood Risk Management Feasibility Study?

Answer. The FY 2025 Corps work plan provided \$1.2 million for each of these studies, which is the amount that the Corps estimated that it would need to fund the remaining Federal share of their cost. At the start of FY 2026, the Corps had more than \$1 million in unobligated funds on each of these studies and estimated that it could not use any further funds in FY 2026.

Question. I am also frustrated to see that the Great Lakes Coastal Resiliency Study—something that has long enjoyed strong bipartisan support—was unfunded in both the FY2025 Work Plan and the FY2026 Budget Request.

This study represents a first of its kind effort to develop a coordinated strategy to manage and protect the Great Lakes and its 5,200-mile coastline from threats associated with lake level fluctuations, erosion, flooding, nutrient runoff, and aging infrastructure.

Secretary Forsgren and General Graham, what is the Administration's rationale for leaving this study—which was already underway—unfunded?

Answer. The Army allocated the available funds to other studies and projects. The Corps had significant unobligated prior-year funds on hand for this study in those years. At the start of FY 2025, it had roughly \$4.2 million. At the start of FY 2026, it had roughly \$2.3 million.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL WILLIAM H. GRAHAM, JR.

QUESTIONS SUBMITTED BY SENATOR TAMMY BALDWIN

Question. The Corps' FY25 work plan allocates \$264.1 million to the Soo Lock project, but I understand that the project needed \$314.5 million in FY25 to fund all of the contract options that expire at the end of FY25. Will the Corps' FY26 budget request for the Soo Lock project include enough funds to complete all of the contract options expiring at the end of FY25 as well as the remaining upper approach wall work and future modifications planned for FY26?

Answer. The FY25 Work Plan contained funding required to award all remaining options on the Phase 3 portion of the new lock construction project at the Soo prior to expiration. The additional amount referenced (i.e., the delta between \$314.5 million and \$264.1 million) would have been used for other work, such as partially funding the remaining upper approach wall work or addressing potential construction contract modifications in FY26. The FY26 President's Budget amount for this project would be used to complete the remaining upper approach wall work and address potential construction contract modifications required in FY26.

QUESTIONS SUBMITTED TO MR. SCOTT J. CAMERON

QUESTIONS SUBMITTED BY SENATOR MARTIN HEINRICH

Question. Can you provide a project update for the Navajo Gallup Water Supply Project? How does the Bureau plan to meet your legal and trust obligations to this project?

Answer. The Bureau of Reclamation (USBR) has made significant progress on the Navajo-Gallup Water Supply Project (NGWSP), completing over 70% since breaking ground in 2012. The first of the two independent water transmission systems, the Cutter Lateral, was completed in 2020 and has since been delivering drinking water to over 1,550 homes/6,200 people in eight Navajo chapters. Water deliveries began to the Teepee Junction portion of the Jicarilla Apache Nation in fall of 2024.

On the San Juan Lateral, Reclamation is more than 60% finished, with 185 miles of the 200 miles of that water transmission system installed or under contract. Reclamation completed two large construction contracts this spring, including the Navajo Code Talkers Sublateral that will be able to deliver water to the Window Rock/Ft. Defiance, Arizona area. There are currently 3 large active construction contracts, including the San Juan Lateral Water Treatment Plant, and Reclamation is scheduled to award 10 more construction contracts over the next 2 $\frac{1}{2}$ years to complete the Project in accordance with Public Law 111–11.

Public Law 118–158 (extended through the end of FY 2025 by Public Law 119–4) increased the NGWSP's FY 2025 appropriation ceiling to \$1.640 billion, allowing Reclamation to allocate \$120 million to NGWSP from the Reclamation Water Settlement Fund (RWSF) as well as an additional \$25 million from the FY 2025 Operating Plan within Water & Related Resources to fully fund anticipated FY 2025 capabilities.

Question. Reclamation has historically been a strong partner in the Middle Rio Grande Endangered Species Collaborative. The Collaborative has recently had difficulty drawing down funds. Can we expect funding disruptions are over and that this partnership will continue?

How does Reclamation plan to meet your Endangered Species Act requirements without fully supporting programs like the Collaborative?

Answer. Reclamation's water delivery and power generation mission will continue while meeting our environmental responsibilities on individual projects, including the Middle Rio Grand Project. Funding levels for ESA-related activities for this project that meet these responsibilities has remained consistent at approximately \$4 million in FY 2023, FY 2024, and 2025. The FY 2026 budget request anticipates similar funding levels.

Question. Can you provide an update on the status of the El Vado Dam construction?

Answer. Reclamation is in the process of evaluating preliminary alternatives to move forward into design. A value planning study was performed to identify ways to reduce project costs and schedule. A field exploration campaign is underway to better understand the foundation and embankment material properties and inform upcoming design phases.

Question. How will Reclamation honor its commitment to completing the Eastern New Mexico Rural Water Supply Project—an authorized project—on time, if you are proposing zero dollars for Rural Water construction?

Answer. Reclamation remains committed to the completion of the Eastern New Mexico Water Supply Project. Reclamation has contributed \$364 million toward completion of the Project to date, and over \$30 million has been allocated in FY 2024 and FY 2025. Additionally, Reclamation has \$92 million remaining in rural water construction funding for which this project is eligible.

Currently under construction are Finished Water (FW) 1 and FW 3, both of which are planned for completion in this fiscal year. The remaining activities will complete the remaining pipelines and facilities. These include: Texico Lateral, Elida Lateral, Raw Water (RW) 1, RW2, RW3, the Water Treatment Plant, Caprock Booster Pump Station, Intake Pump Station, Elida Pump Station, Caprock Storage Tank, Ultimate Buildout work and delivery of power to facilities.

CONCLUSION OF HEARINGS

Senator KENNEDY. Thank you for coming. We'll talk again. We're probably going to have to start over with this budget. Gentlemen, I'm not telling you anything that you don't know. It's just not realistic and I support a lot of what Russ and my friends at OMB are doing. But I just know the appetite for the work that you all do and the necessity of it. So, I'm just being realistic.

Thank you for coming. Take the rest of the day off.

[Laughter.]

[Whereupon, at 11:30 a.m., Wednesday, June 11, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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