



4. DOE: Senate Budget panel set to grill Chu on hefty spending plan

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Katie Howell, E&E reporter

Energy Secretary Steven Chu returns to the hot seat on Capitol Hill this week as he continues to fight for his agency's \$29.5 billion 2012 spending request.

Chu is slated to testify before the Senate Budget Committee on Wednesday to discuss his agency's proposed 12 percent spending increase over fiscal 2010 levels. DOE is one of only a handful of agencies that would receive funding boosts in the president's request. The rest of the government is faced with large cuts.

"The fact that the Department of Energy has gotten a budget increase reflects the deep commitment the president feels the part energy will play in winning the future," Chu said earlier this month.

But Budget Committee members may not wholeheartedly endorse Chu's request, as Senate Democrats are girding for spending battles with House Republicans on both fiscal 2011 and 2012 measures.

The House-passed continuing resolution, which would cut DOE spending by more than \$1 billion for the rest of this fiscal year, is likely to stall in the Senate this week as Democrats assemble their own plan to fund the government past March 4, when the existing funding measure expires.

And as lawmakers prepare to slog through what is sure to be a rough road in negotiating a 2012 spending plan, DOE's hefty proposed increase is likely to face careful scrutiny.

Indeed, earlier this month during a budget hearing in the Senate Energy and Natural Resources Committee, Chu faced tough questions from lawmakers of both parties about the spending plan.

"To rein in federal spending, we will need to look at every program -- at every agency -- and the Department of Energy is no exception," Energy and Natural Resources ranking member Lisa Murkowski (R-Alaska) said during the hearing.

"I would note that your budget increase since 2010, which is essentially where we are in the CR this year, is about a 12 percent increase," Sen. Rob Portman (R-Ohio) added at the time. "Talking to other agencies, that's not the case with all, as you know."

"And certainly in this budget environment we face, I am pleased to see you talking about streamlining operations and some of the tough decisions you've made on freezing salaries on certain employees or contractors," Portman added. "I hope you will continue to focus on that."

Specifically, the request contains spending boosts for nuclear energy programs, renewable energy research and development, and clean energy technology investments. The increases would come at the expense of programs that research traditional energy sources and would accompany elimination of oil and gas industry tax incentives.

For example, energy efficiency and renewable energy programs would see a 44 percent increase over fiscal 2010 levels, while fossil energy programs would be cut 45 percent.

The cuts to fossil fuel programs faced tough criticism from both Democrats and Republicans on the Energy panel earlier this month, and questions about the proposals could crop up at this week's hearing.

"Because given not just our budget problems but our economic problems, we need to be sure that we're able to continue to rely on relatively inexpensive fossil fuels to keep our economy moving forward and create jobs," Portman said at the time.

Chu has acknowledged that his request faces a tough battle on Capitol Hill.

"We'll take it a day at a time," Chu said earlier this month of the proposal's chances of progressing in Congress.

His path may be even harder on the other side of the Capitol, where House Republicans have already scoffed at the measure.

"It's a lot more spending -- a 12 percent increase in the overall budget -- so a lot of money," Rep. Rodney Frelinghuysen (R-N.J.), chairman of the House Energy and Water Development Appropriations Subcommittee, said. "I think it'll be a rough road."

Schedule: The hearing is Wednesday at 10 a.m. in 608 Dirksen.

Witness: Energy Secretary Steven Chu.

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