



# ***INSIGHTS***

108<sup>th</sup> Congress

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***INSIGHTS*** is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of ***INSIGHTS*** is to provide FEMP management staff with timely information on legislative activities relevant to the program. ***INSIGHTS*** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

# I. WEEKLY SUMMARY

## CONGRESSIONAL SCHEDULE

*Note:* Congress will begin a week-long, Memorial Day holiday recess, beginning on Monday, May 26.

### House

This week, House activities include the following topics of interest:

- Subcommittee on Energy and Air Quality (Committee on Energy and Commerce) Hearing on a hydrogen-based economy

### Senate

This week, Senate activities include the following topics of interest:

- Subcommittee on Transportation, Treasury, and General Government (Committee on Appropriations) hearing on the FY 2004 Budget Request for the Department of the Treasury

## CONFERENCE COMMITTEES/VOTES

*No negotiations or votes of interest have been announced.*

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# II. COMMITTEE ACTIVITY

## HOUSE

### Hearings

*No activities of interest to report.*

### Legislation

***FY 2004 Defense Authorization*** On May 14, the Committee on Armed Services approved *H.R. 1588 - National Defense Authorization Act for Fiscal Year 2004*. The Subcommittee on Readiness, Chaired by Joel Hefley (R/CO), drafted provisions for military construction; family housing; and facility and infrastructure maintenance; key provisions of interest are provided below, ing:

#### **Army - \$2,935.927 billion**

- \$721.6 million for construction projects inside the U.S.
- \$314.0 million for construction projects outside the U.S.

- \$178.7 million for construction projects at unspecified worldwide locations (*same as Senate bill*)
- \$20 million for unspecified minor construction projects (*same as Senate bill*)
- \$122.710 million for architectural and engineering services and construction design (*same as Senate bill*)
- \$356.891 million for the construction, acquisition, planning and design, and improvement of military family housing units
- \$1,043.026 billion for support of military family housing
- \$179 million for Phase 2 or 3 of various barracks projects currently under construction

**Navy - \$2,169.829 billion**

- \$909.992 million for construction projects inside the U.S.
- \$98.190 million for construction projects outside the U.S. (*same as Senate bill*)
- \$12.334 million for unspecified minor construction projects (*same as Senate bill*)
- \$65.612 million for architectural and engineering services and construction design projects (*same as Senate bill*)
- \$184.193 million for construction and acquisition, planning and design, and improvement of military family housing and facilities (*same as Senate bill*)
- \$852.778 million for support of military family housing

**Air Force - \$2,302.857 billion**

- \$486.282 million for construction projects inside the U.S.
- \$171.159 million for construction projects outside the U.S.
- \$12 million for unspecified minor construction projects (*same as Senate bill*)
- \$74.345 million for architectural and engineering services and construction design (*same as Senate bill*)
- \$695.622 million for construction and acquisition, planning and design, and improvement of military family housing and facilities
- \$834.468 million for support of military family housing

**Defense Agencies - \$1,017.718 billion**

- \$296.670 million for construction projects inside the U.S.
- \$120.334 million for construction projects outside the U.S.

- \$16.153 million for unspecified minor construction projects (*same as Senate bill*)
- \$8.960 million for contingency construction projects of the Secretary of Defense (*same as Senate bill*)
- \$59.884 million for architectural and engineering services and construction design (*same as Senate bill*)
- **\$69.5 million for energy conservation projects (*same as Senate bill*)**
- \$370.427 million for base closure and realignment activities (*same as Senate bill*)
- \$350,000 for planning, design, and improvement of military family housing and facilities (*same as Senate bill*)
- \$49.440 million for support of military family housing (*same as Senate bill*)
- \$300,000 for credit to DOD Family Housing Improvement Fund (*same as Senate bill*)
- \$25.7 million for miscellaneous construction project

**Guard and Reserve Forces Facilities - \$369.55 million (*acquisition, architectural and engineering services, and construction of facilities*)**

- \$236.776 million for the Army
- \$28.032 million for the Navy
- \$104.742 million for the Air Force

**Streamlining Military Construction to Reduce Facility Acquisition and Construction Cycle Time**

- Thresholds – amends sec. 2803(c)(1) of title 10, USC by increasing thresholds
- Project Applicability – amends sec. 2895(b)(1) of title to include the following: this paragraph shall not apply to unspecified minor military construction projects using funds made available for O&M
- Design-Build Contracting – amends sec. 2305a(c)(5) of title to allow a military department to accelerate design effort for design-build contracts, prior to project being authorized and appropriated, if contractor has been selected under design-build procedures, a request has been submitted to Congress, and liability would not exceed cost of final design
- Related provisions - dealing with cost variations, real property transactions, etc.

*H.R. 1588* was approved by the Committee on Armed Services on May 14; the bill is pending consideration by the full House.

## SENATE

### Hearings

***Implementation of the 2002 Farm Bill*** On May 14, Secretary of Agriculture, Ann Veneman, testified before members of the Committee on Agriculture, Nutrition, and Forestry on issues relating to the implementation of the 2002 Farm Bill. Ms. Veneman discussed energy provisions and activities outlined in the bill supporting development and use of bioenergy, biobased products, and renewable energy. Last December, a public hearing was held to obtain input regarding a Renewable Energy and Energy Efficiency program designed to assist farmers, ranchers, and small rural businesses in becoming more energy efficient. [The agency is also seeking a proposed rule for the Federal Procurement of Biobased Products which would establish guidelines requiring that Federal agencies procure biobased products, if plausible.](#) The Renewable Energy Systems and Energy Efficiency Improvement program includes \$23 million for grants, loans, and loan guarantees to farmers and other small businesses to develop energy conservation improvements. USDA may also disburse \$115.5 million for the Bioenergy Program for FY 2003. The Bioenergy Program reimburses commercial fuel grade ethanol and commercial biodiesel producers for part of their production costs. Also for FY 2003, the Biomass Research and Development initiative received \$21 million in grant funding.

***USDA Emphasis on Renewable Energy*** On May 15, the Subcommittee on Agriculture (Committee on Appropriations) held a hearing to discuss the President's Fiscal Year FY 2004 Budget Request for USDA's Rural Development program. Under Secretary for Rural Development, Thomas Dorr, explained to the committee the administration's request to switch the funding constraint for the Value-Added grants and Renewable Energy Systems and Energy Efficiency Improvements from mandatory, as laid out in the 2002 Farm Bill, to discretionary funding for FY 2004. He explained, "We are not seeking those mandatory funds, but rather request discretionary funding to support these programs. The Administration believes programs should compete for funding in the appropriations process. For FY 2004, we are requesting \$2 million for Value-Added producer grants, [and \\$3 million to support the Renewable Energy program.](#) Through lessons learned from the Value-Added program administered with mandatory FY 2002 funds under the Farm Bill, \$2 million can be effectively deployed to promote value-added activities and stimulate income generation in rural areas. [Three million dollars for renewable energy will assist in fulfilling the President's Energy Policy goals to encourage a clean and diverse portfolio of domestic energy supplies to meet future energy demands.](#)

### Legislation

***S. 14 – Energy Policy Act of 2003*** Consideration of the Senate's version of comprehensive energy legislation will be delayed until after the Memorial Day Holiday. The delay is a result of other pressing issues (e.g., tax cut and defense authorization legislation) that Majority Leader, Bill Frist (R/TN) believes is more important for the Senate body to debate in this week. House and Senate Republicans have begun to publicly express concern that unless the Senate completes work on the bill, it will be difficult to complete conference negotiations between the two chambers and submit a bill to the President prior to the month-long, August Congressional recess. Debate on *S. 14*, including the introduction and consideration of numerous amendments is now tentatively scheduled to resume in early June. Controversial issues in the Senate bill continue to include electricity utility restructuring, Corporate Average Fuel Economy Standards, climate change, reformulated gasoline, and renewable fuels. The House passed its version of comprehensive energy legislation, *H.R. 4*, on April 11.

***FY 2004 Defense Authorization Act S. 1048 – FY 2004 Military Construction Act***, was introduced by John Warner (R/VA), Chairman of the Committee on Armed Services, on May 8 and placed on the

Senate Calendar on May 13; the bill is a component of *S. 1050 – FY 2004 Defense Authorization Act*. Provisions of interest are provided below.

**Army - \$2,980.454 billion**

- \$843.5 million for construction projects inside the U.S.
- \$151.9 million for construction projects outside the U.S.
- \$178.7 million for construction projects at unspecified worldwide locations (*same as House bill*)
- \$20 million for unspecified minor construction projects (*same as House bill*)
- \$122.710 million for architectural and engineering services and construction design (*same as House bill*)
- \$409.191 million for the construction, acquisition, planning and design, and improvement of military family housing units
- \$1,031.853 billion for support of military family housing
- \$226.6 million for Phase 2 or 3 of miscellaneous barracks projects currently under construction

**Navy - \$2,179.919 billion**

- \$959.720 million for construction projects inside the U.S.
- \$98.190 million for construction projects outside the U.S. (*same as House bill*)
- \$12.334 million for unspecified minor construction projects (*same as House bill*)
- \$65.612 million for architectural and engineering services and construction design projects (*same as House bill*)
- \$184.193 million for construction and acquisition, planning and design, and improvement of military family housing and facilities (*same as House bill*)
- \$813.158 million for support of military family housing

**Air Force - \$2,505.373 billion**

- \$760.332 million for construction projects inside the U.S.
- \$159.880 million for construction projects outside the U.S.
- \$28.981 million for construction projects at unspecified worldwide locations
- \$12 million for unspecified minor construction projects (*same as House bill*)
- \$74.345 million for architectural and engineering services and construction design (*same as House bill*)

- \$657.065 million for construction and acquisition, planning and design, and improvement of military family housing and facilities
- \$812.770 million for support of military family housing

**Defense Agencies - \$1,154.402 billion**

- \$331.170 million for construction projects inside the U.S.
- \$103.703 million for construction projects outside the U.S.
- \$16.153 million for unspecified minor construction projects (*same as House bill*)
- \$8.960 million for contingency construction projects of the Secretary of Defense (*same as House bill*)
- \$59.884 million for architectural and engineering services and construction design (*same as House bill*)
- **\$69.5 million for energy conservation projects (*same as the House bill*)**
- \$370.427 for base closure and realignment activities (*same as House bill*)
- \$350,000 for planning, design, and improvement of military family housing and facilities (*same as House bill*)
- \$49.440 million for support of military family housing (*same as House bill*)
- \$300,000 for credit to DOD Family Housing Improvement Fund (*same as House bill*)
- \$145.515 million for miscellaneous construction projects

**Guard and Reserve Forces Facilities - \$647.831 million (*acquisition, architectural and engineering services, and construction of facilities*)**

- \$351.257 million for the Army
- \$34.132 million for the Navy
- \$262.442 million for the Air Force

S. 1048 has cleared the Committee on Armed Services and is pending consideration by the full Senate.

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### III. NEW LEGISLATION

*(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)*

See detailed provisions for all bills at: [thomas.loc.gov](http://thomas.loc.gov)

#### HOUSE

No new bills of interest to report.

#### SENATE

Number	Short title	Date	Sponsor	Status
<b>S. 1032</b>	<b><i>Transit in Parks Act or the TRIP Act</i></b>	May 8	Paul Sarbanes	Referred to the Committee on Energy and Natural Resources
	<p>Encourages planning and establishment of alternative transportation systems and non-motorized transportation systems needed within, and in vicinity of parks and related public lands, that enhance resource protection; prevent or mitigate adverse impacts on those resources; reduce pollution and congestion; <b>conserve energy</b>; and for other purposes.</p> <p>Assists Federal land management agencies and state and local governmental authorities in financing areawide alternative transportation systems and non-motorized transportation systems.</p> <p>Assists in research to improve alternative transportation equipment, facilities, techniques, and methods with public and private sector companies and other entities.</p> <p>DOT shall develop cooperative arrangements with DOI to provide technical assistance in alternative transportation; interagency and multidisciplinary teams to develop Federal land management agency alternative transportation policy, procedures, and coordination; and development of procedures and criteria relating to the planning, selection, and funding of qualified projects and the implementation and oversight of the program of projects.</p> <p>Authorizes \$90,000,000 for each of FY 2004 - 2009.</p>			

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### IV. ADMINISTRATION INITIATIVES

***National Energy Policy Achievements*** On May 16, Secretary of Energy Abraham released a statement on the second anniversary of the publication of the President's *National Energy Policy*. In his remarks, the Secretary said:

Two years ago today, President Bush unveiled his *National Energy Policy* to meet our nation's increasing demand for dependable, affordable, and environmentally sound energy. The *National Energy Policy* reflects the President's desire to do more than just respond or react to cyclical challenges of price spikes, foreign supply disruptions, frigid winters, or searing summers. He wanted to put an end to the business-as-usual and complacency of years past...

...The energy policy offered more than 100 specific recommendations to increase domestic energy, diversify energy sources, [modernize conservation efforts](#), and upgrade our national energy infrastructure. But the *National Energy Policy* is more than just a list of recommendations. It is a vision for 21st Century energy security...

...As a result, the Bush Administration has been actively moving beyond the initial *National Energy Policy* recommendations. We have begun developing and implementing a second wave of policy initiatives built upon the visionary principles outlined in our original plan. These second wave policy initiatives include the President's FreedomCAR and Hydrogen Fuel Initiatives.

Attached to the Secretary's statement, was a list of achievements as a result of the National Energy Policy. This list includes the following achievements:

#### Transforming Energy Technology Initiatives:

*Hydrogen Technology* – In February 2003, the Hydrogen fuel Initiative was launched to develop commercially viable hydrogen-powered fuel cells with no pollution or greenhouse gases. Combined with the FreedomCAR initiative, \$1.7 billion has been proposed to develop hydrogen-powered fuel cells, a hydrogen infrastructure, and advanced automotive technologies.

#### Enhancing Domestic Energy Supply Actions:

- *Renewable Energy Programs* – through public-private partnership, DOE is mobilizing our nation's resources in developing affordable and reliable energy technologies.

#### Efficiency and Conservation: Decreasing Demand and Developing Bridging Technologies:

- *Increasing Energy Efficiency* – DOE initiated various programs and incentives to increase the use of energy efficient and renewable technologies, including combined heat and power systems and Zero Energy Building technologies.
- *Corporate Average Fuel Economy* – On April 1, 2003, the National Highway Traffic Safety Administration issued a final rule increasing CAFE standards for light trucks. The new standards result in a savings of approximately 3.6 billion gallons of gasoline over the lifetime of these trucks.

#### Modernizing Energy Infrastructure

- *Distributed Energy and Electricity Reliability Program* – DOE is developing advanced transmission and distribution infrastructure technologies that improve the efficiency of the U.S. grid system and develop next generation clean and efficient distributed energy technologies.

## Legislative Actions to Bolster Domestic Energy Supplies and Efficiency:

- *Renewable and Efficiency Investments* - both the House and Senate energy bills include significant new incentives for sol energy, hybrid and fuel cell vehicles, landfill methane, and other efficiency and renewable energy investments. Congress has recently extended existing tax incentive for electricity produced from wind and biomass, and the gasoline blended with ethanol produced from corn or other biomass.
- *Electric Sector Reliability and Regulatory Reform* – pending energy legislation will modernize the Nation’s outdated electricity laws and allow consumers to benefit from lower-cost and more reliable electricity supply.
- *Increasing Equipment and Product Efficiency* – both the House and Senate bills would expand the coverage of existing product efficiency programs to new types of equipment used in residences and commercial buildings. In some cases, new efficiency standards would be specified, while for other products, voluntary improvements would be encouraged.

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## V. HEARINGS SCHEDULE

### HOUSE – COMMITTEE ON APPROPRIATIONS

*No new hearings, mark ups, or votes of interest.*

### HOUSE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
<b>May 20 -</b> Subcommittee on Energy and Air Quality (Committee on Energy and Resources) <b>(NEW)</b>	Joe Barton (R/TX)	<b>Hearing –</b> The Hydrogen-Based Energy Economy (to address real-world problems associated with hydrogen production, transportation, and infrastructure)	David Garman, DOE Assistant Secretary for Energy Efficiency and Renewable Energy; various industry officials representing General Motors, Sunline, UTC Fuel Cells, ChevronTexaco Corp.; and University of California and University of Michigan	10:00 a.m. Room 2123 Rayburn Office Building

### CONFERENCE COMMITTEE NEGOTIATIONS/FLOOR VOTES

*No new activities of interest have been scheduled.*

## SENATE – COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
<i>May 20 -</i> Subcommittee on Transportation, Treasury, and General Government	Richard Shelby (R/AL)	<i>Hearing -</i>  FY 2004 Budget Request for the Department of the Treasury	TBA	10:00 a.m. Room 138 Dirksen Office Building

*(NEW)*

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## SENATE – AUTHORIZATIONS/OVERSIGHT

*No new activities of interest have been scheduled.*

## CONFERENCE COMMITTEE NEGOTIATIONS/FLOOR VOTES

Date	Activity and Issue(s)
<i>June (Tentative)</i> (debate and introduction of amendments for consideration are on hold until after the Memorial Day Holiday recess)	<i>Ongoing Debate S. 14 – Energy Policy Act of 2003</i>

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