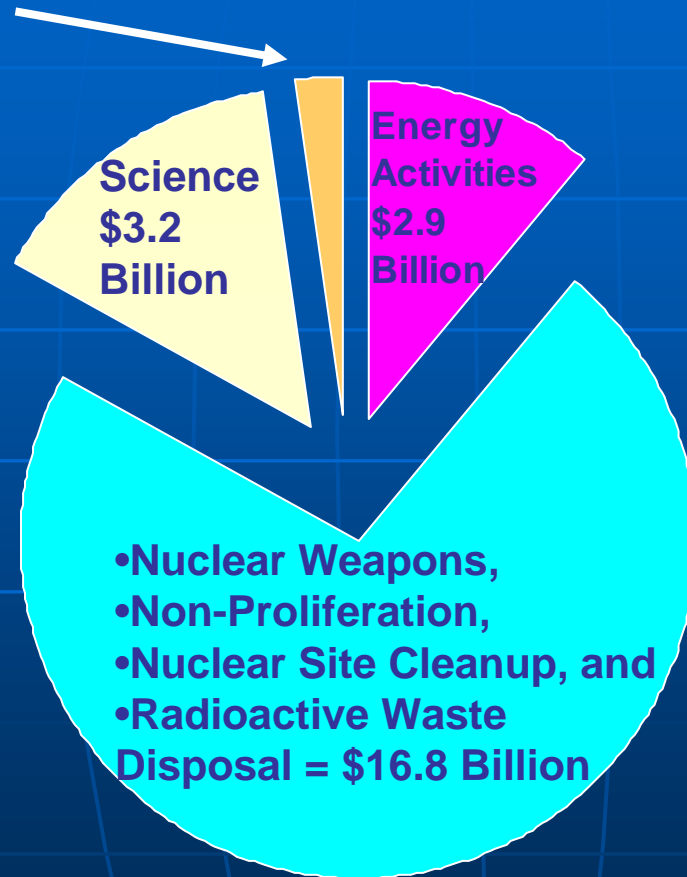


U.S. Department of Energy Budget Request for Fiscal Year 2006

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February 25, 2005

Actual Energy-Related Spending

Agency
Management
\$500 million



Energy Activities Include:

- Energy Efficiency and Renewables – \$1.2 Billion
- Fossil Energy -- \$760 Million
- Nuclear Energy (fission & fusion)-- \$800 Million
- Electric Transmission -- \$95.6 Million
- Energy Information Administration -- \$85.9 Million
- Power Marketing Administrations -- \$57.1 Million

Direct energy-related spending is about 12% of the Energy department's \$23.4 Billion Budget.

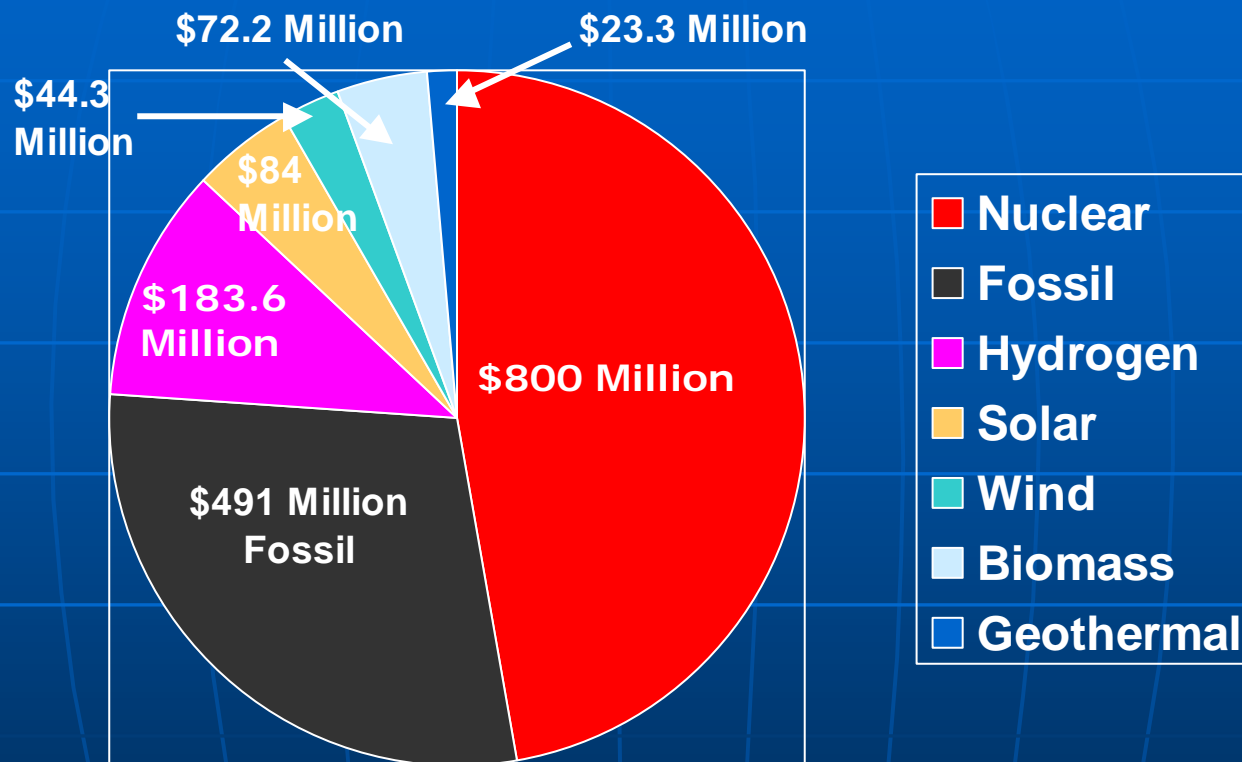
U.S. Dependence on Foreign Oil

- Currently, the United States, which has about 5.5% of the world's population, consumes more oil than any nation -- 20.58 million barrels per day, or 24 percent of the world's total production.
- More than three fourths of the crude oil consumed by the U.S. comes from foreign sources.
- In November 2004, Saudi Arabia and Iraq were respectively the first and seventh largest providers of oil for the United States.
- Oil demand by the United States increased more than 10 percent since 1990.

Already meager funds to reduce foreign oil dependency in the near term are cut further.

- Spending for energy efficiency and renewable forms of energy are cut by more than \$48 million. Specifically:
 - * Energy conservation is cut by \$21.5 million.
 - * Biomass programs are cut by \$15.9 Million.
 - * Solar Energy is cut by \$1.1 Million.
- The Energy department plans to spend nearly six and a half times more money on nuclear weapons than for energy conservation and renewable energy sources.

Nuclear Energy gets the single largest R&D subsidy as a fuel source.

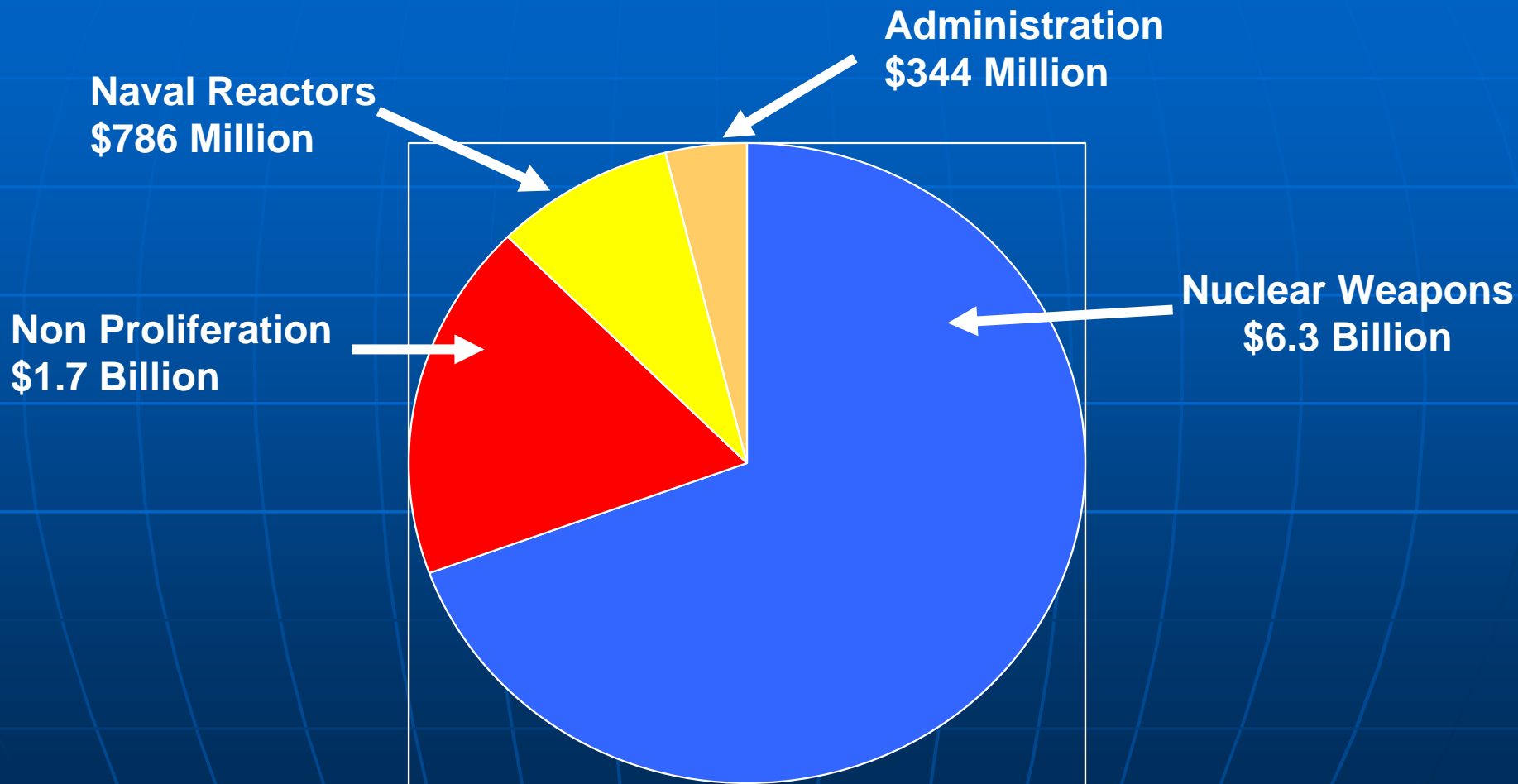


As an outcrop of the nuclear weapons program, between 1948 and 1998, 59% of R&D funding (\$66 billion in 1999 dollars) went to nuclear power. During that time, 23% went to fossil energy (\$26 billion), 11% to renewable energy (\$12 billion), and 7% to energy efficiency (\$8 billion). Source: Congressional Research Service, Renewable Energy: Key to Sustainable Energy Supply, May 27, 1999, 97031

DOE's nuclear power subsidy increases proliferation risks.

- DOE proposes to spend \$29 million on technologies to separate or reprocess plutonium from spent reactor fuel.
- For the last 30 years the U.S. has refrained from reprocessing to prevent the proliferation of nuclear weapons.
- The United States already has tens of tons of excess weapons plutonium, which is proving very costly and difficult to manage.

One third of DOE's Budget is primarily for nuclear weapons activities.



DOE and the Bush Administration “Nuclear Posture Review”

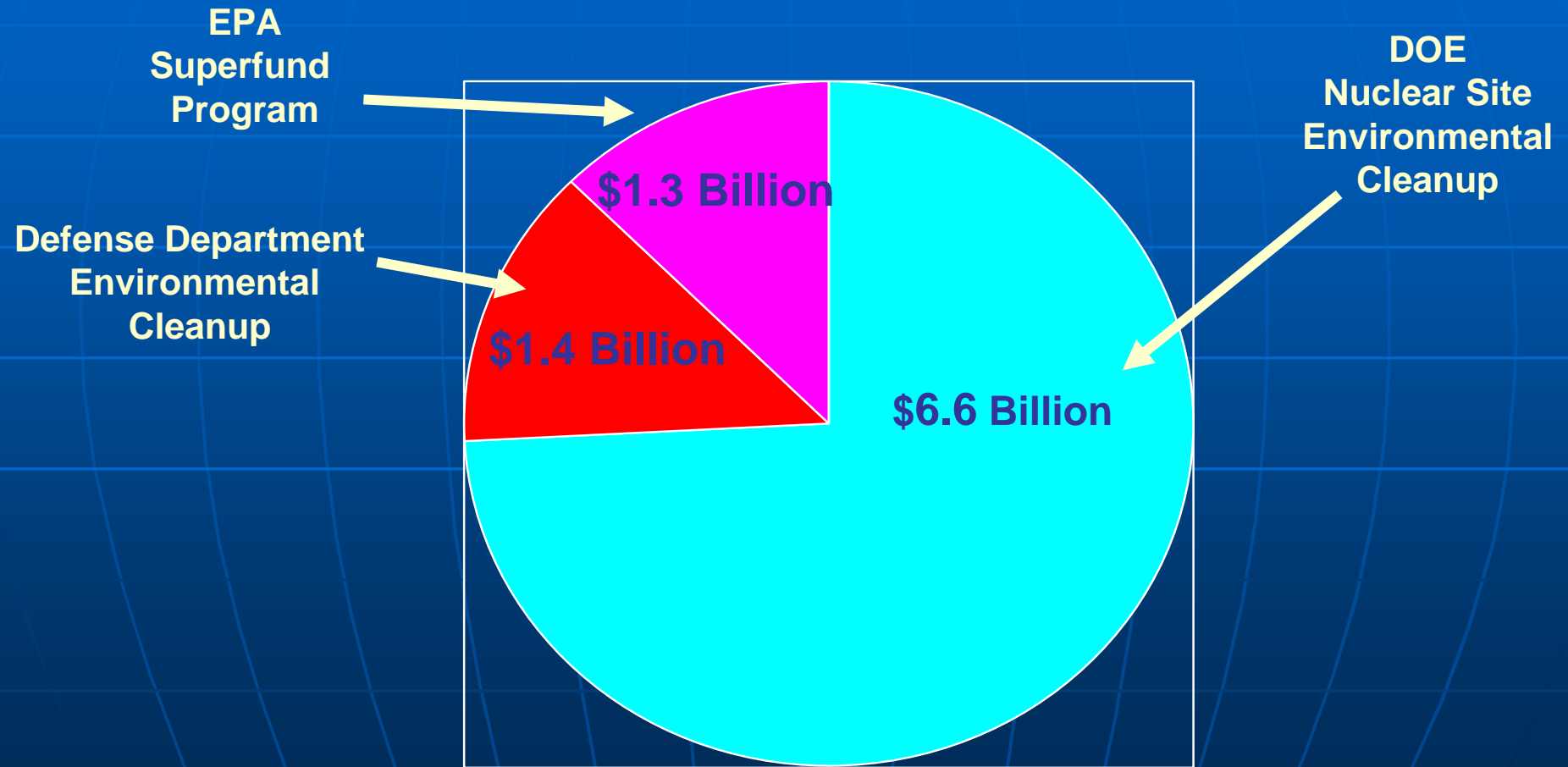
In 2002, the Bush Administration submitted the Congressionally-mandated “Nuclear Posture Review,” which calls for:

- Development of new small-yield nuclear weapons for pre-emptive use. DOE is seeking \$4 million to develop these weapons.
- Shortening the time to resume nuclear weapons testing from three years to one and a half years.
- Reconstitution of the nuclear weapons development and production infrastructure. DOE is seeking \$284 in FY 2006 to meet this goal.

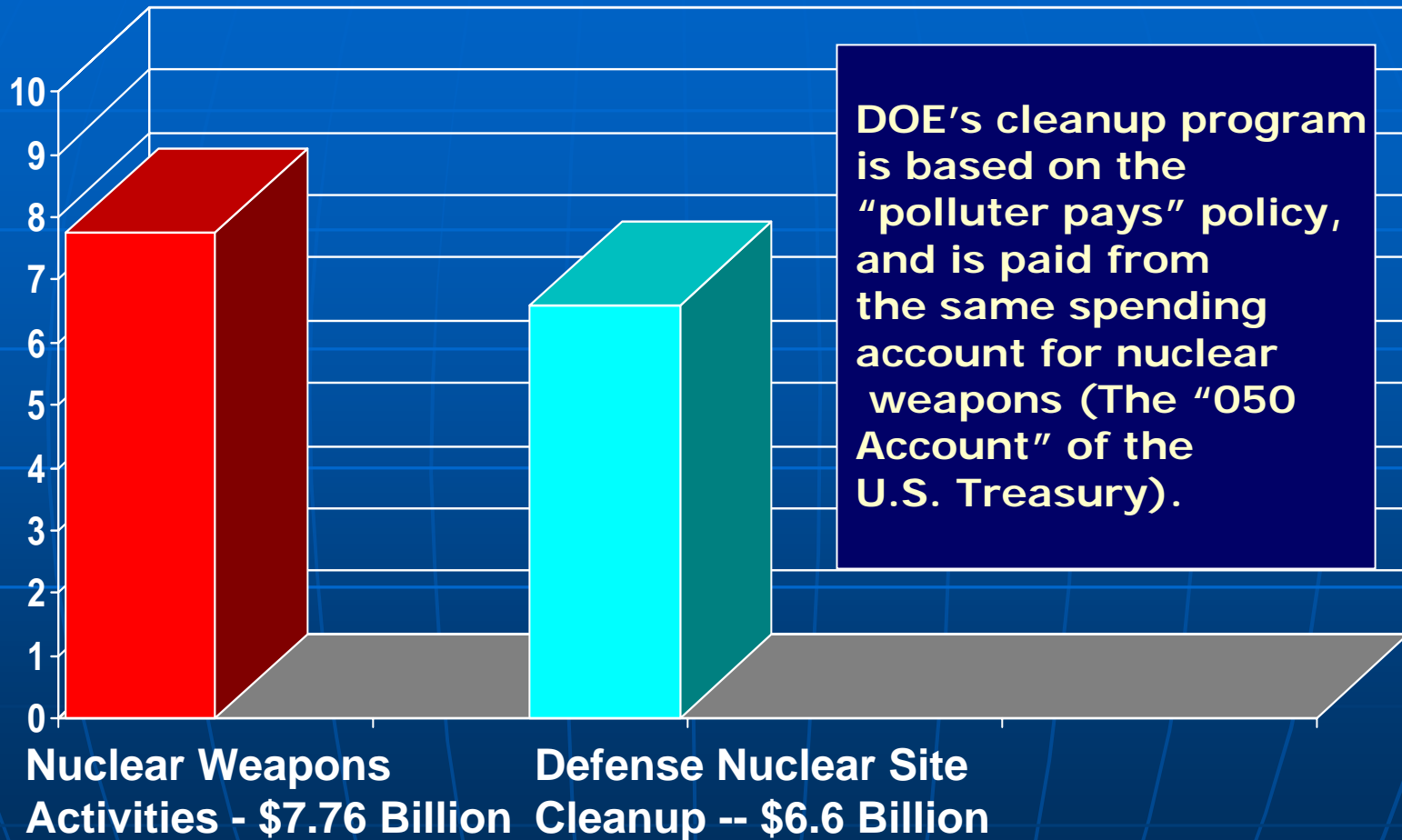
DOE and Nuclear Disarmament

- Since 2002, U.S. nuclear disarmament activities have been transformed into a costly and unnecessary nuclear weapons “readiness” program.
- To pave the way, the Energy Department is seeking to terminate its environmental mission, which has a primary role in the management and disposal of defense nuclear materials.
- Under the Strategic Offensive Reductions Treaty with Russia signed in 2002, several thousand excess intact nuclear warheads will be placed, indefinitely, in an already substantial “war reserve.”
- Billions of dollars from DOE’s budget will be required to safely maintain this large excess inventory of nuclear warheads and components, which can dangerously degrade, particularly as they reach the end of their design lives in the near future.

The nuclear arms race has resulted in the most expensive environmental cleanup program in the United States.



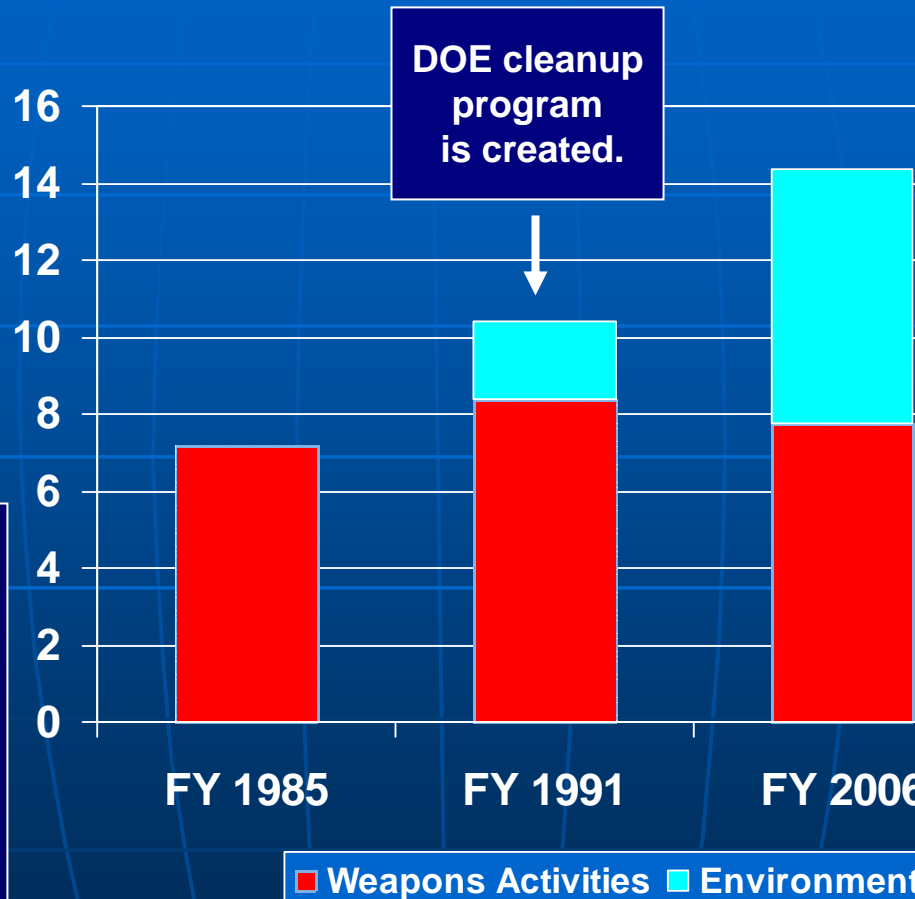
“Bombs vs. Cleanup”



DOE proposes to increase nuclear weapons spending by \$233 million, while reducing nuclear site cleanup and waste disposal by \$471 million.

DOE's Cost for a Deployed Nuclear Weapon

\$ Billions
(2004 dollars)



In FY 1985:

- The U.S. was operating a very large production and testing complex.

There were some 20,000 deployed nuclear weapons.

- The cost per warhead was ~ \$370 thousand/yr.

DOE cleanup program is created.

In FY 2006:

- The U.S. weapons production complex has shrunk by 70%, and no new nuclear weapons are being made.

- There are 5,300 deployed nuclear weapons.

- The per warhead cost, including cleanup costs, and maintaining retired weapons, is now ~ \$2.7 million/yr-- a 750% increase.*

* Does not include DOD costs (in the \$Billions)

The Implications of “short-changing” DOE site Cleanup

To free up funds for weapons, DOE is:

- greatly curtailing the geological disposal of high-level radioactive wastes (HLW) , it's most dangerous nuclear weapons detritus. Less than 40% of projected HLW canisters are scheduled for geological disposal.
- seeking to dispose these lethal materials at sites near major regional water supplies. At the Hanford site in Washington, DOE plans to leave behind 600% more very long-lived radioactive wastes, than agreed by NRC staff, near the Columbia River.
- In 2003, the National Academy of Sciences warned that DOE high-level radioactive wastes will remain dangerous “essentially forever.”

Conclusion

- Direct spending for actual energy activities is about 12 percent of DOE's Budget.
- Meager funds dedicated to reduce foreign oil dependence, in the near term (principally conservation), are being cut.
- DOE's fossil fuel subsidies add to the global warming problem.
- DOE's Nuclear Energy R&D subsidies (now ~ \$80 billion in 2004 dollars since 1948) dominates spending for all fuel sources. Moreover, nuclear energy funds continue to support technologies that increase proliferation risks, and nuclear site cleanup problems.
- Nuclear weapons spending, which make up one third of DOE's budget has significantly increased -- primarily to maintain thousands of weapons no longer needed, designing new weapons for preemptive use, and reconstituting the nuclear weapons production and testing complex.
- DOE is seeking to terminate its environmental mission resulting from the nuclear arms race, which makes up about one third of DOE's budget. To free up funds for weapons, DOE is imposing deep cuts at profoundly contaminated sites – which threaten major regional water supplies.