



**Press Conference Remarks
Energy Secretary Spencer Abraham
2004 DOE Budget Submission
Forrestal Building
Washington, DC
February 3, 2003**

Thank you, good afternoon, and welcome to the Department of Energy. Our '04 budget submission is a powerful restatement of this Administration's commitment to the work of the Department, and I'd like to summarize its contents for you.

Our '04 budget request for approximately \$23.4 billion - which represents an increase of almost 25% over a three-year period -- will allow us to continue to strengthen our defense programs, expand our non-proliferation efforts, accelerate our environmental cleanup programs, and increase our investment in the promise of scientific research. It will also allow us to promote energy independence for our country, while dramatically improving the environment, by advancing our ambitious, long-term vision - re-stated and expanded by President Bush in his State of the Union message last week -- of a zero-emissions future free of reliance on imported energy.

Let me begin outlining the budget with a discussion of our programs related to national defense: maintaining our nuclear stockpile, rebuilding the capabilities of our defense complex, preventing the spread of nuclear weapons and materials, and continuing our outstanding naval reactors program. Our '04 budget submission includes a total of more than \$8.8 billion for these programs, a \$925 million increase over last year.

Our '04 budget request proposes \$6.4 billion in spending for stockpile stewardship and rebuilding our Defense Complex, \$532 million more than the 2003 budget. We will use our increased funding to further advance the scientific and manufacturing capabilities we need over the long term to ensure our long-term ability to certify the safety, reliability and effectiveness of weapons in the stockpile.

We will continue to refurbish aging weapons to ensure that they remain safe and effective, and to dismantle warheads and bombs that are retired from the stockpile. We will also continue to make progress toward restoring the capability to manufacture and certify war reserve plutonium pits for the stockpile.

Finally, in order to carry out all these activities, our budget funds programs that will allow us to proceed with our work to restore, rebuild and revitalize the physical infrastructure of the nuclear weapons complex.

At the same time, we must expand our already productive efforts to prevent the spread of nuclear weapons and materials. We have increased our total '04 nonproliferation budget submission to more than \$1.3 billion, a 30% increase over last year's budget.

In the past two years, we have significantly improved our ability to prevent and reverse the proliferation of weapons of mass destruction, and to protect or eliminate nuclear weapons, weapons-usable nuclear material, and the infrastructure that supports them. We have enhanced our ability to detect weapons of mass destruction and other terrorist threats, and we have reduced the risk of accidents in nuclear fuel cycle facilities worldwide.

Thanks to unprecedented levels of U.S.-Russian cooperation to control the proliferation of nuclear materials, we will complete the work of protecting some 600 tons of Russian fissile material by 2008, a full two years earlier than expected. In addition, the U.S, Russia, and the International Atomic Energy Agency this year will intensify international cooperation to keep radioactive materials - the kind that could be used in the construction of "dirty bombs" -- out of the hands of terrorists. Work in this area will take a large step forward following an international conference - which we will be co-chairing with Russia and the IAEA -- that will take place next month in Vienna.

Our '04 non-proliferation budget will make it possible for us to increase our international monitoring visits to sensitive nuclear sites by one-third, and boost our contributions to international safeguards work carried out through the International Atomic Energy Agency and other cooperative programs.

We will also make major progress on work related to plutonium disposition facilities in the U.S. and Russia to eliminate excess weapons plutonium, and accelerate our program for the elimination of Russian highly enriched uranium.

Our responsibilities extend to the cleanup of the legacy of half-a-century of nuclear defense work here at home. Our budget submission of \$7.24 billion for Environmental Management, the highest amount ever requested for these programs, will allow us to continue on schedule with a reformed cleanup effort that began in 2002 with a Top to Bottom review of the department's environmental management program. Thanks to this reform program, we will accelerate completion of the cleanup programs by 35 years, reduce risk to the public and the environment - and save taxpayers over \$50 billion in program costs.

Turning to the energy sector, our slightly increased '04 energy budget submission of \$2.5 billion will allow us to continue with our wide-ranging and aggressive energy effort, at the same time that we conduct the research and development work that will lead to the eventual transformation of our energy economy.

Two programs illustrate the ways in which we can increase the use of abundant domestic energy and reduce the need for imported energy in the short-term, while also preparing these same familiar energy sources for a potentially large role in a transformed energy future.

Nuclear power today is an important element in our balanced portfolio of energy sources, supplying 20% of our nation's electricity, a contribution that we intend to maintain or increase in the years to come.

The \$63 million in the '04 budget for our new Advanced Fuel Cycle Initiative, or AFCI, will help us to devise a better fuel cycle that costs less overall, is more environmentally benign, more proliferation-resistant, and points to a sustainable, long-term future for nuclear energy.

President Bush's Clean Coal Power Initiative also promises tremendous energy benefits to the American people by developing the technologies and processes that will allow us to take full advantage of our lowest cost, most abundant domestic energy resource, which supplies fully 50% of our electricity needs today.

In particular, we are increasing our concentration on carbon sequestration - the capture and permanent storage of carbon dioxide produced by coal - which will be a key to achieving this Administration's goal of developing methods and technologies to reduce, avoid or capture greenhouse gas emissions.

Our \$62 million, '04 budget request for carbon sequestration research -- an increase of more than 40% over last year -- will allow us to pursue a very aggressive carbon sequestration research program.

Our budget submission also includes the initial down payments on what will be a substantial, multi-year investment in achieving our long-term vision of an independent, zero emissions energy future.

The long-term solution to our well-known energy and environmental challenges is to transform our energy foundation and, therefore, our energy future. That is the promise offered by fusion to produce electricity in a safe, economical and environmentally benign manner. By reproducing the sun's process for transforming matter into energy - fusion -- we could create an extraordinarily safe energy source that substantially lessens concerns about greenhouse gases, other polluting emissions, high-level nuclear waste and fissionable materials.

This Administration wants to grasp the potential of fusion by rejoining ITER, the International Thermonuclear Experimental Reactor project. ITER is an international fusion energy research and development project designed to take the next major step in the development of fusion energy.

ITER will take about 10 years to build, at a cost of approximately \$5 billion -- and operate for about 20 years. We estimate our investment in ITER over the next 10 years will total \$500 million, plus contingency and inflation.

As you know, President Bush spoke of the remarkable potential of hydrogen as the transportation fuel of the future in his State of the Union Address.

The President's new FreedomFuel initiative, together with the FreedomCAR initiative, announced one year ago, will intensify the complex research and development effort to produce a personal transportation fleet powered by hydrogen fuel cells, and the infrastructure to support it.

Over the next five years, we will spend approximately \$1.7 billion for FreedomCAR and FreedomFuel, ultimately advancing a commercialization decision by 15 years, from 2030 to 2015. Our '04 budget request will nearly double '03 spending for our hydrogen and fuel cell R&D partnerships with the private sector.

Someday, I believe, Americans will look back on the transition to a hydrogen economy as one of the most important - if not the most important - national scientific/technological achievements in our history.

DOE's responsibilities are so wide-ranging that I can give you only a glimpse of our work today. I haven't time to talk about our many valuable programs to promote domestic energy production and international energy trade and investment -- nor to discuss projects to further develop wind, solar, hydropower and biomass technologies, and to increase industrial, commercial and residential energy efficiency.

Nor have I had time to talk about our Office of Science, on which we rely to fulfill all of our responsibilities. Our remarkable national network of science laboratories produces the scientific breakthroughs and technological advances that contribute in dozens of ways to our economic growth and improved standards of living and health.

I do have time to conclude with this thought: This budget will help the Department of Energy meet its far-reaching - and growing - responsibilities. I am proud to lead a Department whose work is important not only this year and next year and the year after that - but that will reverberate down through the decades and into the next century, for the benefit of future generations.

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