

## **Amendment 1982 — Save \$2 billion by reducing duplicative federal energy programs, including over 700 energy efficiency programs and 94 green building initiatives.**

In his 2011 State of the Union Address, President Obama pledged to eliminate and consolidate duplicative programs, and the Government Accountability Office (GAO) has issued two reports detailing hundreds of examples of overlapping federal programs demonstrating few measurable results, costing taxpayers billions of dollars.

Yet, Congress refuses to address these findings and the federal government continues to waste hundreds of billions of dollars every year on programs with duplicative and overlapping missions. This includes hundreds of federal energy programs, resulting in billions of dollars of waste every year, and the Senate is considering energy legislation today that instead of eliminating waste and duplication in federal energy initiatives, would seek to raise taxes. For example, in one report this year, GAO identified 700 different federal renewable energy programs. Further, GAO found there are 94 federal green building initiatives, and the agencies are unable to even account for how much is spent by each program.

We cannot ask for even one more dime of taxes until we can assure taxpayers their money is not being wasted on duplicative, ineffective federal programs.

This amendment would recapture just a small fraction of the amount wasted by the federal government on duplicative energy programs. By directing the Office of Management and Budget (OMB) to coordinate among federal agencies, using available administrative authority, to eliminate, consolidate, or streamline energy-related programs identified by the recent GAO duplication report series, the amendment would find \$2 billion in savings from these programs.

This is an effort supported by the president and his administration, and we should give them the tools and support they need to begin reduction duplication and finding savings.

### **Examples of Duplication and Overlap in Federal Energy Initiatives**

With the release GAO's 2012 report, combined with last year's recommendations, Congress and the administration have been given extensive details in 132 areas of government duplication and opportunities for significant cost savings, with dozens recommendations for how to address the duplication and find these savings.

These reports also provide a very clear and concise listing of dozens of areas ripe for reform and in need of collaboration from members on both sides of the aisle, to find solutions to address these issues.

This amendment would require OMB to find at least \$2 billion in savings, from the hundreds of billions of dollars outlined by GAO in duplicative federal energy efforts.

In their second duplication report, released just this year, GAO detailed four areas of overlap and duplication in federal energy initiatives. And in February, GAO released a similar report detailing another area of significant overlap.

These five areas include:

- Department of Energy Contractor Support Services
- Federal Nuclear Nonproliferation
- Federal Diesel Emissions Efforts
- Federal Green Building Initiatives
- Federal Energy Efficiency Initiatives

### **Department of Energy Contractor Support Services**

According to GAO, the Department of Energy spends 90 percent of its budget (which was \$27 billion in FY2011) on contractors to carry out its mission. These contractors include corporations, universities, and other entities.

GAO reports that the sites of Department of Energy contractors vary in how they manage and execute support functions, such as procurement, recruitment and hiring, managing benefits, and maintaining facilities and infrastructure. Costs on these support functions are considerable, \$5.5 billion in FY2009 for the National Nuclear Security Administration (NNSA) and the Office of Science sites.

Since 2007, the Energy Department and its contractors have been working to streamline efforts and reduce support functions' costs. However, opportunities remain for the Department and its contractors to eliminate additional inefficiencies.

For example, in 2011, Energy and NNSA proposed having a single contractor manage and operate two NNSA sites, which could save as much as \$895 million over the next decade.

### **Nuclear Nonproliferation**

Nuclear proliferation is one of the greatest threats to the national and international security.

To prevent terrorist and other adversaries from acquiring and using nuclear weapons, the United States has pursued multiple nuclear nonproliferation

programs, including the Department of Energy's National Nuclear Security Administration, as well as Department of Defense, State, and DHS programs.

The National Security Council has the primary responsibility to coordinate these programs. Yet, according to GAO, there are dozens of efforts to address nonproliferation, which are duplicative and poorly coordinate.

Altogether there are 21 government programs and offices under five federal agencies –NNSA, Defense, State, DHS, and Justice—to prevent and detect the smuggling of nuclear materials and nuclear technology trafficking.

GAO reports these efforts are duplicative and incomplete. None of the existing strategies and plans for coordinating nonproliferation activities overseas “incorporates all of the desirable characteristics of national strategies.”

GAO further found no single agency has been granted the lead responsibility for leading and directing federal efforts to prevent nuclear smuggling. GAO recommends a review of nonproliferation strategy to improve coordination and minimizes fragmentation and overlap among programs.

### **Diesel Emissions Efforts**

There are 14 programs and three tax expenditures that sole or joint purpose is to reduce diesel emissions. Thirteen of the programs provide grants and one is a loan program. In FY 2010, the government spent a combined \$736.2 billion on these overlapping programs.

GAO also identified three tax expenditures that provide incentives for owners and operators of diesel engines and vehicles. As one example of overlap, GAO found that “among the qualifying activities to the excise tax exemption for certain idling reduction devices and programs that fund idling reduction activities.” One program at the Environmental Protection Agency (EPA) sole purpose is reduction of diesel pollution. The remaining 13 have other purposes as well. The report found “each of the 14 programs overlaps with at least 1 other program in the specific activities they fund, the program goals, or the eligible recipients of funding.”

GAO also identified examples of duplication where “more than one program provided grant or loan funding to the same recipient for the same type of activities.” In one case, a state transportation agency received three separate grants from three different DOT programs for \$11.2 million in total funding to replace diesel engines on buses.

GAO previously has said that entities receiving multiple grants for one thing or “leveraging” is general recognized as a favorable practice in the private sector.

However, the act of leveraging multiple grants in the federal government “from multiple agencies can be inefficient because agencies may incur costs for duplicative administrative activities.”

The report also found that overall effectiveness of the diesel programs is reduced because the agencies involved “generally do not collaborate.”

### **Federal Green Building Initiatives**

There are 94 federal initiatives to encourage "green building" in the private sector, all run by 11 different federal agencies.

Two thirds of the initiatives are run by three agencies: HUD (29); EPA (18); and Energy (17).

In the surest sign these overlapping efforts have expanded beyond a manageable level, the agencies were *unable* to provide GAO with the amount of federal funding spent on these 94 programs in 2011.

While these agencies have a seemingly obvious role in this area, there are twelve programs spread among the Small Business Administration and the Departments of Treasury and Education.

However, according to GAO, all of the programs essentially address the same issue, and in largely the same way: encouraging private builders to adopt "green" standards.

GAO requested funding information for all 94 initiatives, but the agencies did not provide it and so GAO was unable to report the amount spent in 2011.

Further, two-thirds of all the programs were unable to provide a single goal or performance measure related to green building.

### **2012 GAO Report on Renewable Energy: Federal Agencies Implement Hundreds of Initiatives**

In a separate report released earlier this year, the GAO examined all major government agencies, offices, and programs funding and supporting federal renewable energy activities.

GAO’s stunning findings in this report represent possibly the worst case of government duplication and overlap detailed to date. “Government wide, 23 agencies and their 130 sub-agencies reviewed by GAO, implemented nearly **700** renewable energy initiatives in fiscal year 2010. The Departments of Defense

(DOD), Agriculture (USDA), Energy (DOE), and the Interior were collectively responsible for almost 60 percent of all initiatives.”

According to GAO, “Many federal agencies support renewable energy activities, raising congressional concerns about the number and roles of agencies implementing such efforts. Currently, there is no comprehensive inventory of federal renewable energy initiatives, making it difficult to identify potential fragmentation or duplication.”

### **2011 GAO Duplication Report**

In their first duplication report, released in 2011, GAO detailed two areas of overlap and duplication in federal energy initiatives: domestic ethanol production and reliance on petroleum fuel for the federal government’s vehicle fleet.

#### **Ethanol**

According to GAO, “the ethanol tax credit is largely unneeded today to ensure demand for domestic ethanol production.”

“The fuel standard is now at a level high enough to ensure that a market for domestic ethanol production exists in the absence of the ethanol tax credit and may soon itself be at a level beyond what can be consumed by the nation’s existing vehicle infrastructure”

GAO found the ethanol tax credit to be duplicative of other federal ethanol and energy subsidies.

This is the one area of duplication, raised by GAO in 2011, that Congress addressed in the last year. By taking no action to extend the tax credit, Congress let this duplicative federal subsidy expire.

#### **Federal Fleet Management**

According to GAO, “The federal government’s vehicle fleet has over 600,000 civilian and non-tactical military vehicles and consumes over 963,000 gallons of petroleum-based fuel per day.”

“In fiscal year 2009, the federal government spent approximately \$1.9 billion on procuring new vehicles.”

“According to General Services Administration (GSA) officials, the governmentwide fleet is used to support of a variety of missions and consists of approximately 60 percent trucks, buses, and ambulances; fewer than 40 percent are passenger vehicles including passenger vans and sport utility vehicles.”

GAO explains, “federal laws and executive orders have set requirements and goals for acquiring alternative fuel and plug-in hybrid electric vehicles, increasing use of alternative fuels and reducing petroleum consumption...[but] These laws and executive orders affect over 20 agencies. A number of federal agencies play a role in overseeing and implementing these requirements including, the Department of Energy (DOE) and GSA

“These statutes and [executive] orders were enacted and issued in a piecemeal fashion and represent a fragmented rather than integrated approach to meeting key national goals.”

### **Congress and the Administration Should Not Delay Findings Savings from Duplication**

Last year both Republicans and Democrats said GAO’s first report on duplication would serve as a roadmap for extensive federal savings, to help put us on a path of fiscal solvency and begin reducing our deficit. These pledges were quickly set aside, and exchanged for partisan bickering and a refusal to find even the simplest areas of commonality.

Congress is looking into a future of trillion dollar deficits and a national debt quickly headed toward \$20 trillion. Our nation is not on the verge of bankruptcy—it is already bankrupt. We have maxed out our own credit cards and are now living off our children’s credit cards, while funding a government with so many duplicative programs they cannot even all be written down in a more than 420 page report.

GAO’s work presents Washington with literally hundreds of options for areas in which we could make a decision now to start finding savings, potentially hundreds of billions of dollars.

In considering energy legislation this week, Congress should require OMB to find savings from the hundreds of duplicative federal energy programs and efforts. We can no longer afford to ignore this problem and must begin taking the first steps to address duplication in every corner of federal spending.