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Opening Statement Rep. Elijah E. Cummings, Ranking Member

Hearing on Hearing on "Oversight of the Department of Energy's Stimulus Spending"

March 20, 2012

Thank you Mr. Chairman, and welcome to you, Mr. Secretary. I am very glad you could be here today.

One of our nation's most important public policy goals is to move toward energy independence and energy efficiency. We all know the reasons for this: we want to enhance national security by reducing our dependence on foreign oil; we want to remain competitive with countries like China by developing innovative technologies of the future; we want to boost our economy while reducing our environmental footprint; and we want to lower energy costs for American consumers.

We all agree with these goals. So how are we doing?

First, the United States is now producing more oil than at any time in the last eight years. We are producing record amounts of natural gas, and we are now the largest producer of natural gas in the world. The Administration has approved more than 400 permits for additional drilling, but with safeguards to prevent the devastation faced by the Gulf after the oil spill of 2010.

We have also become more efficient. In 2010, oil imports to the United States fell below 50% for the first time in 13 years, and a new agreement on fuel economy standards by the Administration and U.S. auto companies will reduce oil consumption by more than 2 million barrels a day by 2025.

Regardless of how much we drill and how much we save, however, we know these measures alone will not achieve energy independence. We use about 20% of the world's oil, but have only about 2% to 3% of known reserves. We need an aggressive policy to invest in the most innovative clean technologies of the future.

And that's where the Recovery Act comes in. The Recovery Act has been extremely successful in responding to the economic crisis of 2008. It allocated more than \$35 billion for more than 15,000 projects and increased the number of people employed by between 1 million

and 2.9 million, according to the Congressional Budget Office.

The Recovery Act has also made significant investments in projects that boost the ability of private sector companies to innovate and produce new technologies in order to generate more energy at lower costs for consumers. These investments include electric grid improvements, advanced energy manufacturing, geothermal businesses, and hundreds of other projects.

The United States is now on track to double renewable energy generation by the end of this year, and companies supported by the Recovery Act are making amazing breakthroughs in technologies that could dramatically reduce energy costs and generate whole new industries. For all of these reasons, Members of Congress on both sides of the aisle have written nearly 500 letters in support of these broad goals and specific projects.

In addition to evaluating the overall effectiveness of the Recovery Act, one of our jobs in this Committee is to examine the procedures used by the Department and industry to determine whether they can be improved. Although the bankruptcy of Solyndra raised legitimate questions about these procedures, it did not—and does not—support unsubstantiated allegations that the Department engaged in criminal conduct or made its funding decisions based on political favoritism, pay-to-play relationships, or outright corruption.

We have to be responsible about oversight. We cannot simply attack any program that has the words “Obama” and “clean energy” attached to them. We have to base our review on the facts and strive to serve the long-term interests of the American people rather than the short-term interests of partisan politics.

For example, last week the nonpartisan Government Accountability Office issued a report with recommendations to improve the procedures used by the Department to evaluate loan guarantee applications. GAO also made this little-noticed finding: it concluded that the Department’s due diligence procedures “may equal or exceed those used by private lenders to assess and mitigate project risk.” I think the Department should be commended for these actions, even as it continues to become more efficient and effective.

As our Committee conducts its oversight of the Recovery Act, I hope we fairly assess the overall success of the Department’s programs and focus on constructive ways to fulfill our shared goal of energy independence and energy efficiency.

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