

OPENING STATEMENT
The Honorable Ralph M. Hall (R-TX), Chairman
House Committee on Science, Space, and Technology
*An Overview of the Department of Energy Research and Development Budget
for Fiscal Year 2013*

March 1, 2012

I want to welcome everyone here today for this hearing on the President's Fiscal Year 2013 budget request for the Department of Energy, and in particular I want to extend a warm welcome to Secretary Chu for appearing before the Committee yet again this year. We may occasionally have strong disagreements, but we thank you for your service and your willingness to appear before this Committee.

This is the President's fourth budget submission to Congress, so its general priorities—and my concerns with them—should come as no surprise. As in years past, the budget calls for massive increases in green energy programs while flat-lining or cutting programs devoted to basic research and the advancement of the domestic production of reliable and affordable sources of energy, such as oil, natural gas, coal, and nuclear. The lack of balance in this approach is disappointing, and I hope and expect Congress will reject it.

Last year I used a gambling term to highlight my concern with the President's budget, specifically the extent to which President Obama "doubled-down" on his energy and climate agenda in light of the continued struggling economy, trillion-dollar deficits, rising gas prices, and fuel supply concerns driven by Middle East turmoil." All of those issues remain today, and some -- such as the price of gas -- have been further exacerbated. After a year in which American taxpayers saw their money wasted in high-profile failures of government-backed, so-called clean energy companies, it is surprising that DOE now uses that same term, "double-down," to describe the Department's budget proposal. In this context, I think I can at least understand the Administration's use of a gambling metaphor to describe its plans for risking taxpayer dollars.

Last year, the centerpiece of the President's energy policy proposal to Congress was enactment of a Clean Energy Standard to mandate the purchase of certain types of "clean" electricity. At the time the President announced it, the cost of his proposal was not clear, so I asked DOE's Energy Information Administration to calculate projected costs under various scenarios. The best estimate scenario found that nationwide electricity prices would increase almost 30% by 2035, and gross domestic product would be reduced by approximately \$100 billion annually. A comparable analysis requested by the Senate yielded similar results.

In light of this data from DOE, the President continues to push for a mandate that Americans purchase more expensive electricity, while other countries seek to make energy cheaper for their citizens. This is especially disappointing and should again be soundly rejected by Congress, as was his previous proposal to increase the cost of energy through a cap-and-trade scheme.

Meanwhile, gasoline prices approach record highs, placing additional energy costs on consumers, causing pain not only at the pump but also in every other sector of the American economy that depends upon affordable fuel to deliver goods and services. In response, the President ironically calls for an “all-of-the-above” energy strategy but continues to propose policies that in reality show his lack of concern with gasoline prices. His Administration continues to actively take steps that place upward pressure on prices. He delayed offshore drilling permits and blocked production in the Outer Continental Shelf and the Alaska National Wildlife Refuge. He thwarted construction of the Keystone Pipeline. He proposed through EPA and other agencies costly new regulations. And he proposed eliminating or cutting R&D programs aimed at advancing domestic production and supply of oil and natural gas resources.

Had the President moved forward with “all-of-the-above” energy policies, he would understand that producing America’s natural resources makes a difference – just as American ingenuity makes a difference. It may take the American public to convince the President to approve the pipeline and expand domestic production. I hope today’s hearing provides an opportunity to address these topics further.