



COMMITTEE ON
SCIENCE, SPACE, & TECHNOLOGY
Lamar Smith, Chairman

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Media Contact: Zachary Kurz
(202) 225-6371

Statement of Chairman Lamar Smith (R-Texas)

An Overview of the Department of Energy's Budget Proposal for Fiscal Year 2017

Chairman Smith: Good morning. Today the Committee on Science, Space, and Technology will examine the Department of Energy's (DOE) Fiscal Year 2017 budget request.

The Science Committee has jurisdiction over more than one-third of the Department's \$30 billion budget, including almost \$13 billion for fundamental scientific research and energy R&D. This includes the DOE Office of Science, which is America's lead federal agency for basic research in the physical sciences. DOE's basic scientific research and energy R&D are conducted by 31,000 researchers at over 300 sites around the country, which include universities and the 17 National Labs.

The fundamental research conducted by the Office of Science has led to groundbreaking discoveries about our universe, made possible innovative new technologies, and provided the foundational knowledge for private sector achievements across our energy and manufacturing industries.

This Committee provided strong support for the Office of Science through the America COMPETES Reauthorization Act, which provided \$5.3 billion for basic research. The Science Committee bill passed the House last year. And that authorized level was enacted into law as part of the 2016 omnibus appropriations.

I'm pleased to see this budget proposal build on COMPETES and Congressional appropriations to provide priority funding for basic R&D. Unfortunately, the President's budget proposal doesn't stop there. The President refuses to make the tough choices necessary in a responsible budget environment.

Instead, the FY 2017 proposal reads like a wish-list for the White House's political allies. It uses budget gimmicks to add more spending for expensive commercial technologies already available to American consumers or rejected by them in the market. For example, the Office of Energy Efficiency and Renewable Energy (EERE) receives an increase of \$830 million, or 40 percent in discretionary spending in the FY 2017 budget.

In addition to this unjustified substantial increase, the Obama administration proposes adding another \$1.3 billion in new mandatory spending for "clean transportation." This allows DOE to commit large sums of money without following the budget caps set in law.

Combined, this is a 105 percent increase in EERE's budget. This is the opposite of the Congress' priorities. The President's budget does not reflect current constraints on federal spending or support a balanced, all-of-the-above energy strategy.

The President's budget also proposes significant spending to support the administration's "Mission Innovation" initiative. This commitment was made during the Paris climate change negotiations and doubles federal spending on clean energy research and development.

But investment is not made primarily in basic research in pre-commercial areas such as high performance computing and advanced materials that cannot be accomplished by the private sector. Instead, this budget appears to focus "Mission Innovation" dollars on methods to move renewable energy into the market.

The budget proposal lacks transparency on Mission Innovation. It should be clear what the Department hopes to accomplish since this budget proposal cuts projects with bipartisan support in order to fund this initiative.

One example is the Department's proposed \$40 million in cuts to fusion energy research. This is \$90 million below the authorization in the House-passed America COMPETES Act.

Fusion energy research could provide for safe, clean and reliable energy for Americans in the future. If Mission Innovation is about investing in long-term research for clean energy, fusion should be a priority.

In my home state of Texas, funds awarded to the Texas Clean Energy Project, a coal gasification project with long-standing bipartisan support, were abruptly pulled to fund these new clean energy priorities.

Since the project is expected to capture 90 percent of the CO₂ emitted from enhanced oil recovery in the Permian Basin, it is hard to understand how this project doesn't meet the administration's "clean energy" standards. I'm pleased to be working with my ranking colleague, Ms. Johnson, to restore funding to this important project.

While Secretary Moniz and I may disagree on the spending and research priorities outlined in the administration's budget, we share an appreciation for DOE's vital role in maintaining American leadership in scientific discovery and technological achievement.

Over the past year, this Committee has examined a broad range of the Department's research. It is our responsibility in Congress to ensure American tax dollars are spent wisely and efficiently.

As we shape the future of DOE, our priority must be basic energy research and development that only the federal government has the resources to pursue. This will allow the private sector to move groundbreaking technology to the market across the energy spectrum, create jobs and help our economy.

I want to thank Secretary Moniz for a good working relationship with this Committee and for his open and straightforward approach to issues of mutual interest.

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