

U.S. House of Representatives
Committee on Science, Space, and Technology
Subcommittee on Investigations & Oversight

Green Jobs and Red Tape: Assessing Federal Efforts to Encourage Employment

Opening Statement of Chairman Paul Broun, M.D.

The economic crisis of 2008 provided a new Administration with the opportunity to expand government's role in a number of different areas – one of the most prominent was the energy sector. This expansion was meant to be “timely, targeted, and temporary,” yet spending is still ongoing today. One of the highlights of the stimulus bill's energy agenda was the goal of creating green jobs that would spur employment, aid the environment, make us more secure, and keep us competitive.

With the President's FY12 budget, the President is asking Congress to double down on that strategy. The Startup America Campaign, the Clean Energy Initiative, and the Strategy for American Innovation extends and expands many of the same initiatives put forth in the stimulus bill. In the course of reviewing the President's FY12 budget, the Science, Space, and Technology Committee heard from a number of agency officials about the importance of maintaining and expanding these green economy investments. This hearing is the first opportunity to hear perspectives from outside entities.

It is important to realize the context that we are assessing these proposals. When the President took office the average price of gas was around \$1.84 a gallon. Today the average price is around \$3.79 a gallon. This should come as no surprise. In 2008, before he became the Secretary of Energy, Stephen Chu stated “Somehow we have to figure out how to boost the price of gasoline to the levels in Europe.” Gasoline in Europe is roughly \$8 a gallon. In a 2008 interview with the San Francisco Chronicle, President Obama (then Candidate Obama) stated that “under my plan of a cap and trade system electricity rates would necessarily skyrocket.”

It seems as though this Administration's energy and green jobs agendas are built less upon stimulating our economy and creating domestic jobs, and more on picking winners and losers and financing foreign investment and production.

On one hand, the Administration is limiting development of oil production in the Outer Continental Shelf. On the other hand, it is promoting the development of oil off the coast of Brazil. On a recent trip to Brazil, President Obama stated Americans “want to help with technology and support to develop these oil reserves safely, and when you are ready to start selling, we want to be one of your best customers.”

On one hand, the President advocates for federal investments in green technologies as an economic stimulus and jobs creator. On the other hand, U.S. taxpayer dollars are purchasing renewable energy equipment manufactured in Europe and Asia. A 2010 report by the Investigative Reporting Workshop found that more than \$1.6 billion in stimulus funds were used

to buy foreign manufactured products. If the goal is to create jobs here in America, I'm not sure that this is the right method.

There are a number of important policies that will ensure economic prosperity here in the U.S. A competitive tax policy that maintains and entices corporate activity, a legal system that respects contracts and patents thereby rewarding innovation, a stable regulatory environment that both protects public health and safety and encourages economic activity, and a highly educated and trained workforce capable of meeting 21st century challenges are all imperative to prosperity. Unfortunately, we find ourselves with the highest corporate tax rate in the developed world, an Administration that stated it seeks to "share all intellectual property as much as possible," and an ever expanding regulatory system strangling small business and killing jobs.

Today we will hear from outside experts on what role government incentives such as loan guarantees, subsidies, tax incentives, mandates, R&D, and regulations can or should play in augmenting these principles.