



Chairman Hal Rogers

House Committee on Appropriations

Fiscal Year 2015 Budget Hearing – Department of the Treasury April 29, 2014 Opening Statement As Prepared

Mr. Chairman, thank you for yielding. Having marked up our first two bills in full Committee before the break, the Committee is well underway with the Fiscal Year 2015 appropriations process, and Secretary Lew, we are pleased to have you with us this morning to discuss the President's budget request for the Treasury Department.

Like the Chairman, I have some significant concerns about the request. While we in the Appropriations Committee have worked diligently and in a bipartisan fashion to construct spending bills that comply with the Budget Control Act and the Ryan-Murray agreement, the Administration's request for the Treasury Department has seemingly cast these statutory budget caps aside as merely *suggestions*. We obviously understand that it is more difficult to operate in such constrained budget environments, but these challenging times call for leadership and tough choices – not a \$480 million gimmick that the Congress has patently and repeatedly rejected on a bipartisan basis. It's sadly like *déjà vu* all over again.

In contrast, the FY14 omnibus package is a prime example of what we can accomplish by working together under regular order – this committee was able to provide every facet of the federal government with adequate, responsible funding, while continuing to reduce federal spending, totaling \$165 billion in cuts since fiscal year 2010. As we have collaborated to reduce spending on the discretionary side of the ledger, I would be remiss if I did not echo the sentiments of Chairman Crenshaw in calling for some leadership from the Administration and your Department on the problem of mandatory spending. Today, mandatory spending accounts for two-thirds of the federal budget, which is a stark contrast to the state of affairs when I first arrived in Congress and mandatory spending constituted only one-third of the budget. This runaway spending threatens to squeeze out all of the worthwhile programs that many of our constituents care for – from transportation projects and medical research, to housing assistance and criminal justice initiatives. The urgency of this situation cannot be overstated, when in short shrift our interest payments alone will dwarf our entire budget for the Department of Defense.

Secondly, Mr. Secretary, I have some strong issues with the posture the Obama Administration has taken towards coal-fired generation in developing countries, and I simply cannot support many of the policies emerging from the Treasury Department in this respect. Simply put, these policies are bad for domestic industries in America, and they are bad for areas in the developing world in dire need of a reliable, low-cost energy source. To be blunt, the U.S. Environmental Protection Agency had thrown up roadblocks at every turn to diminish our domestic producers' ability to mine coal and burn coal. In my region of Southern and Eastern Kentucky, these regulatory attacks have resulted in some 8,000 miners who have lost their jobs and their

livelihoods. Like salt on an open wound, the Treasury Department has now sent a clear message that the United States should no longer be in the business of exporting coal.

Your department issued new rules last year, and now the United States will vote against financing any new coal power plant by the World Bank unless it is in one of the poorest countries or the project uses carbon capture technologies that are not readily available in the U.S. These policies deny our companies the ability to provide developing countries with more efficient technologies, and they encourage these countries to look for financing from investors with lower environmental standards, such as China. I would even go so far as to say these policies show that this Administration is in denial about the reality of expanding energy access to the poorest nations. For example, I do not understand how the Administration can possibly meet its goal of providing more power for African countries if coal is left out of the equation. Mr. Secretary, I hope you can explain further.

Finally, in response to Russia's continued threats against Ukraine, we want to hear about the Administration's efforts to support our friends and allies in that country, particularly yesterday's announcement of additional sanctions. Unquestionably, the U.S must send a strong signal and demonstrate leadership in the international community that such acts of aggression in violation of Ukraine's territorial sovereignty are unacceptable and should not be allowed to continue with impunity.

#####