MANDATES, MEDDLING, AND MISMANAGEMENT: THE IRA'S THREAT TO ENERGY AND MEDICINE

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC GROWTH, ENERGY POLICY, AND REGULATORY AFFAIRS

AND THE

SUBCOMMITTEE ON HEALTH CARE AND FINANCIAL SERVICES

OF THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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* Article, *EnergyTalkingPoints*, Alex Epstein, “Why Congress's New Budget Should Eliminate All IRA Tax Credits”; submitted by Rep. Burlison.

* Letter, May 1, 2025, to Chairman Smith, re: IRA Repeal; submitted by Rep. Burlison.

* Report, CATA, “Budgetary Cost of the Inflation Reduction Act's Energy Subsidies”; submitted by Rep. Burlison.

* Statement from Independent Women's Forum, May 20, 2025; submitted by Rep. Burlison.

* Article, *Tax Foundation*, “Big Beautiful Bill House GOP Tax Plan Preliminary Details and Analysis”; submitted by Rep. Frost.

* Article, *CNBC*, “How the Inflation Reduction Act Sparked a Manufacturing and Clean Energy Boom”; submitted by Rep. Frost.

* Press Release, “Joint Statement on Clean Energy Tax Credit Reform”; submitted by Rep. Frost.

* Article, *Politico*, “Senate Republicans House GOP's Energy Tax Credit Cuts Won't Work”; submitted by Rep. Min.

* Report, Joint Economic Committee Minority, “Recent Clean Energy Programs Lower Costs for Families and Are Vital”; submitted by Rep. Min.

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ADDITIONAL DOCUMENTS

* Questions for the Record: to Mr. Lieberman; submitted by Rep. Gosar.

* Questions for the Record: to Dr. McBride; submitted by Rep. Gosar.

* Questions for the Record: to Dr. Trish; submitted by Rep. Grothman.

* Questions for the Record: to Dr. Trish; submitted by Rep. Gosar.

These documents were submitted after the hearing, and may be available upon request.

MANDATES, MEDDLING, AND MISMANAGEMENT: THE IRA'S THREAT TO ENERGY AND MEDICINE

TUESDAY, MAY 20, 2025

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON ECONOMIC GROWTH, ENERGY POLICY, AND REGULATORY AFFAIRS
SUBCOMMITTEE ON HEALTH CARE AND FINANCIAL SERVICES
Washington, D.C.

The Subcommittees met, pursuant to notice, at 10:51 a.m., in room HVC–210, Capitol Visitor Center, Hon. Eric Burlison [Chairman of the Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs] presiding.

Present: Representatives Burlison, Grothman, Palmer, Gosar, Higgins, Perry, McGuire, Boebert, Gill, Frost, Krishnamoorthi, Ansari, Min, Bell, and Simon.

Mr. BURLISON. The joint hearing of the Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs and the Subcommittee on Health Care and Financial Services will come to order.

Welcome, everyone, to this hearing. And thank you for your patience. Turns out, when you are in the room with the President, you are not allowed to leave, and security will not let you.

So, I want to recognize myself for the purpose of an opening statement, but first I am going to say, without objection, the Chair may declare a recess at any time.

OPENING STATEMENT OF CHAIRMAN ERIC BURLISON, REPRESENTATIVE FROM MISSOURI

Mr. BURLISON. Today we are here to provide critical oversight of the policies and subsidies instituted through the Inflation Reduction Act, or the IRA. Signed into the law under the Biden Administration in 2022, this misleadingly named legislation passed with zero Republican votes. Three years later, the projected costs continued to balloon, with rounding errors in the billions, all while creating runaway subsidies and unnecessary distortions within energy and the health care markets.

In January of this year, the Director of the Congressional Budget Office (CBO) estimated that the IRA's energy subsidies would increase U.S. budget deficits by $825 billion over the next ten years.

That is more than three times the initial 10-year estimate, which was roughly about 270 billion that was determined by CBO when the bill was passed.

How did the CBO and the Joint Committee on Taxation (JCT) get these numbers so wrong? Other estimates show an even grimmer picture of the IRA's long-term economic impacts on the Federal budget. Recent analysis by the Cato Institute shows that energy subsidies included in the IRA may cost between 936 billion and $1.9 trillion over the next ten years and between two trillion and 4.7 trillion by 2050.

These are chilling estimates that extend far beyond what was previously projected. I would like to enter this report into the record entitled "The Budgetary Cost of the Inflation Reduction Act's Energy Subsidies" from the Cato Institute into the hearing record so that others may review these findings.

Without objection, so ordered.

These subsidies did not just happen to create distortions in the energy markets. They distorted markets by design. The IRA funnels money to so-called clean energy organizations that would not be able to compete on their own without these subsidies.

The Biden Administration was blatantly picking winners and losers in the economy. The Federal government slammed a fist on the economic scale to stifle free market competition that allows for the most reliable cost-effective sources to compete on an open playing field, all in the name of unproven, hyperbolic, and extreme climate alarmism.

The kicker: these IRA subsidies coming from the party that purports to be against the oligarchy and fighting the billionaires created tax loopholes that carved out $11,000 on average for the top one percent through tax credits while failing to demonstrate tax savings of more than 100 for the bottom line quintile of the American taxpayers.

The IRA paid out the rich all under the guise of climate change. There are also implications for the future of our tax code and prescription drug costs. The IRA has already led to a more convoluted web of tax subsidies, creating additional burdens for compliance. For health care under the IRA, the Biden Administration's Pill Penalty will ultimately increase drug costs and Federal expenditures on Medicare.

We have an opportunity to take a hard look at these provisions to carefully evaluate whether these tax credits and programs are achieving their intended results and whether taxpayer dollars would be better spent elsewhere. Doing so has the potential to save taxpayers over $1 trillion, ease inflation, stimulate economic growth by allowing for free market competition, and make energy affordable again.

This Republican Majority is committed to protecting taxpayer dollars, instituting necessary health care reforms, and stopping wasteful green new deal energy policies that are out of touch with the everyday needs of Americans.

And with that, I yield to Ranking Member Frost for his opening statement.

Mr. FROST. Thank you so much, Chairman Burlison. And thank you so much to the witnesses for being here this morning.

OPENING STATEMENT OF RANKING MEMBER MAXWELL FROST, REPRESENTATIVE FROM FLORIDA

Mr. FROST. The Inflation Reduction Act, or IRA, was an historic investment in battling the climate crisis and creating good-paying American jobs, and it was designed to achieve these goals by investing in our communities and in our families.

The IRA provided a score of tax credits that lowered energy costs for working families by allowing them to make their homes more energy efficient and invest in clean energy. Shifting to clean energy and reducing emissions means reduced air pollution for all of us, for all of our communities, which protects us from illnesses and early death.

IRA tax credits include $14,000 in direct consumer rebates for families to buy heat pumps and other energy efficient home appliances, providing families with savings of at least 350,000—or $350 per year. These tax credits also include a 30 percent tax credit for solar panels that will allow 7.5 million more families to install solar panels on their roofs by saving at least $300 per year.

In my district in Florida, affordable access to solar panels, thanks to the IRA, has helped thousands of my constituents lower their energy bills and reduce their reliance on fossil fuels. This has actually helped many folks during hurricane season.

The IRA has not just been good for families and individuals' pocketbooks. It has also created economic growth in communities across the Nation.

Since the passage of the IRA, we have seen a domestic manufacturing renaissance and boom with 340 major clean energy projects announced in 41 states and Puerto Rico, including many of my Republican colleagues' districts. More than $522 billion is planned for investments in these clean energy projects. In fact, the top ten congressional districts with the highest investments in clean energy technologies during the first ten months of the IRA, eight of them were Republican districts. This includes $1.9 billion in Representative Andy Biggs' district in Arizona. As of last summer, the IRA had created more than 300,000 good-paying, clean-energy jobs, many of which do not require 4-year degrees. And projections indicate that the IRA could create nearly 850,000 jobs annually across industries.

But despite the enormous economic benefit of the IRA and its various energy tax credits, many Republicans want to repeal those key provisions. We should be doing more to make sure that working families can take advantage of these opportunities to lower costs and to reduce their exposure to harmful air pollution, not eliminating these opportunities completely.

As a part of the House Republicans' Big Ugly Bill, their budget betrayal of the middle class and working class, which would put additional costs on Americans in order to provide tax cuts to billionaires and mega corporations, Republicans on the Ways and Means Committee added language that would increase energy costs for American households as much as seven percent, or $290 per year, by cutting tax incentives for advanced manufacturing, clean vehicles, and clean energy production.

Gasoline prices could increase by 25 to 27 cents per gallon due to these cuts and determination of fuel economy and tailpipe emission standards.

This is all against the backdrop of President Trump's promise to cut energy prices in half within 18 months of him taking office. And as of today, he has 428 days left to make good on his promise.

But it is not looking good. In fact, it seems that energy costs are increasing for Americans across the board. I do not know about all of you, but I know that my utility bill, my constituents' utility bill has only gone up since January 20th of this year. And this will be made worse by Republicans' blanket rollbacks of the key Inflation Reduction Act provisions.

Even many Republicans are not on board with the IRA rollbacks that their colleagues are attempting to pass. I ask unanimous consent to enter into the record this statement by 14 House Republicans, talking about cuts to the IRA.

Mr. BURLISON. Without objection.

Mr. FROST. Fourteen House Republicans have argued, "We need to ensure certainty for current and future energy investments to meet the Nation's growing power demand and protect our constituents from higher costs." And they are right when they say that. And not only that, but the Inflation Reduction Act—and we have talked a lot about this on this Committee over the last several hearings. The IRA has been key in pushing our Nation to diversity our energy mix, which is a worthwhile investment both for our national security, but also to ensure that we are cutting costs for Americans across the board. And every other major country in the Nation are making the same moves to diversify their energy mix as well.

The real threat to energy costs for working families are the Republican policies that prioritize tax cuts for billionaires, huge corporations, and polluters over people, not the Inflation Reduction Act, which invests in our communities, our families, and our future to lower costs and improve our health.

Thank you so much, and I yield back.

Mr. BURLISON. Thank you, Ranking Member Frost.

I now recognize Chairman Grothman for the purpose of making his opening statement.

Mr. GROTHMAN. Thank you. It is a great hearing, great idea for a hearing. Thank you for thinking of that up.

OPENING STATEMENT OF CHAIRMAN GLENN GROTHMAN, REPRESENTATIVE FROM WISCONSIN

Mr. GROTHMAN. Welcome to this joint hearing of the Subcommittee on Economic Growth, Energy Policy, and Economic Affairs, and the Subcommittee on Health Care and Financial Services.

This is a great opportunity for us to address one of the most catastrophic pieces of legislation from the Biden era, the Inflation Reduction Act, or the IRA.

Despite its name, the Inflation Reduction Act did not curb the brutal inflation caused by President Biden and the congressional Democrats' spending sprees. It actually exacerbated the problem. The CBO is even admitting that. In reality, it was never about reducing inflation. It was about pushing a green agenda to the benefit of the big businesses that benefit the Democrat allies.

The IRA expanded government, which we should not be for, hindered innovation, and increased costs for Americans. According to my buddies at the Cato Institute, the bill may cost the taxpayers almost $2 trillion over the next ten years. This will increase the deficit by $300 billion by 2033.

Some people may ask, why does it cost so much? The IRA contains billions of dollars for subsidies and so-called green energy projects, for elites, it is corporate welfare for the elite climate radicals. The beneficiaries of tax subsidies are overwhelming Democrat donors.

And, you know, the press has got to point that out, do a better job of pointing it out and following, where does this money come from? People like Al Gore, who is invested in green energy businesses, like those being propped up by IRA, and they turn around and make money off of it.

The IRA's—what you got to do is you got to let the free market control, right? And the free market will promote automatically the cheaper energy and benefit money for all Americans. The green energy tax credits do not benefit the average American. They go to high income earners who are already planning on and could already afford installing solar panels or buying an electric vehicle. Right? We just want to let the market—the market out. Plus, it only worsens our overcomplicated tax system. Any tax credits—and there are other ones I do not like around here. Any time you see tax credits sticking their nose in things, you are complicating the Internal Revenue Code and, really, probably up to something no good.

With the additions made in the IRA, the tax code exceeded four million words and cost Americans $300 billion annually in compliance.

I am pleased that many of these wasteful subsidies are being eliminated or phased out in the Republican bill. As our witness, Mr. Lieberman said, these green subsidies deserve a sledgehammer, not a scalpel.

Proponents of the IRA claim that it makes health care more affordable to seniors. Ha. Balderdash. Making Medicare Part D premiums higher for seniors is not a way to do that. The IRA does just that. And we just heard from President Trump, by the way. He is bringing down drug prices big time. But the IRA makes—results in a more expensive Medicare plans and less plan options for seniors.

The IRA also extended pandemic era Obamacare subsidies. Due to this extension, American taxpayers are now subsidizing a family of four making 128 grand a year. These subsidies should not exist at all, let alone for families who are well off. As the economist—although, actually, subsidies should be the same for everybody, otherwise we wind up penalizing people for making more money, which is not good either. As the economist Milton Friedman said, "nothing is so permanent as a temporary government program." Remember that. These Obamacare subsidies are currently set to expire at the end of the year, and Congress should let that happen. Last November, our constituents sent us a clear message that it is high time to leave the Biden Administration's reckless spending permanently in the past.

Today's hearing is an opportunity to dissect the harm done by the Inflation Reduction Act and understand why many of its provisions should be repealed.

And with that, I lead to my good buddy, Ranking Member—my good friend—we just got done listening to President Trump, right? So, my good friend—you might say "my good friend" all the time. With that, I yield to Ranking Member and my good friend, Krishnamoorthi, for his opening statement.

Mr. KRISHNAMOORTHI. Thank you, Mr. Chair, and thank you to all of you for attending.

OPENING STATEMENT OF RANKING MEMBER RAJA KRISHNAMOORTHI, REPRESENTATIVE FROM ILLINOIS

Mr. KRISHNAMOORTHI. Before I begin, I must address DOJ's announcement of charges against our colleague, Congresswoman McIver, related to a recent visit to an immigration detention center in Newark. I have watched the video of her multiple times. The charges of assault and impeding law enforcement are outrageous on their face and appear to be designed to silence criticism and deter congressional oversight of the Trump White House. That will not happen. And we will stand with the Congresswoman as she confronts these absurd charges from the Trump DOJ.

Now, to the topic at hand. While I appreciate the opportunity to discuss the Inflation Reduction Act, I must express concern with the framing of today's hearing. Rather than taking a balanced look at a law that has already helped lower prescription drug prices and sparked major investments in American clean energy, we are once again returning to overly simplistic narratives that do not reflect the full picture.

The IRA finally allowed the government to negotiate high drug prices with drug companies, something that should have happened decades ago. The IRA enabled investment in American clean energy, not foreign oil. And it is already helping working families in blue and red states alike. That is why even Republicans like much of the IRA. As evidence, Republicans, as part of the reconciliation package, have kept very influential pieces of the drug pricing provisions intact, such as the $35 monthly cap on insulin for seniors and a $2,000 annual cap on costs at the pharmacy for Medicare beneficiaries. They also kept the Medicare drug price negotiation authority for high-cost drugs.

Additionally, in early March, 21 Republicans sent a letter expressing support for IRA's energy tax credits. One could not be criticized for thinking that outrage about the IRA appears performative.

The title of this hearing, "Mandates, Meddling, and Mismanagement," is an alliterative distraction from what is really being threatened today. Let me be clear: this has nothing to do with energy or medicine and everything to do with the special interests that have been getting a free ride for too long.

For the past few months, House Republicans have been debating within their caucus how deeply they can slash critical services for working people in order to fund their tax plan for the wealthiest among us. If the reconciliation bill is allowed to go into effect, CBO estimates that almost nine million people—nine million people, folks—will be thrown off Medicaid, all in order to help fund tax cuts.

To illustrate a real-life consequence of this proposal, cutting Medicaid, specifically, I would like to share Julia's story. Julia happens to be one of our constituents, and I want to tell you what her mother, Joan, said: "Because of funding for Medicaid, our 43-year-old daughter, Julia, has had the opportunity to live a life of independence and happiness. Her job training program funded through Medicaid gave her the ability to learn the tasks she is expected to perform at work." Joan then shares, "My biggest fear about cuts in Medicaid is the very real possibility that Julia will not have anyone to care for her after her father and I are gone."

Julia's experience is not unique. Pregnant women, children, seniors, and individuals with disabilities will lose their livelihoods if Medicaid is cut by the hundreds of billions. Adding to the cruelty, one in four families will lose their SNAP benefits. That is literally taking food out of the mouths of babies. And I know a lot about SNAP because its predecessor program, food stamps, was critical to my family when my parents fell on hard times and we needed help to get back on our feet. Food stamps sustained us until my parents were able to get good quality jobs. My parents realized the American dream, and they never took it for granted. And neither have I.

From destroying the safety net to polluting our air and water, this Administration is jeopardizing every single community in America. Red states and blue states, large cities and small towns, manufacturers and farmers—no one will be left unharmed.

These cuts are not about reducing waste, fraud, or abuse. They are about making room for tax breaks for the wealthy at the expense of hardworking Americans. The Inflation Reduction Act has strengthened the health care system of our country while also expanding opportunity and boosting our economy in the process. That is what government should be about. I will not stand idly by while House Republicans dismantle the IRA safety net programs and other initiatives their donors dislike.

I yield back.

Mr. BURLISON. Thank you.

Before we begin, I want to enter into the record a letter dated May 1st, 2025, to Chairman Smith and to the Speaker and to the President, signed by 38 members requesting for a full repeal of the IRA.

And with that, I am pleased to welcome our expert panel of witnesses. I am supposed to—without objection—to myself, right? So, ruled.

Mr. BURLISON. With that, I am pleased to welcome our expert panel of witnesses. I would first like to welcome Mr. Ben Lieberman, who is a Senior Fellow at the Competitive Enterprise Institute.

Next, we have Dr. Erin Trish, who is the co-director of the USC Schaeffer Center and an associate professor at the USC Mann School of Pharmacies Department of Pharmaceutical and Health Economics. That is a lot. That is a lot.

Next, we have Dr. William McBride, who is the Chief Economist and Stephen J. Entin Fellow in Economics at the Tax Foundation.

And last, we have Dr. Emily Gee. Is that correct?

Dr. GEE. That is correct.

Mr. BURLISON. Okay. Who is the Senior Vice President for Inclusive Growth at the Center for American Progress.

I thank each of you today. And with that, I look forward to hearing your testimonies.

Pursuant to Committee Rule 9G, the witnesses will please stand and raise their right hand. If you want to raise your right hand.

Do you solemnly swear or affirm that the testimony that you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Let the record show that the witnesses answered in the affirmative.

We appreciate you being here today. You may be seated.

Let me remind the witnesses that we have read your written statements, and they will appear in full in our hearing record.

Please limit your remarks to 5 minutes. As a reminder, please press the button, and please speak directly into the microphone so that we can hear what you have to say.

I now recognize Mr. Lieberman for his opening statement.

STATEMENT OF BEN LIEBERMAN
SENIOR FELLOW, COMPETITIVE ENTERPRISE INSTITUTE

Mr. LIEBERMAN. Chair Burlison, Grothman, Ranking Members Frost and Krishnamoorthi, and Members of this Committee, thank you for the opportunity to testify today. My name is Ben Lieberman, and I am a senior fellow at the Competitive Enterprise Institute, a nonpartisan public policy organization dedicated to advancing the principles of free markets and limited government.

CEI has been critical of the Green New Deal since it was first advanced in 2019. We were particularly concerned about the burdens its many climate-related measures would place on the American people in the form of costlier energy, transportation, and housing. Unfortunately, our concerns are being realized now that these Green New Deal-style provisions have been incorporated into the badly misnamed Inflation Reduction Act, which was enacted into law in 2022.

When the IRA was under consideration by Congress, the Congressional Budget Office and Joint Committee on Taxation released cost projections of its energy-related tax credits and other subsidies. At the time, the price tag for the energy provisions in the IRA was estimated at about $370 billion for the 10-year period from 2022 to 2032. And this was a score that informed the debate over the bill. Only two years after passage, CBO and JCT more than doubled this estimate. Other projections see costs potentially reaching into the trillion-dollar range, including Goldman Sachs, University of Pennsylvania, and the Cato Institute.

The Cato reports notes that the upper bound of these estimates is complicated by the fact that several provisions do not set dollar limits or deadlines. Most notably, the clean electricity tax credits for wind and solar can be used by as many project developers that want to claim them, and they do not sunset until US greenhouse gas emissions have been reduced to 25 percent of baseline 2022 levels, a target unlikely to be met for many decades, and possibly never.

The high and rising costs of the Inflation Reduction Act are all the more objectionable given the deceptive title of this bill. The American people were not informed that this was a massive climate bill, and they never agreed to any such thing. The fact that the price tag is likely north of $1 trillion makes this perhaps the costliest example ever of congressional bait and switch.

But the costs do not end there. Nearly every alternative energy source and technology favored under the Inflation Reduction Act has shortcomings that are not likely to go away no matter how many subsidies are given to them. First and foremost, in contrast to electricity generated from coal, natural gas, nuclear, or hydroelectric, intermittent renewable electricity sources, like wind and solar, are not reliably available 24/7. Experts at organizations like the North American Electric Reliability Corporation, NERC, are warning of an increased risk of blackouts this summer. And the report specifically mentions the risk from periods of low wind and solar output.

Note also that we are adding to electric reliability risks at the same time electricity demand is on the rise, due, in part, to other provisions in the IRA, favoring electric vehicles over gasoline powered ones as well as electric appliance over natural gas versions. Thus, we face the double whammy of provisions in the IRA reducing the reliability of the grid while other provisions seek to make Americans less energy diverse and more dependent on electricity. In other words, we are trying to put more of our eggs in one basket while switching to a flimsier basket.

Subsidies beget subsidies, and the buildout of wind energy, for example, will likely necessitate major investments in transmission lines; by some estimates, into the trillions of dollars. We will likely see more lobbying for subsidies to do so. The American people do not want yet another potential trillion-dollar climate bill any more than they wanted the first one.

The provision for consumers, such as the tax credits for electric vehicles (EV) and certain appliances, may make costlier alternatives somewhat less so, but they are not for the things most of us want. And these provisions are highly regressive as they simply do not make economic sense for most lower-income households, even with the subsidies.

In conclusion, the tax credits and other subsidies for alternative energy sources and technologies in the Inflation Reduction Act will likely exceed $1 trillion in costs to the American people. The distortions to energy markets will impose further burdens. Consumers will bear the brunt of these impacts, and disproportionately lower-income ones. For these reasons, all of these provisions should be repealed. Thank you.

Mr. BURLISON. Thank you.

I now recognize Dr. Trish for her opening statement.

**STATEMENT OF ERIN TRISH, PH.D.
CO-DIRECTOR, USC SCHAEFFER CENTER,
ASSOCIATE PROFESSOR, DEPARTMENT OF PHARMACEUTICAL
AND HEALTH ECONOMICS, USC MANN SCHOOL OF PHARMACY**

Dr. TRISH. Thank you.

Chairman Burlison and Grothman, Ranking Members Frost and Krishnamoorthi, and distinguished Members of the Subcommittees, thank you for the opportunity to testify today. My name is Erin Trish, and I co-direct the Leonard D. Schaeffer Center for Health Policy and Economics at the University of Southern California. The opinions I offer today are my own.

Biomedical innovation is an American success story. We have seen incredible progress in our ability to treat diseases that used to be death sentences. I have seen this firsthand. I started my career as a biomedical engineer working in a research lab where we modeled human disease and screened potential therapies. The science was remarkable. But it was there that I realized that policy decisions were going to be the difference between whether patients ultimately got these therapies or not.

Why? Because biomedical innovation is inherently costly and risky, so we need to get the policy incentives right. Innovators and investors need stable and transparent markets if they are going to keep making those investments.

Unfortunately, the Inflation Reduction Act is a step in the wrong direction. One of the marquee provisions in the IRA tasked Centers for Medicare & Medicaid Services (CMS) with negotiating prices for certain drugs covered in Medicare each year. So far, one round of these negotiations has taken place. A recent GAO report found that CMS is spending about $3 billion on this effort, and for what? The prices they settled on for those first ten drugs were basically the same as the net prices that Part D plans were already negotiating with drug manufacturers in this program.

But what did we get? We got an opaque process. We got uncertainty; two things that send investors running in the other direction.

But let us consider the alternative. What if, this year or next year, or under some Administration in the future, CMS does actually dramatically reduce drug prices? There is no doubt that we are going to lose out on innovation. My Schaeffer colleagues have shown that a ten percent reduction in expected U.S. pharmaceutical revenues leads to a 2 1/2 to 15 percent decline in pharmaceutical innovation. The evidence is clear: we are going to miss out on new drugs, including clinically meaningful ones.

The consequences of this lost innovation are real. For example, one estimate shows that widespread drug price negotiation could reduce life expectancy by two years for 35-year-olds. The IRA sends the wrong signals to the market. We are telling companies to think twice before bringing drugs that could treat orphan diseases to market quickly. We are telling companies to turn investment away from small molecule drugs, like the pills you pick up at the pharmacy counter. These are steps in the wrong direction that will have real consequences for the patients of tomorrow.

Another key provision in the IRA was a significant redesign of the Medicare Part D benefit. Medicare Part D provides drug coverage to 53 million Americans. Since its inception in 2006, the program has operated on the premise of delivering value to patients and taxpayers by harnessing competition between private insurers. But the program and its benefit design had become outdated. Plans had too little skin in the game. And, in principle, the types of reforms included in the IRA were a step in the right direction to restore competition in the market.

But the abruptness of the change and its implementation has created market instability and considerably increased Federal spending. First, Part D plans are exiting the market. There is a 35 percent reduction in the number of plans offered this year. Today, beneficiaries have the fewest options ever in the program's 20-year history.

Second, taxpayers are paying more. Historically, taxpayers have subsidized about 75 percent of premiums in this market. But thanks to provisions in the IRA, as market instability grows, so too does the bill. This year, taxpayers are picking up 83 percent of the tab, and that does not even count an estimated $5 billion in additional subsidies that CMS unexpectedly added.

Third. What is worse is that many beneficiaries are seeing their prices go up at the pharmacy counter. Now, it is true that the IRA added a cap on patient out-of-pocket costs for each year. And this is a really important insurance protection. But most beneficiaries do not reach that cap. My colleagues and I are finding that Part D plans are responding to the IRA's changes by increasing patient costs earlier in the year. For example, among Medicare advantage plans, the average drug deductible increased 273 percent this year. Imagine the frustration your constituents must feel when they see news headlines that CMS is lowering drug prices and yet they find their costs are going up.

Clearly, this is not working. It takes me back to what I learned in the lab. Making this work for the patients and taxpayers of today and tomorrow is going to come down to getting the policy incentives right.

Thank you.

Mr. BURLISON. Thank you.

I now recognize Dr. McBride for 5 minutes.

Dr. MCBRIDE. Thank you, Chairman Burlison and Grothman, Ranking Members Frost, Krishnamoorthi, and distinguished members of the subcommittees. I appreciate the opportunity to speak with you.

STATEMENT OF WILLIAM MCBRIDE, PH.D., CHIEF ECONOMIST AND STEPHEN J. ENTIN FELLOW IN ECONOMICS TAX FOUNDATION

Dr. MCBRIDE. My testimony will lay out how and why the budgetary costs of the Inflation Reduction Act tax credits has grown, who benefits from the tax credits, and options for reform.

The IRA's green energy tax credits may be the most egregious, but certainly not the only example of a budget estimate that did not match reality. In this case, it is mainly the result of rushed legislation containing complicated novel features targeting new and evolving technologies with an uncertain future.

Fundamentally, even industry experts have a difficult time forecasting sales of electric vehicles with the development of other niche technologies targeted by the credits, even from one year to the next, much less ten years into the future as required by the budget process.

The uncertainty is compounded by complicated features of the credits, including bonus credits for meeting various conditions such as domestic content, prevailing wage, and apprenticeship requirements, and transferability and the direct pay option.

Last, the statute granted significant authority to the Treasury Department to fill in many of the details, with more than 400 pages of guidance issued in the first year alone, changing the law over time often in ways that increased the cost.

The initial budget estimate from the Joint Committee on Taxation, JCT, indicated that IRA credits would cost about 271 billion over the period 2023 to 2031. Soon after the IRA was enacted, several outside groups, including Goldman Sachs and scholars of the Brookings Institution, began providing estimates indicating the cost of the credits would be much more than originally expected, roughly $1 trillion over a decade.

JCT provided an updated estimate in May 2023—that is nine months after enactment—indicating the cost of the credits had roughly doubled over the original estimate for the same years. The cost of some credits more than quadrupled, such as those for EVs, advanced manufacturing, and carbon sequestration.

JCT attributed the cost growth to several factors, including increases in anticipated production capacity for batteries and renewable energy as well as expansive guidance from the Treasury Department, which allowed taxpayers to avoid income restrictions and domestic consent requirements for other EVs and other technologies.

JCT's analysis had not factored in regulatory efforts by the Biden Administration that would further increase the costs of the credits, such as the tailpipe emissions rule that was scheduled to go into effect in 2027.

The latest tax expenditure estimates from the Treasury Department and JCT indicate the cost of the credits has grown to about $1.2 trillion over the next decade, including IRA additions and preexisting renewable energy credits.

A recent study by the Cato Institute finds the cost of the credits ranges considerably, depending on assumptions about the underlying technologies, from about $900 billion to $2 trillion over the next decade, and about $2 trillion to almost five trillion through 2050.

The primary beneficiaries of the credits are businesses that specialize in renewable energy and higher-income consumers with preferences for EVs, solar panels, and other green technologies. For example, a recent study finds that the top 20 percent of individual taxpayers by income receive more than 80 percent of the EV credits.

JCT found that the largest corporations receive more than half of the investment and production tax credits, two of the largest business credits that were extended as part of the IRA. Economist Jason Furman estimated the IRA credits will provide a benefit of more than $11,000 for the top one percent of earners in 2027 versus a benefit of less than $100 for the bottom 20 percent of earners.

Regarding broader economic benefits, the IRA credits reduce the cost of investment in the targeted technologies, but the investment impacts are reduced by high compliance costs, permitting and other constraints, and the degree to which the credits subsidize activities that would have occurred anyway.

Furthermore, because the targeted areas are a small portion of the economy, we should not expect, nor do we find in the latest data, any measurable increase in investment overall.

In general, the IRA credits should be repealed or, at a minimum, substantially curtailed to bring the costs down closer to the original estimates. This could be done by streamlining and shrinking the credits or potentially capping their annual costs. Currently, only one of the credits is capped. My written testimony provides our analysis of a few options for reform that would generate hundreds of billions of dollars in savings.

Policy-makers should pursue neutral policy to boost energy production that is treating all investment equally, which is best achieved by allowing a full and immediate write-off for all investment, a policy known as "full expensing."

Thank you for your time and attention. I am happy to answer any questions you may have.

Mr. BURLISON. Thank you.

I now recognize Dr. Gee for her opening statement.

Dr. GEE. Thank you, Chairman Burlison, and to you and Chairman Grothman, Ranking Members Krishnamoorthi and Frost. Thank you very much for inviting me here today to talk to you about the Inflation Reduction Act.

STATEMENT OF EMILY GEE (MINORITY WITNESS), SENIOR VICE PRESIDENT FOR INCLUSIVE GROWTH, CENTER FOR AMERICAN PROGRESS

Dr. GEE. Today I want to talk about how the IRA has made historic investments in clean energy and took aim at high health care costs. The law's landmark health care provisions have lowered prescription drug costs for seniors and others on Medicare. It included multiple measures to protect Medicare beneficiaries from high out-of-pocket costs; notably, the new limit on out-of-pocket drug spending, which took full effect this year.

That $2,000 limit is estimated to save $600 on average for the 11 million beneficiaries who would have otherwise had spending above that level.

The law capped cost sharing for insulin at $35 per month, and it made recommended vaccines available at no cost.

The law expanded the low-income subsidy program for Part D, and it made other changes to enable beneficiaries to spread costs out over time instead of facing high upfront costs at the beginning of the year.

The IRA is generating savings by requiring that drug companies rebate for price hikes above the level of inflation. For example, in the first quarter of this year, there were 64 Part B relatable drugs with coinsurance amounts per day up to $10,000, lower due to rebates.

And last, the law empowers the Federal government, for the first time, to negotiate lower drug prices for Medicare.

This year, the list of 15 drugs under negotiation includes medications to treat asthma, breast cancer and prostate cancer, and diabetes.

The IRA extended insurance coverage by enhancing financial assistance available to people who purchase insurance on their own, helping drive uninsurance rates to historic low. However, absent action by Congress, the enhanced subsidies for the health insurance and marketplaces will expire at the end of this year, meaning the consumers will see higher premiums for 2026 coverage when they shop for plans this fall.

The Inflation Reduction Act has also put America on track to be a leader in clean manufacturing energy and technologies. To date, $321 billion of private investment has already been invested, and over 2,300 new facilities have opened up across the United States. But another 522 billion of clean energy investment commitments has not yet gone out the door and is at risk of being canceled depending on whether this Congress allows the IRA tax credits and programs to continue.

The projects that have been completed to date have already created over 300,000 jobs, but there are another 600,000 potential jobs for projects that have been announced but are still outstanding.

The budget reconciliation bill being considered by the House would roll back the progress made by the IRA. First, it would make the largest cut to Medicaid in the program's history. As a result of that, the expiration of the premium tax credits and other changes in marketplace rules, this Congressional Budget Office estimates that 14 million more Americans will be uninsured by 2034.

To put it plainly, the bill would attain hundreds of billions in savings for Medicaid only by taking away health coverage for millions of people. Notably, the bill imposes burdensome work reporting requirements on enrollees even though previous experience from states shows that red tapes trips up those eligible for Medicaid.

Medicaid cuts would also have consequences beyond the program itself, including jobs lost in communities throughout America and strain on the Nation's rural hospitals who already face tough financial circumstances.

Second. The reconciliation bill would undo IRA provisions aimed at growing clean energy. If the proposals from the Ways and Means Committee are passed, annual home electric bills would increase $70, on average, in the next five years. Analysis by the Rhodium Group found that gasoline prices would rise 25 cents to 37 cents per gallon by 2035 as demand for oil increases due to the termination of the Federal electric vehicle affordability programs, fuel economy standards, and tailpipe emission standards.

Overall, the reconciliation bill would add threats to the U.S. economy, coming at a time when decades-high tariffs are already driving up policy uncertainty and depressing consumer sentiment. By cutting Medicaid and SNAP, the bill makes devastating cuts to countercyclical programs that help Americans meet their basic needs during recessions. And over the longer run, by adding 2.7 trillion to the deficit over the next decade, the bill will drive up interest rates, driving up the cost of borrowing for businesses and consumers for things like mortgages, credit card loans, and student loans, while driving down wage growth.

This attack on working Americans could not be starker. The bill takes away food and health care for millions of low-income Americans while giving 1.5 trillion tax cuts to the top five percent while still driving up the debt.

In conclusion, the IRA's making costs lower for American families and improving competitiveness. That progress should not be squandered.

I look forward to your questions.

Mr. BURLISON. Thank you.

I now recognize myself for 5 minutes of questions.

Mr. Lieberman, when the IRA was originally sold, it was sold to the American people as a legislative vehicle for reducing inflation and for stimulating the economy and creating lots of jobs, lots of new, clean-energy jobs. But what has the actual result of the legislation been?

Mr. LIEBERMAN. Well, there are a lot of jobs right now. I think we are going through the sugar high phase of the Inflation Reduction Act. Sure, you can create a lot of jobs if you throw a lot of money at just about anything, especially lots of Federal dollars. The question is, do these alternative energy sources have any lasting power?

The American people are not pounding the table, demanding higher utility bills and more expensive transportation. And so, these alternatives need to become cost competitive to have any real future. And I just do not see that happening with most of the alternative being subsidized right now.

And I would say there is a long history with this, and it does not bode very well. Congress is not nearly as good as it thinks it is in figuring out what the next big thing in energy is. It has been trying this since the oil shocks of the 1970s. But there has been a lot of boondoggles on the way. Not very much in the way of alternative energy success stories that we could point to.

One example I could mention from when I was a staffer ten years ago when the next big thing was cellulosic biofuels—I do not know if you remember cellulosic—but there were all sorts of tax credits and other incentives adding up to dollars per gallon, very similar to what you see for other things in the Inflation Reduction Act. The facilities were built. And it turned into a boondoggle, including a lot of communities that felt cheated because the permanent jobs never materialized.

I fear that if we come back in five years, we will be talking about a number of clean energy ghost towns as a result of the Inflation Reduction Act.

Mr. BURLISON. Yes. In 1850, the economist Frederic Bastiat wrote, I think, about this scenario back then and recognized that you could make the argument that you are creating a lot of jobs by going down the street and breaking windows, right? Because somebody has to be employed to replace those windows.

But there is a fallacy with that because of the destructive nature and the wealth that is destroyed in that process. Would you agree that this holds true with the IRA today?

Mr. LIEBERMAN. Yes. When you are creating jobs only because of subsidies, that means that money and jobs has to be siphoned away from the rest of the economy. So, there is always two sides of the jobs ledger when government subsidies are involved and we are talking about, you know, potentially a trillion dollars.

Plus, if, at the end of the day, you have more expensive energy, that also suppresses economic activity and jobs.

Mr. BURLISON. Thank you.

Dr. McBride, your organization, the Tax Foundation, it is not partisan, correct? There is no—it is nonpartisan organization.

Dr. MCBRIDE. That is correct.

Mr. BURLISON. So, in 2023, you coauthored a piece published by the Tax Foundation which included several key findings which, I think, are relevant to today's debates. You stated in that piece that the IRA does not reduce deficits and may substantially increase deficits. The energy credits drive the out of control costs of the IRA, and the energy credits are a boon for wealthy individuals with a preference for climate-oriented luxury goods, including expensive EVs and solar panels.

So, my question is this: do those findings that you wrote originally, do they still hold true today?

Dr. MCBRIDE. Yes, absolutely, as far as we can tell.

We lack good estimates from the committees that do this and from the agencies, the CBO and JCT. I went through the latest estimates we have from JCT and other groups, outside groups indicating the costs the IRA credits is something like three to four times what they originally were estimated at. So, that was the— you know, that is one side of this bill.

The other side is the tax increases. One is the drug pricing measure. That is actually the result of a tax change, excise tax on drug companies.

But some of the others are the Corporate Alternative Minimum Tax and the stock buyback tax. So, these are brand new taxes that were introduced as part of the IRA. We do not know how much those are raising, honestly. We have done a lot of research to try to build out our understanding of how much revenue is raised by those taxes. But they were originally estimated to raise on the order of 300 billion between those two tax increases.

If that is still the case today—which is questionable for many reasons, I can go into in more detail—it may be much less than 300 billion that is raised there, compared to the trillion dollars that is the rough cost of the IRA credits. We can see that this is a big deficit to increasing bill, completely contrary to the way it was sold originally.

Mr. BURLISON. Thank you. My time has expired. I did have questions for Dr. Trish, but hopefully someone will yield me time.

And with that, I turn to Ranking Member Frost for his questions.

Mr. FROST. Thank you, Mr. Chairman.

So, smart policies mean a good return on investment. And the Inflation Reduction Act is made up of the necessary investments for a cleaner, healthier future that—it is paying off for our country right now. Let us talk about the IRA's returns.

Dr. Gee, the IRA became law less than three years ago. Could you talk about some of the law's successes when it comes down to investments and jobs?

Dr. GEE. Thank you for that question, Ranking Member Frost.

The IRA was an investment in—historic investment in climate change that specifically made investments in improving American competitiveness in clean energy and creating jobs and allowing America to better compete in jobs of the future.

To date, the projects from the IRA on clean energy have created about 300,000 jobs. There are many more in the pipeline, but many of those are in jeopardy if the changes in the reconciliation bill go forward. These projects are happening all across America.

Just one example—let me give you one down in Louisiana, in Iberia Parish, as an example of jobs created from the bill. First, Solar is a solar panel manufacturing facility. First Solar said that their commitment was catalyzed by the Inflation Reduction Act and is expected to create about 700 new jobs down there.

Mr. FROST. Thank you.

I ask unanimous consent to the record an NBC news article, "How the Inflation Reduction Act sparked a manufacturing and clean energy boom in the U.S."

Mr. GROTHMAN. [Presiding.] Yes. Without objection.

Mr. FROST. Thank you.

Smart policies create supply and demand, and new solar and wind power plants can be built and operating in under two years, while natural gas power plants can take twice as long, and coal can take about four times as long. Sometimes the critics of clean energy try to sidestep the positive effects of investments like those in the IRA, and then they will grumble that the Federal government is "picking winners and losers," as if the Federal government for generations have not been giving massive subsidies to oil companies and polluters in this country. But complete crickets from them then.

Dr. Gee, how do the clean energy incentives of the Inflation Reduction Act compare to the subsidies currently enjoyed by the fossil fuel industry?

Dr. GEE. So, first, let me just note that I agree with you that solar and wind are much faster at coming online. In fact, clean energy attempts for about 90 percent of new capacity being added right now. Solar and wind are deployed faster than all other types of energy combined, including hydroelectric, nuclear, coal and gas power plants. Solar farms can be operational about two years compared to about four years for gas-powered power plants.

I would, you know, remind everyone here too that fossil fuel companies also enjoy subsidies. They enjoy about $15 billion in tax breaks every year. And it is also a highly profitable industry. The five largest oil and gas companies made more than $100 billion in profits last year in 2024. And big oil also spends a lot to influence elections.

Mr. FROST. I really appreciate you bringing that up because we do not hear about that from my Republican colleagues.

I also want to talk about the Inflation Reduction Act's effects on the national level to a personal level. Central Floridians love home solar and home energy storage not only because it lowers the electric bill but because it keeps us safe.

How will people's daily lives and daily costs increase if we reverse the progress made in the IRA, Dr. Gee?

Dr. GEE. So, reversing the IRA's investments in clean energy and the tax credits will increase costs for American families. American families will see higher electric bills because the United States is producing less energy, and American families will also face higher gas bills. By 2035, gas prices will be about 25 to 37 cents higher, according to Rhodium Group.

And the other effect for American families too is the environment that is less clean, water and air that are more polluted. And so, these are investments not just in cheaper energy but also a better climate.

Mr. FROST. I really appreciate you bringing this up. I mean, what we have heard and will continue to hear in the basis of this hearing is the pushback on a piece of legislation which is really delivered for working people for this country, and pushing us to do what we need to do to have cleaner air, better communities, and actually bring back manufacturing in a way that makes sense.

And, you know, we hear these tired talking points from my Republican colleagues all the time, and we heard one too from Dr. Trish. I think it is laughable that—you know, we have heard this tired talking point that if the government does anything to help bring down pharmaceutical costs for seniors or for anyone, that pharmaceutical companies will stop, you know, putting money into R and D, in research and development.

Not only does the CBO estimate on the Inflation Reduction Act push back on this, but Big Pharma pulled in about $600 billion in 2023. And so, it does not sound just like a talking point. It sounds like a threat. I care more about what seniors in my district are paying for pharmaceutical drugs than what pharmaceutical executives are raking home.

So, thank you so much. I appreciate it. And I yield back.

Mr. GROTHMAN. Thank you very much.

Was just looking at all the birds who are killed by windows. Just horrible. I like the little birds.

Okay. We will start with Dr. McBride. We were told the IRA, Inflation Adjustment Act, was a deficit-reducing bill. I think the Republicans knew all along it was questionable. It went from reducing the deficit by billions of dollars to increasing the deficit by hundreds of billions of dollars.

Why is the CBO now reversing course on the estimated cost of the Inflation Reduction Act?

Dr. MCBRIDE. Well, they have not released a complete reanalysis of the Inflation Reduction Act. I would love it if they did. We have been pushing for that ever since enactment of the bill in 2022 because, as I mentioned in my testimony, a lot of questions right out of the gate about the cost of the credits. And over time, we have gotten—you know, every element of the IRA actually has a lot of uncertainty about it, a lot of novel stuff going on in that legislation.

I can talk at great length about the various things involved in the Corporate Alternative Minimum Tax, the buyback tax. Again, that was where the revenue was supposed to be raised along with the drug pricing provision.

The best indication we have is that the Corporate Alternative Minimum Tax and the buyback tax in particular are so complicated and so difficult to implement, they actually just did not implement them. The IRS allowed taxpayers to not pay the tax for the first two years after enactment. That does not mean they are off the hook. It means that they have not yet finalized the regulations, actually, to implement the Corporate Alternative Minimum Tax in particular. It has turned out to be so complicated to sort out.

And so, this is the big revenue raiser in the bill, particularly over the first few years and in the first decade, the Corporate Alternative Minimum Tax. It is not raising revenue, apparently, just yet. So, what we have is very little revenue coming in the door but a tremendous amount going out the door, tremendous amount of spending going out the door in the form of these credits. And that has been the general dynamic of this legislation ever since it was enacted.

So, yes, we do need a more complete reanalysis of the bill. We have not gotten it from the CBO. We are getting bits and pieces about it over time. And as part of the legislation going through the House now, we are getting a rescoring of the credits in particular, and that is showing that yes, there is a lot of money that is going out the door with these credits. The current House bill rolls them back and saves about $515 billion over a decade from that measure alone.

Mr. GROTHMAN. Thank you.

I hate it when legislators use the tax code to try to influence public policy. They ought to just, you know, put appropriations out there rather than try to play around with this. Nevertheless, it does bother me over time that the tax code does—their provisions that seem to benefit the ultra-wealthy at the expense of the common man.

Could you describe who is largely getting the benefits of these tax credits in the so-called Inflation Reduction Act? Who is paying the price here? Who is paying the price? And who is getting their taxes reduced, Mr. McBride—Dr. McBride.

Dr. MCBRIDE. Sure.

Well, as we discussed in our testimonies here and—it is very clear. In both just anecdotal evidence, you look around; you know, who is buying solar panels? Who is buying electric vehicles? You know, those are high-income people. You can see that with your own eyes. The data and the studies support that.

And, for that matter, a lot of the credits go to businesses. And again, this is an area of uncertainty. We have tried to identify what types of businesses exactly. And honestly, it is not very clear. But I mention the statistic in my testimony that the largest corporations—I believe that is those with more than 25 billion in revenues—receive more than half of the major——

Mr. GROTHMAN. Largely, this is a tax cut for the rich, you think.

Dr. MCBRIDE. I—that is what it looks like to me, yes.

Mr. GROTHMAN. I think so. And I am running out of time, so I got to go quick to Dr.—to Mr. Lieberman.

These energy subsidies are responsible for enormous costs. Overall, insofar as it drives up cost, who is going to pay the price for that? Is this another thing that is kind of a regressive tax on the average guy? Or how would you describe who is paying—who is paying the price for this?

Mr. LIEBERMAN. There is almost nothing in the Inflation Reduction Act that is geared toward lowering energy prices, so energy prices will go up.

One thing I would add, for example, is that there is a lot of provisions in there geared toward discouraging use of natural gas and making homes all electric. Well, natural gas is three times cheaper than electricity on a per unit energy basis. So, it is one example where climate policy is very much at odds with pro-consumer policy.

Mr. GROTHMAN. Well, if you are a well-off person, I suppose it does not matter. It only affects the average guy.

I thank myself. Now we are calling on, here, Mr. Krishnamoorthi.

Mr. KRISHNAMOORTHI. Thank you, Mr. Chair.

Mr. Lieberman, you work for the Competitive Enterprise Institute. CEI, right? You have to audibly answer.

Mr. LIEBERMAN. Yes.

Mr. KRISHNAMOORTHI. Okay. And CEI's website—we went onto the website. It says, "CEI has been instrumental in fighting decades of climate alarmism." That is what it says, right?

Mr. LIEBERMAN. Yes.

Mr. KRISHNAMOORTHI. Okay. And in a 20-—in a paper that you wrote, you said, quote, "Global warming is clearly not a crisis," right?

Mr. LIEBERMAN. Sounds like me.

Mr. KRISHNAMOORTHI. That sounds like you, yes, because it is you.

Let me tell you what some other folks around here say. Republican Senator Lisa Murkowski said, "Climate change is real. It is happening. It is now."

You do not dispute she said that, right?

Mr. LIEBERMAN. No.

Mr. KRISHNAMOORTHI. Senator Lindsey Graham said in a panel moderated by *CNBC* that, quote, "Climate change is real."

You do not dispute that he said that either, right?

Mr. LIEBERMAN. No.

Mr. KRISHNAMOORTHI. And even the Pope Leo from Chicago has said, "It is time to move from words to action."

You do not dispute he said that either——

Mr. LIEBERMAN. Same as the last Pope.

Mr. KRISHNAMOORTHI. Mr. Lieberman, with members of both parties increasingly in agreement, worsening disasters—we had a "Grapes of Wrath" dust storm in Chicago just this past weekend—and even the head of the Catholic church sounding the alarm, your position and CEI's position sound increasingly fringe.

Let me turn to the next topic.

Dr. McBride, on May 8th, NBC News reported that on a phone call with Speaker Johnson, President Trump suggested raising the tax rate for those making $2.5 million or more. You do not dispute that NBC reported this, right?

Dr. MCBRIDE. No, I do not.

Mr. KRISHNAMOORTHI. And just this morning—and, by the way, this—there is no tax increase in the reconciliation bill, correct? On people earning more than $2.5 million.

Dr. MCBRIDE. That is correct.

Mr. KRISHNAMOORTHI. Okay. And just this morning—this is what Donald Trump told the GOP conference. He tells the House GOP conference not to "F" around with Medicaid.

You do not dispute he said that, do you?

Dr. MCBRIDE. Well, that is news to me. But I believe you.

Mr. KRISHNAMOORTHI. And, Dr. Gee, there are cuts of hundreds of billions of dollars in the reconciliation bill to Medicaid, correct?

Dr. GEE. That is correct. This is a reverse Robin Hood bill that will give tax cuts to the rich while cutting over $600 billion from Medicaid and $300 billion from——

Mr. KRISHNAMOORTHI. I think they are violating—the House GOP conference is violating, I think, what Donald Trump is trying to convey in this headline.

Look. The CBO estimates that the debt of this bill will total at least $4 trillion. Is that not what the CBO has scored, Dr. Gee?

Dr. GEE. That is correct. It will add trillions of dollars to the debt and even more if temporary provisions in the bill for tax breaks——

Mr. KRISHNAMOORTHI. And at the same time that Republicans are adding trillions in debt, Moody's, the major credit rating agency, downgraded America's credit rating, citing the deficit. You do not dispute that, Dr. McBride, do you?

Dr. MCBRIDE. No, I do not. That is correct.

Mr. KRISHNAMOORTHI. And this is the first time all three major credit rating agencies have downgraded America's debt, correct?

Dr. MCBRIDE. That is correct.

Mr. KRISHNAMOORTHI. So, instead of taxing the wealthiest among us, as Donald Trump has suggested, and contrary to his suggestion not to "F" around with Medicaid, which he just said this morning to the House GOP, the House Republicans are instead slashing Medicaid, slashing SNAP, adding trillions to debt, and in the process, hurting America's credit.

Let me turn to another topic.

Dr. Gee, just to reiterate, Republicans are planning to cut at least $625 billion from Medicaid. The level of cuts will be absolutely devastating to the health care system. In fact, let me just show you a map of rural hospitals throughout the country that will be at immediate risk of closure.

As you can see in Illinois, there are eight rural hospitals that will be immediately at risk of closure. And, Mr. Grothman, in Wisconsin, there are five hospitals that are at immediate risk of closure. And, Mr. Burlison, there are nine in Missouri.

Now, when rural hospitals close because of these massive cuts to Medicaid, Dr. Gee, those closures will lead to layoffs, correct?

Dr. GEE. That is correct. Loss of health care jobs as well as other jobs in communities.

Mr. KRISHNAMOORTHI. And when those hospitals close, not only will people with Medicaid be denied access to medical care, but people with private insurance as well as Medicare will also be denied care, correct?

Dr. GEE. That is correct.

Mr. KRISHNAMOORTHI. And so, we will be creating medical deserts throughout the country, right?

Dr. GEE. That is correct. People will have to travel further to emergency rooms or to deliver babies or be seen for trauma.

Mr. KRISHNAMOORTHI. Thank you. And I yield back.

Mr. GILL. [Presiding.] Thank you.

And I now recognize the gentleman from Arizona, Mr. Gosar.

Mr. GOSAR. Thank you, Mr. Chairman.

Today, this hearing is examining the devastating economic effects of the Inflation Reduction Act. But let us remember, the IRA was Joe Biden and the Democrats' version of a reconciliation bill. House Republicans are working diligently on One Big Beautiful Bill because we received a mandate from the American people to learn from the mistakes of the IRA and to save our Nation from the crippling debt.

American seniors should not be made victims by these policies. In the IRA, the other side of the aisle took money from Medicare and funded 21 greenhouse tax scams like electric vehicle credits, carbon sequestration, and clean hydrogen. And now Republicans are the bad guys for repealing these green energy credits to reclaim the funds for the people.

Dr. McBride, in your testimony, you talk about caps on IRA subsidies. Congress needs to enforce caps in a lot of places like immigration, Medicaid, green new tax credits.

Generally speaking, how would you define a cap in Congress?

Dr. MCBRIDE. Thank you for that question.

It is very important. I believe what I have observed over the years I have been doing tax analysis—since about 2011—is an increasing tendency to spend through the tax code.

Okay? We have something that is required by the Treasury Department and the Joint Committee on Taxation every year. They produce estimates of tax expenditures. There is more than 200 of them now. These are tax credits, deductions, exemptions, various loopholes. Not all of them are agreed to be unjustified. There is some subjectivity to that. We particularly take issue with a set of those.

But the point is these are pretty well estimated, the cost of these things. And they have grown over time. The IRA contributed greatly to the cost of these tax expenditures. They are called "tax expenditures" because it is spending through the tax code.

And I want to point out, in particular, that the—about 300 billion—about a third of the costs of the trillion-dollar IRA tax credits is technically scored as spending outlays, Okay? As far as we can tell, that is spending by—received by tax-exempt entities using the direct pay option. So, now we have literal spending through the tax code. It is a way to get around the constraints on proper spending that goes through the appropriations process, in my opinion.

Mr. GOSAR. Well, I want to hit you—and I want to hit you with that. Surprise, surprise. The IRA also extended COVID funding, believe it or not.

Now I am the guy that killed the COVID funding for the emergency spending. It was terminated April 10th of 2023. So, 90 days after that, any outstanding money had to come back to the Treasury. Okay? So, we ought to be looking at the COVID spending as well. And we have not done that yet, have we?

Dr. MCBRIDE. No, not—not completely. That is for sure.

Mr. GOSAR. This is unbelievable.

Now, we are not really comparing apples to apples, right? You know? So, we just saw the poster board over here talking about cuts to Medicaid. But populations are very different, are they not, Dr. McBride?

Dr. MCBRIDE. I think so.

Mr. GOSAR. I will explain. So, the traditional Medicaid population of women, single women, children, those individuals, for every dollar the state puts in, the Federal government puts $1.37 roughly that. Okay. But the expansion that occurred during this COVID emergency there is for every dollar the state put in, $9, $9 was given to the state from the Federal government. And these were, my understanding able bodied individuals with no children. Would you say.

Dr. MCBRIDE. That is my general understanding. You are getting a little bit out of my wheelhouse here.

Mr. GOSAR. Where is the parity on this one? Tell me, women and children so you take a backdrop, a backseat to a well abled and well abled bodied person who you can get to contribute somewhere else. This is unbelievable fathoming that I cannot seem to fathom all these problems.

Mr. Lieberman, the previous Administration used the IRA to fund non-governmental organizations (NGO) and American tax dollars to promote Biden's radical environmental agenda.

I introduced the Putting Trust in Transparency Act which would require NGOs to receive a penny either directly or through a pass through, must bring their big—whole donor list. Is this something that you estimate could really help us out?

Mr. LIEBERMAN. I very much think so, and it maybe the most disturbing part of the Inflation Reduction Act were these organizations that were is set up, created new just for the purpose of receiving, multibillion dollar grants.

And I do think this has relevance, the spending in the IRA has relevance to the climate change issue, so much of the climate activists' argument is to protect future generations from climate harm. Well, if you are genuinely concerned about future generations, the last thing you would want to do is to saddle them with a mountain of debt, which makes it harder to deal with whatever challenges the future holds, whether climate change or otherwise, most likely something we do not even see coming. That is why I think these free spending climate bills are especially self-defeating.

Mr. GOSAR. Seriously the COVID national emergency states that between 4.8 and $7 trillion so the spending goes on.

Thank you.

Mr. GILL. Thank you. And I now recognize the gentleman from Missouri, Mr. Bell.

Mr. BELL. Thank you, Mr. Chair, Ranking Members, and witnesses for being here today.

Today we are discussing the Inflation Reduction Act, a key piece of legislation that was geared toward moving our Nation forward, legislation aimed at providing millions of jobs, increased access to affordable healthcare and a historic funding for clean energy infrastructure to improve the overall quality of life for Americans. And yet my Republican colleagues have set out to reverse this legislation and with it the potential improvements it was set to bring for the average person. Reversing real benefits that we already are seeing today and that we hope to benefit from in the future, reversing investments in affordable healthcare and clean energy.

In my state of Missouri alone, we have benefited from the investments streaming from the IRA with the potential to receive continued investments, totaling over billions of dollars over the next ten years. In my district more than $35 million have been invested in assisting the improvements of over 700 mixed income units for more energy-efficient living. These improvements range from enhancing new builds through the use of sustainable materials, to replacing outdated utilities and structures on older homes, to energy efficient equivalents. These enhancements work toward ensuring these homes are able to withstand the growing hazardous weather conditions they are faced with, which I would be remiss if I did not mention this past weekend St. Louis experienced one of the most devastating storms in our history. A powerful tornado tore through the city, damaged an estimated 5,000 buildings, leaving much of our infrastructure in shambles. The effects of this disaster are being felt across the entire community with countless residents displaced and tragically more than two dozen lives lost. The impact of this storm will be felt for years to come. Many of the areas impacted are amongst our most vulnerable communities who rely on these programs offered through the IRA through affordable and sustainable housing and healthcare. We must ensure we are doing everything in our power to protect these individuals during these times of tragedy.

The IRA is not limited in its use. In my district thousands of citizens continue to benefit in healthcare from it as well, through providing caps on prescription drugs, the IRA has allowed access to lifesaving prescriptions by making them more affordable. In these times of tragedies, individuals should not also have to worry about how they will afford their medications on top of trying to survive.

It is estimated that 348,000 Missourians will save an average of $462 per year through the decrease in prescription drug costs, allowing individuals to receive a better quality of life because we know that access to healthcare saves lives.

The IRA continues to serve as the catalyst to move this Nation forward in a sustainable way and the reversal of it puts American lives at risk. Plain and simple, we need to be focused on saving lives, not harming them.

Dr. Gee, can you tell us how the IRA has impacted healthcare and the predicted impact it is set to have over the next ten years.

Dr. GEE. Yes, thank you for that question. The IRA has lowered healthcare costs in at least a couple of different ways. One is through the prescription drug provisions at the IRA, which create an out-of-pocket cap of $2,000 for Medicare beneficiaries, meaning that there is now a limit for the first time what they owe from their own wallets for prescriptions at the pharmacy.

The bill is also saving the Medicaid program and the government money through drug negotiation for lower prices for—by 2030 it will be 80 drugs through rebates that are paid out when drug companies hike prices above the rate of inflation. And it also made vaccines available at no cost, so that vaccines—like, for example, the shingles vaccine, which used to cost about $200 out-of-pocket are now free and those will keep people healthier and save lives in addition to saving costs.

The Inflation Reduction Act extended subsidies for health insurance marketplace plans, lowering costs about $800 per person, but that will be discontinued at the end of the year if Congress does not extend those subsidies.

Mr. BELL. I think that is my time. Thank you. I yield back.

Mr. GILL. Thank you. And I now recognize the gentleman from Virginia, Mr. McGuire.

Mr. MCGUIRE. Thank you, Mr. Chairman. Thank you to our witnesses for being here today. The Inflation Reduction Act is a bloated, misnamed boondoggle that did anything but reduce inflation. In February, EPA administrator Lee Zeldin found $20 billion in taxpayer money that the Biden Administration parked at a financial institution in an apparent effort to prevent Trump Administration from cutting grants to far-left activist groups. They wanted that money for the far left. Some of these groups power forward communities, which has ties to Democrat activist Stacey Abrams were seemingly created out of thin air just to take the money. In fact, her nonprofit brought in $100 the year before and then went to $2 billion with no explanation. They had no track record of success. In fact, they had no track record at all, yet Joe Biden gave them billion dollars of taxpayers' dollars. I am thankful that Administrator Zeldin is working to get this money back. And I hope that the Committee continues to look into this matter.

In addition to the fraud, the law has created devastating policies which will cripple our energy reliability, devastate pharmaceutical research in America and cost taxpayers a fortune. I talked to the Secretary of the Interior. He said, today in the United States, 70 percent of our energy comes from fossil fuels and while China is opening up coal plants every day, we are shutting ours down. It makes no sense, we cannot compete. And 30 percent of our energy comes from nuclear, so if you figure 30 percent fossil fuels, 30 percent nuclear, that leaves next to nothing for wind and solar.

On the Green New Deal, often called the green new scam, you can see why because they are putting money where it does not make sense and they are picking winners and losers.

Mr. Lieberman, the original estimates put IRA subsidies costing the American taxpayers around $370 billion. However, recent estimates from Goldman Sachs and the Cato Institute suggest the total cost of IRA subsidies could be between $1.2 and $1.7 trillion over the next 10-years. How were the cost projections so wrong?

Mr. LIEBERMAN. Well, there are a lot of factors that go into that, including estimates of how many people would be buying electric vehicles. I said the one mitigating factor is that EV sales seem to be stagnating, so maybe the outlays will not be so much on that front. But one of the problems with it is that some of the provisions are virtually uncapped. There is no dollar limits, there is no real deadlines. So, while I favor repeal, I do not favor phaseouts, because phaseouts tend to be extended. But I do think a big problem with that is some of the provisions, especially the provisions for clean electricity, solar, and wind are virtually limitless and it is hard to figure out how many companies would take advantage of them because they are very generous.

Mr. MCGUIRE. What wind and solar companies would be able to survive without these subsidies?

Mr. LIEBERMAN. It would be hard to imagine any of them. And I think that raises a good point, companies can get invested when they can invest in solar, they can invest in EVs or all these things. I just think they should do it with their own damn money.

Mr. MCGUIRE. If you want to do it, you pay for yourself.

Mr. LIEBERMAN. Yes.

Mr. MCGUIRE. The taxpayer should not be burdened.

Dr. Trish, you coauthored a white paper which concluded that without reform the IRA may result in a decline in new drug innovation, as well as a decline in research on new indications and evidence for long-term effectiveness and safety outcomes. Very briefly, what reforms are necessary to undo the harmful consequences of the Inflation Reduction Act.

Dr. TRISH. I mean especially we need reforms that realign the pricing incentives so that we are rewarding manufacturers when they produce drugs that have high value for patients in society. That is the opposite of the set of reforms that we see in the IRA and so we need to fundamentally shift the incentives there.

Mr. MCGUIRE. Because what gets rewarded gets repeated.

Dr. TRISH. Exactly.

Mr. MCGUIRE. And picking winners and losers means everyone loses.

Dr. McBride, and by the way, we mentioned earlier Medicaid nowhere—I was on the campaign trail with President Trump all over the country and he never once said he was going to cut Medicaid. He just wanted to eliminate waste, fraud, and abuse. I do not think any American wants illegal aliens getting taxpayer dollars illegally. Waste, fraud, and abuse. I think you guys would be very pleased if you looked accurately and honestly at the One Big Beautiful Bill.

Dr. McBride, your analysis shows that up to one percent of earners stand to gain $11,000 of benefits from IRA credits in 2027, while the bottom quantity receives under $100. Is it fair to say that the IRA's climate credits are effectively a subsidy for the wealthy?

Dr. MCBRIDE. Yes, yes, absolutely. It is a—as I mentioned, it amounts to spending, even though these are labeled credits, it amounts to spending to a large degree. And these are spending subsidies, running through the Tax Code. And they are primarily benefiting high income consumers, as well as businesses. The businesses, you know, what individuals then in the end benefit from the businesses that are using these credits well that is usually attributed to the shareholders of those businesses. Well, who are the shareholders? They tend to be high income folks as well. So, the distributional analysis that we and others have done does find that these business credits that represent most of the dollars in the IRA credits ultimately benefit the shareholders of these companies and they tend to be savers, investors, that tend to be high income folks.

Mr. MCGUIRE. Thank you. I yield back.

Mr. GILL. And I now recognize Ms. Simon from California.

Ms. SIMON. Thank you, Mr. Chair and Ranking Members. And thank you witnesses for being with us today.

In 2022, we saw the birth of the Inflation Reduction Act, which made healthcare more affordable to Medicare patients, capping insulin at $35 a month, limiting annual out-of-pocket prescriptions to $200 and negotiating the price of prescription medication, including diabetes and cancer and autoimmune diseases.

We have been talking a lot about the big and beautiful bill. For folks who have battled sickness and some of us who have battled death right in front of us, we know that what is in the big beautiful bill for some of us we are thinking of it as cold and cruel.

Democrats expanded access to essential healthcare and lowered healthcare costs for millions of Americans, our elderly neighbors, our community members and not a single Republican voted for the Inflation Reduction Act. But now, but now, today, Republicans want to pretend that they care, they care about the woman right now who is sitting at Seattle Children's Hospital who had to quit her job because her baby has lymphoma, that baby is dying. She gets Medicaid for herself, her child, her child is waiting for her to deliver a message that she may have more months. I have got to tell you, this cold and cruel bill, ma'am, these folks do not care about you. You are the able-bodied adult that they are saying does not deserve healthcare. I can go on and on. And we saw just this week that President Trump said that he would reduce prescription drug costs. And I just want to say for those of us who have been at death's door with either ourselves or our family members, our children and like myself, my husband, I think we want that. But we know with this cruel and cold bill over ten million Americans will no longer have health coverage and they are not going to be able to see that doctor or get that prescription drug that they so need, that home healthcare worker, that daycare worker who was able bodied but is barely making the minimum wage to pay her rent. They do not care about you. That is why, this is why any reduction in Medicaid or Social Security, any net decrease is the difference between life and death for poor Americans. And I am talking about working Americans. You cannot deny it, it is clear, it is clear. And so, for those folks who are taking care of your elders and you are only working half time because you are trying to lift the spirits of the weak, the widow, the sick, the child who is getting chemotherapy at this very moment, they are people who care about you and we are fighting for you.

I have a question for you Dr. Gee. And as a disabled American myself and a mother who I was a preemie, she took care of me while she went to college, she struggled. We grew up poor. She took care of veterans for over 30 years as a physician's assistant, as an LVN. I thank God for her and for so many others like her who have been fired by this Administration. Have mercy on them, but my question for you quickly is what would cuts to Medicaid mean for vulnerable populations, that includes seniors, I am talking about people with disabilities who are now covered by both Medicaid and Medicare? Give me a story.

Dr. GEE. Sure, the cuts in the reconciliation bill will be extremely harmful for vulnerable communities all across America. About ten percent of Medicaid enrollees are seniors. Medicaid is also crucial for providing home and community-based services for disabled people, enabling them to live in homes and get services in the community, rather than being institutionalized settings.

The work requirements in the bill are especially worrying. Supposedly they are aimed at increasing work, but what we really know they do is increase administrative burden making it harder for people to get coverage.

Georgia is one state that implemented a similar program. In that state, only about three percent of people who would be eligible based on income were able to get through that red tape to enroll in Medicaid.

When people lose coverage it disrupts their care. It means that they might have to discontinue medications with access to doctors, specialists they might be seeing. And it also puts strain on hospitals. Rural real hospitals are at risk, as the Ranking Member Krishnamoorthi noted and it could have repercussions for other clinics in the community, for substantive treatments——

Ms. SIMON. Those rural hospitals will close and folks will die. And I apologize for cutting you off. And I want to thank all of you all for being here and to Representative Frost, I apologize. I wanted to yield you time. Thank you and I yield back, Mr. Chair. Thank you all.

Mr. GILL. Thank you.

And I now recognize myself for 5 minutes.

Thank you to the witnesses for taking the time, we really sincerely appreciate it.

Mr. Lieberman, the One Big Beautiful Bill phases out the IRA and its harmful green energy subsidies. While phasing these subsidies out, I think it is a great start. I think ideally we would repeal these immediately. We ran on repealing the New Green Deal. Every single Republican ran on repealing the Green New Deal. I think it is about time that we actually execute on that promise. Can you elaborate on the importance of repealing IRA green energy subsidies?

Mr. LIEBERMAN. Yes, the same army of lobbyists who gave us the Inflation Reduction Act will be back whenever those phaseout deadlines come asking for extensions.

I was on the Hill for several years. I had dozens and dozens of meetings with lobbyists for subsidized alternative energy companies always asking for more, raising the caps, extending the deadlines. It never happened that one of them came to me and said, “We are not an infant industry anymore, you can end the subsidy.” There is always a demand for more and it is very tough to stop these things, as you know full well. There are so many must pass bills that these things can be slipped into every year. So, phasing them out is really not phasing them out. So, repeal would be far and away the best option.

Mr. GILL. Government handouts are like a drug. Once you give them out, it is very, very hard to pull them back. And we have seen the army of K Street descending upon Washington to keep these handouts in place. Could you just help us understand a little bit more about how much we might be able to save by repealing the Green New Deal?

Mr. LIEBERMAN. Well, I think Dr. McBride has the numbers a little bit better than me, but it is certainly well into the hundreds of billions of dollars in terms of reduced tax credits and other subsidies. And then there is the additional effect, so many of the favored energy sources and technologies have problems of their own that will impose costs. So, best to stop these bad ideas in the bud.

Mr. GILL. Right. Could you walk us through how some of these subsidies have distorted the energy market.

Mr. LIEBERMAN. Well, for Example, when wind and solar are very heavily subsidized, that is what is going to be built. And that is fine on a sunny day, on a day when the wind is blowing at an ideal speed. But there will be those times when you need backup power. But there is no incentive really for that backup power. Who wants to spend on a natural gas plant that has to sit idle and yield to wind and solar and only turn on and be able to sell energy for those moments where a blackout needs it be avoided. It is not a winning economic business model. And that is I think something that is true throughout the Inflation Reduction Act. It does not ban gasoline-powered vehicles. It does not ban natural gas facilities, but it so heavily subsidizes the alternatives that it greatly discourages these things. And as you said it distorts the market.

Mr. GILL. Have you seen similar dynamics where Washington began spending money or doling taxpayer dollars out to different private entities or special interests? And then once we tried to pull them back, you saw that same dynamic of special interest lobbying Washington to keep their handouts in place.

Mr. LIEBERMAN. Well, you see it in the Inflation Reduction Act. Many of the tax credits were ones that in some cases began in the 1990s and have been extended many, many times. So, there is a long history of these tax credits. Once they are established and once there's a concentrated group of companies that benefit from them, they are going to lobby hard to keep them. So, yes, there is a long history of it being difficult to ever phase something out unless you repeal it when the opportunity arises.

Mr. GILL. Yes. And Democrats love to claim that these subsidies benefit working class Americans with IRS data that found that $5.5 billion of the approximately $8.4 billion in tax credit claims doled out for residential energy tax credits came from filers earning more than $100,000 a year annually. I would love to hear your opinion again. Do you believe that these tax credits benefit wealthy Americans at the expense of our working class?

Mr. LIEBERMAN. The priorities in the Inflation Reduction Act are simply not the priorities of most working Americans. The bottom 60 percent of households take advantage of ten percent of the tax credits. And with regard to something like electric vehicles, keep in mind upwards of 40 percent of American households are single vehicle households. They either do not want or most likely cannot afford multiple vehicles. Ask yourself, can an EV really be that one go-to vehicle? And the answer is no. Upwards of 90 percent of EVs are part of multivehicle and wealthier families. And a lot is true of many of these other subsidized appliances and other things that just do not make sense for most working folks, which is why they need to be subsidized.

Mr. GILL. Thank you, Mr. Lieberman.

I now recognize the gentlelady from Arizona, Ms. Ansari.

Ms. ANSARI. Thank you. It is so funny to me colleagues across the aisle love to vote against their districts and their constituents' interests. They are sitting here railing against the Inflation Reduction Act, legislation that has launched $130 billion in private investments and created 400,000 jobs in Republican-held districts since it was passed. If the planned investments are kept in place, it would create 90,000 more jobs and bring in $70 billion more in planned investments. When we are talking about these jobs as well, when I have spoken to pretty much every single labor union working class people who very much actually are majority Republican, sheet metal workers, electricians, plumbers and pipe fitters, they are thrilled about the investments in the Inflation Reduction Act because of the jobs they have created. Eighteen of the 20 districts who have received the most funding from the IRA are in Republican held districts, accounting for 78 percent of the total IRA spending to date.

But I guess they do not want those investments in their districts anymore, although I know they attending the groundbreakings and the ribbon cuttings. In Mr. Gosar's district, which borders mine in Arizona, a project was announced that would bring in $1.25 billion in investment, and created an estimated 6,400 jobs, thanks to the funding opportunities and the tax credits made possible by the IRA. That project has since been canceled due to financial uncertainty because of President Trump's attacks on the IRA and House Republicans promised to repeal it.

Dr. Gee, question for you, how would the repeal of these tax credits stifle innovation? I want to talk about innovation because in so many of the Committees I am on in Congress we talk about energy dominance and wanting to be at the forefront of innovation and the threat of China, but we are actively deciding to stifle that.

Can you talk about what kind of risk that would pose to companies here in the U.S. and the threat that they may move out of the country?

Dr. GEE. So, the investments that Inflation Reduction Act is making in manufacturing and new technology is really a key to us being able to compete with China on high-tech manufacturing and also breaking the strangle hold that China has on mineral processing, which is critical for batteries and other technologies.

Repealing these investments would create an estimated $80 billion of energy investment opportunities that goes to other countries not the U.S., including China, the EU, Japan, South Korea and Mexico. We have already seen investments canceled because of the policy uncertainty created by discussions of this bill as well the Trump Administration's efforts and cancelations of projects. And so, this investment as well as in things like the National Science

Foundation are key to improving sciences and also investing application of technology.

Ms. ANSARI. So, $80 billion in missed investments, that is devastating. It is not just about that, the effects of the IRA repeal will also have an impact on hardworking, everyday Americans in this country. We know that Rhodium, a nonpartisan independent research group found that a repeal of the IRA would increase the average household's energy expenses by over seven percent over the next ten years. This means higher energy bills and higher gas prices for everyone.

Dr. Gee, how will Republicans' plans to repeal the IRA's tax credits and energy subsidies raise costs for American families?

Dr. GEE. So, the tax credits go to the clean energy economy, which lowers energy prices and benefits everybody. If these provisions were to be repealed as Rhodium Group estimates about $70 more per year is what Americans would pay for electricity bills. It also means that oil and gas need to fill the gap, which will be an increase in gas prices that we could see in the future.

Ms. ANSARI. So, in my district—I represent Phoenix, Arizona—many of my constituents already experience disproportionately high energy costs because keeping your AC on in the summertime is incredibly expensive. Can you talk to us about how the IRA's investments in clean energy help in the face of growing energy demands?

Dr. GEE. Yes, so we are facing increased energy demand, luckily 90 percent of what is coming online these days is clean energy. And the IRA is not just about energy production; it is also about energy storage. Let me give one example of energy storage actually from Arizona which is the Scatter Wash battery storage complex in Phoenix. That is one that involves $559 million in financing thanks to the IRA for making those investments possible. And it will be able to store enough electricity to power 50,000 Arizona homes during peak summer conditions for 20 years.

Ms. ANSARI. Thank you. I yield back to our Ranking Member.

Mr. FROST. Thank you. Really quick, earlier Dr. McBride, one of the Chairs asked you to confirm an updated CBO score for the Inflation Reduction Act. You mentioned that there is not one. We also do not have a final CBO score for this big beautiful bill act that they want to vote on, which will be the largest transfer of wealth from working class Americans to the wealthy in this country's history.

Does the Tax Foundation believe that we should even have a vote on a big bill like this when we do not have a final CBO score?

Dr. MCBRIDE. Well, we do our own scoring, and we use essentially a lot of same methodologies as CBO and JCT does to estimate the tax side in particular. But we as well do a deficit impact that impacts accounting for the spending. We have not yet done that in total. This is a very big bill—that is in the title, that is very accurate, there is a lot in there.

Mr. FROST. You think we should vote on it before we know the impact to our Nation's national debt.

Mr. BURLISON. [Presiding.] Answer this, but the gentleman's time has expired.

Dr. MCBRIDE. Thank you.

Mr. FROST. Yes or no? He said he could answer it.

Dr. MCBRIDE. I believe that is up to you. That is your job to decide that.

Mr. BURLISON. All right. Thank you.

I recognize the gentleman——

Mr. FROST. I ask unanimous——

Mr. BURLISON. Okay.

Mr. FROST. I ask unanimous consent to enter into the record the *Tax Foundation*'s "House GOP tax plan preliminary details and analysis," which states that the big beautiful tax bill will result in wages shrinking.

Mr. BURLISON. Without exception—without objection.

I now recognize the gentleman from Louisiana, Mr. Higgins.

Mr. HIGGINS. Mr. Chairman is it okay to move forward here? All right. Thank you.

Mr. Chairman, I would strongly oppose the so-called Inflation Reduction Act. When Democrats were in the majority in 2022, they jammed this bill through Congress. Conservatives very clearly stated at the time that the bill would increase deficit spending and have very negative impact on inflation. It would impose new and oppressive mandates and we would end up investing money that we do not have. All deficit spending, 100 percent of the deficit spending, investing hundreds of billions of dollars into fanciful ideas of energy production that would ultimately fail. And that is exactly what has happened. So, you are damn right, we would repeal. I would repeal the entire thing if I could, every word of it. That is not where we are with our bill because with the current bill under consideration as has been referenced here because in the spirit of compromise you know we have not been able to get to 100 percent repeal. The arrogance, the disconnect from some of my colleagues across the aisle is really stunning.

Mr. Chairman, every American family imagines the wondrous things we could do if we had unlimited money. Great things no doubt if we had unlimited money. In this town, in D.C., the Federal government sells Treasury bonds to finance deficit spending. America, especially your uncles out there, listen to your uncle clay. We do not have the money. Your Nation, this generation right now, this Congress and congresses past in modern history is spending money we do not have at a rate that is going to collapse your country upon your head. We are $37 trillion in debt. That is 37,000 billion dollars. This body is a long way from balancing the budget. But if we were to balance the budget, and run a $1 billion surplus and a billion of the thousand million, if we were to run a $1 billion surplus, it would require 37,000 years to address a $37 trillion debt.

My colleagues across the aisle are just unbelievably supportive of spending more and more and more money that we do not have. And our country is careening toward bankruptcy. We face insolvency right now and we must take courageous corrective action, regarding the incredibly misguided and ill-advised IRA.

Mr. Lieberman, as compared to affordable and abundant energy, how has the IRA subsidies impacted investment in so-called sustainable energy, have we stacked the deck? Have we put our thumb on the scale, sir?

Mr. LIEBERMAN. Oh, definitely. There are a lot of projects underway, only because of the generous subsidies.

Mr. HIGGINS. Only because, not market driven, not because of the energy that they will provide, not because it is affordable and abundant and transportable and works well with our grid. But because this town, this Federal government has put our thumb on the scale. Am I correct?

Mr. LIEBERMAN. That is correct. I would also add there is an energy success story that did not require any type of tax credits and that the fracking——

Mr. HIGGINS. So, let's shift to that, let's shift to that. I am going to ask Dr. McBride because my Democratic colleagues, they act like no refineries or no plants were ever built before 2022. It is insane. I do not know how we powered the entire 20th century in the first quarter of this century, but we did. We managed to do that without IRA subsidies spending money that we do not have. Is it safe to say that private investments and alternative energy will continue with or without taxpayer subsidies, sir?

Dr. MCBRIDE. Yes, absolutely. Certification, look at EVs, we know EVs have been around for many, many years. My household we actually own a hybrid purchased, like, 15 years ago or something. So, these technologies, the batteries that go into——

Mr. HIGGINS. That is going to grow.

Dr. MCBRIDE. This actually goes back decades. The development of the battery technology that we are enjoying now goes back decades. This stuff was happening with subsidies to some degree, but also due to private market forces, long before the IRA.

Mr. HIGGINS. I concur. Thank you, ladies and gentlemen, for appearing today.

Mr. Chairman, my time has expired. I yield.

Mr. BURLISON. Thank you.

I now ask unanimous consent to enter the following documents into the record, first is a statement prepared for this hearing by Gabriella Hoffman who is the Director of Center for Energy and Conservation At the Independent Women's Forum in support of cutting the IRA's green energy subsidies. And then this article by Alex Epstein titled Why Congress' New Budget Should Eliminate All IRA Tax Credits.

Without objection, so ordered.

And with that, I recognize Mr. Min from California.

Mr. MIN. Before I begin—and thank you, Mr. Chair—before I begin my remarks I would ask unanimous consent to include in the record a report from the Joint Economic Committee's Minority staff titled Recent Clean Energy Programs Lower Costs for Families and Are Vital to U.S. Manufacturing Jobs and Energy Security.

Mr. BURLISON. Without objection.

Mr. MIN. And if I could have my clock reset, since I have not started yet. All right.

As a Member, first I just want to appreciate my colleagues from Louisiana's point about the national debt and our deficit. Just note that the big beautiful bill has been estimated that it will double our national debt by the year 2054. So, if we care about fiscal responsibility, obviously we owe an obligation to our future generations to not vote on that bill—to vote no. Now as a Member of Congress' Joint Economic Committee I have seen firsthand how the IRA has created massive new investments in the U.S. economy, including in infrastructure and manufacturing.

President Trump has repeatedly stated that his goal is to try to create more manufacturing jobs in the United States. His tariffs, which cause massive turmoil and led to the destruction of trillions of dollars of American's savings hard earned retirement savings, were a misguided attempt to try to bring manufacturing back to the United States. Well, the IRA has been extraordinarily successful in doing just this, and you do not even need to take my word for it, just about a month ago this same Subcommittee held a hearing on the topic of how to bring manufacturing back to the United States titled "Made in the USA: Igniting the Industrial Renaissance in the United States." And if you go back to the transcript of that hearing, you will see that I asked every one of those witnesses whether the IRA's clean energy tax credits were incentivizing manufacturing in the United States. And every single witness, including all three Republican witnesses said yes. The IRA was good economic policy and was creating manufacturing jobs here. In fact, one Republican witness stated that IRA was incentivizing more jobs and creating more innovation in the United States.

Since the IRA was signed into law in 2022, it has led to over 2,000 new clean energy facilities opening and the creation of a million new jobs. Additionally, 3.4 million Americans have used clean energy tax credits for home energy improvement, saving between $460 to $1,000 per year in annual energy costs.

Looking forward, the IRA energy tax credits are expected to generate over $1.9 trillion in economic growth over the next decade, resulting in 13.7 million manufacturing jobs, that will boost employment across the energy sector as a whole.

At the same time, we are seeing massive costs that are accruing our economy from climate change, which is expected to cost an estimated $38 trillion each year by 2049. Transitioning to clean energy is not just a massive jobs creator. It is also something that will help us avoid massive negative costs to our economy.

It is also worth noting that clean energy is seen by countries around the world as the future of economic growth, which is why China is investing so heavily in subsidies for clean energy technologies, ten times as much as the United States according to some estimates.

Now, Dr. Gee, in terms of jobs and economic growth, do you see more growth potential in clean energy in the future or do you see more growth potential in fossil fuels?

Dr. GEE. Absolutely there is a lot of unpacked potential in clean energy. In fact, to date about $800 billion in private investments have been announced for clean energy.

Mr. MIN. A lot of manufacturing.

Dr. GEE. Yes. This spurred by the Inflation Reduction Act and that is 300,000 jobs created to date, and another 600,000 in the pipeline. Although those are in jeopardy if the privileges of the IRA are repealed.

Mr. MIN. Now I recently went on a congressional delegation to Korea and talked to a number companies that had invested heavily in the United States in manufacturing, Hyundai, LG, solar panels, electric cars, all manufactured right here in the United States. Many billions of dollars, thousands of jobs. And what they told me is that if the clean energy tax credits are repealed, those projects do not pencil out. They will have to cut thousands of jobs. This is what we are talking about.

And I want to get to Dr. Trish's testimony. Dr. Trish, am I summarizing your testimony correctly, just yes or no, if I say that your main point is that the IRA stunts innovation in pharmaceutical and medical devices industries by capping the costs for Medicare recipients. Is that basically the thrust of it?

Dr. TRISH. That is part of it.

Mr. MIN. And at the same time, I want to make clear that even if I agree with you that we are talking—that these do result in less innovation, we are talking about a tradeoff here, right? Medicare patients get lower costs and more access to drugs. And that this may reduce, according to you, innovation by lowering the profit motive for pharmaceutical companies. Now, Dr. Trish you may know, I represent quite a lot of life sciences companies in my district, including Irvine and Newport Beach, among other cities. And in recent months these companies and many like them have repeatedly reached out to me with huge concerns about reduced innovation due to Federal policies. You want to guess how many of those talked about IRA or the clean energy tax credits or Medicare negotiations?

Dr. TRISH. I will let you tell me.

Mr. MIN. Zero, Zero. Would that surprise you?

Dr. TRISH. There is a lot of discussion going on about different types of——

Mr. MIN. Guess what they are talking about. Do you want to take a guess? Dr. Gee, guess what these companies are talking about?

Dr. GEE. I guess they are talking about the cuts made to basic science by the Trump Administration and DOGE.

Mr. MIN. The National Institutes of Health (NIH) and National Science Foundation (NSF), yep, cuts to Food and Drug Administration (FDA) staff which there were increased patent approval times, approval times generally for devices. They are also worried about the illegal arrests and deportation proceedings for graduate students which has led to enormous fears of the top scientific minds in the world will stop coming to the United States. In fact, just the other day I was having dinner with a friend of mine who is the leading cancer researcher at University of California, San Francisco. And he told me that his top graduate student candidate had just emailed him to tell him she was not coming to the U.S., even though UCSF was her top choice, because of concerns about the anti-immigrant rhetoric and actions under the Trump Administration.

Now, Dr. Trish, you did not mention any of these things, NIH cuts, FDA cuts, effects of anti-immigration policies. Is it your opinion that these are just not important when we are talking about innovation?

Dr. TRISH. No, that is not my opinion. In fact, my colleagues at the Schaeffer Center have published on the impact of NIH cuts——

Mr. MIN. I am reclaiming my time.

If we are talking about innovation then, would these not be much bigger? Are these life sciences companies misleading me when they do not talk about IRA and they only talk about the Trump Administration's policies.

Dr. TRISH. No, there is—you know, the fundamental math——

Mr. MIN. Reclaiming my time.

Would you agree with the statement that the Trump Administration——

Mr. BURLISON. The gentleman's time has expired.

Mr. MIN. Would you agree with the statement that the Trump Administration's policies are having a much more inhibiting effect on innovation in life sciences and pharmaceuticals than IRA?

Dr. TRISH. There is a lot to unpack there.

Mr. BURLISON. Thank you.

We now recognize Mrs. Boebert from Colorado.

Mrs. BOEBERT. Thank you, Mr. Chairman. And thank you for being here to our witnesses. I just want to start by saying that the Inflation Reduction Act, the idea of it creating jobs is a myth. This is something from the Federal government and it is actually destroying our grid and it is harming every American with inflation and less economic opportunity. The IRA is actually diverting investments to uncompetitive businesses and jobs. These businesses cannot compete in our market; it is literally one side of the government choosing winners and losers. And we are paying millions for EV jobs that pay less than the national average. The IRA disproportionately benefits China by increasing the demand for Chinese companies. And they really dominate the solar and wind supply chains and directly subsidize Chinese-owned solar and wind projects, operating in the U.S. So, I just wanted to clear that up. It was never about reducing inflation. The American people were lied to. It was an inflation expansion act, not reduction.

On to our witnesses, Dr. McBride, do you know how much CBO originally said how much the Inflation Reduction Act would cost in renewable subsidies?

Dr. MCBRIDE. Yes, in total, including the tax side and the spending side, $370 billion for the climate programs.

Mrs. BOEBERT. $370 billion as we are over $367 trillion in debt.

And we know that the original estimates were not correct, that we were given. So, what is the real cost of the green energy tax credits?

Dr. MCBRIDE. Well. The credits alone, that was about $270 billion originally estimated. Now looks to be about a trillion or $1.2 trillion, that will include the interactions with regulations like the tailpipe rules.

Mrs. BOEBERT. Absolutely incredible. Mr. Lieberman, these renewable energy tax credits will cost the American people approximately $4.6 trillion by the year 2050. Will the green energy sources by themselves support the current energy requirements of the United States?

Mr. LIEBERMAN. I do not know if I would go as far as some people who say they are parasitic energy sources. That might be a little too far. But we know that wind and solar are just not available 24/7. There will always have to be a need for other energy sources to make sure that we have reliable electricity and policies like those in the Inflation Reduction Act make it very hard to ensure reliability.

Mrs. BOEBERT. Absolutely. And I think there are many of us here who are for that all of the above energy approach, but it is when we are subsidizing and promoting China lifting them up, using the American tax dollars to pay for this. That is where I have a problem with it.

Mr. Lieberman, giving the growing demand for power in the U.S., what are the unintended risks to our electric grid that we are facing with these displacing proven energy methods?

Mr. LIEBERMAN. The North American Electric Reliability Corporation or NERC just recently released their summer assessment. They are warning about the potential blackouts in the U.S. and North America over the summer. And they specifically mentioned times of low wind and solar, they also mention bringing coal offline and not replacing it with anything that is as reliable. And having followed these NERC studies for a number of years, their warnings are getting stronger and stronger, and the links that they are drawing to wind and solar are also being strong and stronger. This is real. We saw in Spain and Portugal very serious blackouts. They are being studied, we do not have definitive answers yet, but those are two countries with a lot of wind and solar. We cannot draw conclusions yet, but there are some real reliability risks.

Mrs. BOEBERT. Right, yes. And their energy sources are unreliable. We have seen it in California. We have certainly seen brownouts there. In Colorado, they have begun to shut down our coal fired energy plants. And they want to stop mining the coal. Arguably the cleanest coal in the world right there in Colorado. And our communities are being regulated into poverty because of it. This so-called Inflation Reduction Act, it is a disaster for our energy and the cost and the economy. It is really—this act is what has caused so many problems and increased energy prices. It was a shameful boondoggle and it is pushing this unreliable sources, wind and solar, while taxing our dependable oil and gas. So, I want to thank the witnesses for being here and I yield.

Mr. BURLISON. Thank you. I now recognize Mr. Palmer from Alabama.

Mr. PALMER. I thank the Chairman.

It is interesting listening to my Democratic colleagues defend the so-called Inflation Reduction Act. I often refer to it as the income reduction act. One of the things that I think gets lost in this is how much energy costs went up during the Biden Administration and there was—by the end of the Biden Administration electricity costs had gone up 29.4 percent. That is after the IRA, that is after a massive investment in the Green New Deal resources. So, how do you think the Biden Administration could explain that, Mr. Lieberman?

Mr. LIEBERMAN. Energy fluctuates, but things are made worse by bad policies and are made better by good policies. And this was an Administration that prioritized the climate change agenda over the affordable energy agenda. There is no question about that. The Inflation Reduction Act is part of that.

Mr. PALMER. In the first three years, residential electricity prices went up 23 percent, industrial electricity prices went up 19 percent, home heating oil prices increased 69 percent, oil prices increased 52 percent, natural gas prices 32 percent. Gas at the pump. Just in terms of how does that impact a household, for those using home heating oil, it was $3,000 a year. Now the reason I bring that up is because how higher energy costs impacted the health of the people in Europe. And I think most people realize The Economist magazine is not some right-wing publication. They found that because of higher energy costs in Europe they attributed that to 68,000 additional excess winter deaths. People simply could not afford to adequately heat their homes. 68,000 is almost 9,000 more than died from COVID during the same time period. That came out in 2023. So, there are consequences for these decisions.

It is also interesting that Europe is finding out that renewables are not reliable. For the first time Germany is now looking at nuclear power generation. That is an area where, Mr. Chairman, I think we need to really be focused, particularly small modular nuclear reactor area.

So, what I would asking you, Mr. Lieberman, is given that we know that renewables are not reliable, they do not produce a consistent base load and the need to have a consistent base load and considering that we are in an arms race for artificial intelligence with China, should not we be looking at rather than investing in more renewables, investing in nuclear or maybe more hydrocarbon, power generation so that we will have the ability to power the data centers that we are going to need to compete in AI.

Mr. LIEBERMAN. The energy mix and electricity mix is best determined by energy markets. Renewables will have a role in those energy markets, but so will dispatchable sources that are available can be ramped up when are needed. So, the free market has done a remarkable job solving our energy challenges. And we should never stray too far from free markets.

And Europe, as you say, really should be a warning for us. They are further down that road than we are. It is not working well, they are not leaving us in the dust because they have embraced clean energy, just the opposite. And I think we can look at these European countries as a warning sign.

Mr. PALMER. You know the National Electric Reliability Corporation puts out a risk analysis, for several years in a row and I honestly do not,—cannot remember what the last one said, but I think it is consistent.

The number one risk to our power grid is not a cyber-attack, it is not an electromagnetic pulse (EMP) attack, it is changing the resource mix. To put that in layman terms, as we have shut down hydrocarbon facilities and tried to replace those with renewables, we have not met the power demand. We have not been able to fill that gap. And it has put us, I think, not only in an economic security—created an economic security problem, but potentially a national security problem for us.

Mr. Chairman, I yield back.

Mr. BURLISON. Thank you Mr. Palmer——

Mr. MIN. Mr. Chair, I ask unanimous consent to introduce this article in *Politico* from just a couple days ago Senate Republicans call in House GOP's energy tax credit cuts will not work where a number of Senate Republicans are quoted——

Mr. BURLISON. Without objection, without objection.

Mr. MIN. Thank you.

Mr. BURLISON. I now recognize Mr. Perry.

Mr. PERRY. Thank you, Mr. Chairman.

Dr. McBride, just listening to some of my colleagues, I am just going to give you a vignette here. If the—we will start with this, how much did the CBO, if you know, score the IRA at regarding the subsidies that would be given to these so-called renewable energy sources. Do you recall?

Dr. MCBRIDE. In total $370 billion. Two-hundred-seventy billion of that was from tax—tax credits.

Mr. PERRY. Right. And do you remember what the outside organizations, other than the CBO, scored it at shortly thereafter?

Dr. MCBRIDE. Closer to a trillion. It was a range of estimates, they talked about the uncertainty, but——

Mr. PALMER. I think it was over $1 trillion, $1.2 trillion or something like that. So, let us just say if the Federal government decided to give tax credits for manufacturing dog crap. Do you think that there would be an interest in companies to manufacture dog crap for tax credits especially if it equated to $1 trillion?

Dr. MCBRIDE. Yes, sir.

Mr. PALMER. Of course they would, right? And we could all sit up here and say, manufacturing is growing, there are all these manufacturing jobs associated with this new bill and the tax credits and the subsidies to manufacture dog crap. Well quite honestly, Dr. McBride, I do not see what we have done here is very much different. Because I think this is a dog crap or as—well, this is garbage, it is distorting the market, it is destroying the energy grid. It is—well, this is my opinion. In your opinion are these subsidies encouraging the construction, manufacturing, placement of inefficient, unreliable energy sources at the peril of reliable base load energy sources?

Dr. MCBRIDE. In general, I am not an energy expert. But that is what I understand, in general there is a problem here of the—the general problem is subsidies for particular technologies. Now some of these credits do try to go to a more neutral approach, which is good, but the most neutral approach is going to be to remove the subsidies entirely.

Mr. PERRY. Let the——

Dr. MCBRIDE. Allow the market to sort out what is the future. This is an area where there is a lot of uncertainty about the future. The technologies are evolving every day, the companies are coming online changing every day, trying to get into that space and specify this or that technology as these credits do is a proven way to waste a lot of resources actually.

Mr. PERRY. Mr. Lieberman, do you have a comment on my question?

Mr. LIEBERMAN. I think you hit on something that so many of these subsidized alternative energy jobs are just pushing aside: unsubsidized conventional jobs. One example I recently learned about there were two refineries in California that used to refine oil and gasoline and diesel fuel. They shut down and they were rebuilt making renewable diesel and sustainable aviation fuels. And that is happening across the country, not surprising renewable diesel and sustainable aviation fuels currently get tax credits of $1 per gallon on up. And, you know, conventional gasoline and diesel gas gets nothing. Now you could visit those two facilities and say look at the new jobs, look at the new activities but nothing really new, they used to make gasoline.

Mr. PERRY. Right.

Mr. LIEBERMAN. And incidentally, the alternatives are more expensive even with the——

Mr. PERRY. Right. They are more expensive, they are less efficient. I mean, if you lived in California in the eighties, you did not think about brownouts or blackouts at all. But if you live in California today where they do all this subsidization and have all this green energy or actually do not have it, it is a way of life and it is going to come across the country and it is because of these subsidies that are not only inefficient and ineffective, but they are also bankrupting the country, right? I mean, these subsidies, my friends over here say—on the other side of the aisle say the One Big Beautiful Bill is going to increase the debt and the deficit. And I am not necessarily in disagreement with them because—and that is why I have some concerns about voting for the bill. But they fail to recognize or acknowledge that they blew a huge hole in the budget with these tax credits and subsidies for nothing. We are actually charging consumer—have electricity bills gone up or gone down on average since the enactment of the IRA, Mr. Lieberman?

Mr. LIEBERMAN. According to U.S. Energy Information Administration, electric rates, electric bills have been going up faster than the rate of inflation since 2022.

Mr. PERRY. I wonder why that is.

The Inflation Reduction Act is dog crap, and it should be repealed entirely.

I yield.

Mr. BURLISON. Thank you.

And thank you to our witnesses. I think this has been a very enlightening and educational hearing, and really appreciate your service to our country.

And without objection, all Members will have five legislative days within which to submit materials and to submit additional written questions for the witnesses, which will be forwarded to the witnesses for their response.

If there are no further business, without objection, the Subcommittee stands adjourned.

[Whereupon, at 1 p.m., the Subcommittees were adjourned.]