

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1 Diversified Reporting Services, Inc.

2 RPTS EUELL

3 HIF038030

4

5

6 UNLEASHING AMERICAN ENERGY, LOWERING ENERGY COSTS,

7 AND STRENGTHENING SUPPLY CHAINS

8 TUESDAY, FEBRUARY 7, 2023

9 House of Representatives,

10 Subcommittee on Energy, Climate, and Grid Security,

11 joint with the

12 Subcommittee on Environment, Manufacturing, and Critical

13 Materials,

14 Committee on Energy and Commerce,

15 Washington, D.C.

16

17

18

19 The subcommittees met, pursuant to call, at 10:00 a.m.

20 in the John D. Dingell Room, 2123 Rayburn House Office

21 Building, Hon. Jeff Duncan [chairman of the Subcommittee on

22 Energy, Climate, and Grid Security], presiding.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

23 Present from the Subcommittee on Energy, Climate, and
24 Grid Security: Representatives Duncan, Burgess, Latta,
25 Guthrie, Griffith, Bucshon, Walberg, Palmer, Curtis, Lesko,
26 Pence, Armstrong, Weber, Balderson, Pfluger, Rodgers (ex
27 officio); DeGette, Peters, Fletcher, Matsui, Tonko, Kuster,
28 Schrier, Castor, Sarbanes, Cardenas, Blunt Rochester, and
29 Pallone (ex officio).

30 Present from the Subcommittee on Environment,
31 Manufacturing, and Critical Materials: Representatives
32 Johnson, Carter, Crenshaw, Joyce, Allen, Fulcher, Miller-
33 Meeks, Obernolte, Rodgers (ex officio); Tonko, Schakowsky,
34 Clarke, Ruiz, Barragan, and Pallone (ex officio).

35

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

36 Staff Present: Sarah Burke, Deputy Staff Director;
37 Michael Cameron, Professional Staff Member, CPC; Jerry Couri,
38 Deputy Chief Counsel for Environment; Lauren Eriksen, Clerk,
39 O&I; Nate Hodson, Staff Director; Tara Hupman, Chief Counsel;
40 Emily King, Member Services Director; Elise Krekorian,
41 Professional Staff Member, Energy; Mary Martin, Chief
42 Counsel, Energy & Environment; Jacob McCurdy, Professional
43 Staff Member, Energy; Brandon Mooney, Deputy Chief Counsel
44 for Energy; Kaitlyn Peterson, Clerk, Energy & Environment;
45 Carla Rafael, Staff Assistant; Peter Spencer, Senior
46 Professional Staff Member, Energy; Michael Taggart, Policy
47 Director; Timia Crisp, Minority Professional Staff Member;
48 Waverly Gordon, Minority Deputy Staff Director and General
49 Counsel; Tiffany Guarascio, Minority Staff Director; Anthony
50 Gutierrez, Minority Professional Staff Member; Caitlin
51 Haberman, Minority Staff Director, Environment,
52 Manufacturing, and Critical Minerals; Mackenzie Kuhl,
53 Minority Digital Manager; Kris Pittard, Minority Professional
54 Staff Member; Kylea Rogers, Minority Policy Analyst; Andrew
55 Souvall, Minority Director of Communications, Outreach, and
56 Member Services; Medha Surampudy, Minority Professional Staff
57 Member; Tuley Wright, Minority Staff Director, Energy,

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

58 Climate, and Grid Security; Isaac Velez, Minority Intern.

59

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

60 *Mr. Duncan. The Subcommittee on Energy, Climate, and
61 Grid Security and the Subcommittee on Environment,
62 Manufacturing, and Critical Minerals [sic] will now come to
63 order.

64 The chair now recognizes himself for five minutes for an
65 opening statement.

66 First of all, I want to thank you all for being here.
67 And I thank all of our witnesses for being here, as well. I
68 preemptively want to say that we all appreciate your
69 patience, as this might be a long day.

70 I am excited that we are holding our first legislative
71 hearing, a joint hearing with Energy, Climate, and Grid
72 Security Subcommittee and the Environment, Manufacturing, and
73 Critical Minerals [sic] Subcommittee. Our goal is to enact
74 policy that delivers affordable, reliable, and clean energy
75 to all Americans, a goal I believe we all share on this
76 committee, regardless of party.

77 In our hearing on restoring American energy dominance
78 last week we heard how the Biden Administration's energy
79 policies are making energy unaffordable and less reliable for
80 American consumers. The aggressive rush to green agenda is
81 compromising our security by creating vulnerabilities in our

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

82 energy supply chain, making us more reliant on our
83 adversaries for energy and critical minerals.

84 I believe in unleashing all sources of American energy,
85 from nuclear, oil and gas, to hydropower, renewables,
86 hydrogen: a truly all-of-the-above approach. We also
87 believe in unleashing innovation by creating a regulatory
88 structure that encouraging -- encourages investment and
89 growth in the private sector.

90 We have said it before: American energy production and
91 reducing emissions are not mutually exclusive. We produce
92 energy cleaner than anywhere in the world.

93 Unfortunately, many of our energy policies coming out of
94 the Biden Administration prioritize climate goals over
95 reliable and affordable energy. They compromise the ability
96 for Americans to afford their power bills and keep on the
97 lights. They also fail to address the significant permitting
98 barriers to bringing more clean energy online.

99 The bills we are reviewing today offer solutions. They
100 will bring down the cost of energy, reduce emissions,
101 strengthen our energy supply chains, and pave the way for
102 restoring American energy dominance. We did invite the FERC
103 commissioners, Secretary of Energy, and the EPA

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

104 Administrator, all who, unfortunately, were unable to attend.
105 I am hopeful that we can have them in front of this committee
106 soon to give the administrative -- Administration's
107 perspective.

108 I am, however, pleased we are moving this legislation
109 through regular order, with a full committee hearing last
110 week to inform us of the state of American energy. The
111 legislation in front of us today will address some of the
112 issues, and propel the United States into American energy
113 dominance.

114 For example, my bill protects American energy production
115 by prohibiting the President from declaring a moratorium on
116 hydraulic fracturing. This is necessary because President
117 Biden has repeatedly stated that he would end fossil fuel
118 production in the United States.

119 Representative Pfluger's bill repeals the costly natural
120 gas tax created in the Inflation Reduction Act. The
121 Promoting Cross-border Energy Infrastructure Act encourages
122 the construction of energy infrastructure across the borders
123 of the U.S., Canada, and Mexico, helping us secure Western
124 hemispheric energy security.

125 Several bills also address the importance of American

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

126 energy exports in the global markets. The world is safer
127 when America is energy dominant, and Representative Johnson's
128 bill to unlock our domestic LNG would make it easier for FERC
129 to approve export terminals to deliver clean energy to our
130 friends and allies.

131 We also will be taking up a resolution that expresses
132 support for the free trade and export of crude oil and
133 petroleum products. This is necessary because President
134 Biden and the Democrats on this committee have advocated for
135 reinstating the crude oil export ban. Lifting the export ban
136 in 2015 has lowered prices, while also increasing our
137 leverage globally. It would be shortsighted to reverse this.

138 We will also focus on securing our nuclear supply chain
139 with a bill to wean off reliance on Russian uranium. Our
140 grid and energy infrastructure increasingly have come under
141 attack. The critical Electric Infrastructure Cybersecurity
142 Incident Reporting Act will increase transparency between
143 critical electric infrastructure owners and the Department of
144 Energy to strengthen our systems.

145 Just over 2 years ago, America was energy dominant for
146 the first time since 1952. We were the largest energy
147 producer in the world, while also leading the world in

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

148 emissions reductions. We can and should be a world leader,
149 and these bills will help get us there. It is time to stop
150 handing over leverage to the CCP, Iran, and the OPEC cartel.
151 Not only leverage, but American dollars.

152 Every American should have access to reliable energy.
153 The most recent blizzards underscore the need for resilient
154 energy infrastructure and a diversified generation mix
155 capable of responding to storms. It is time to flip the
156 switch, unleash American energy production. These bills are
157 the first step in achieving energy dominance.

158 I look forward to hearing from our witnesses on these
159 bills.

160 [The prepared statement of Mr. Duncan follows:]

161

162 *****COMMITTEE INSERT*****

163

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

164 *Mr. Duncan. And I now recognize Ranking Member
165 DeGette.

166 *Ms. DeGette. Thank you so much, Mr. Chairman. I am
167 happy to be here today, and I would humbly suggest if we want
168 to reduce our reliance on OPEC and other bad actors
169 internationally, we should reduce our reliance on oil, since
170 it is an international market.

171 And when I looked at these bills, they don't just
172 unleash America's energy potential. They tether us more
173 fully to a global commodity that strains our budgets and also
174 causes real harm to our environment. They expand oil and gas
175 drilling throughout the country, and they undo many of the
176 bedrock environmental laws that we have put in place to
177 ensure every American has access to the clean air, clean
178 water, and a clean environment.

179 The bills that we are considering today bolster an
180 industry that is already reporting record profits. Last year
181 the United States produced an average of 11.9 million barrels
182 of crude oil a day. Now, that is the second highest level in
183 U.S. history. And the oil and gas industry is on track to
184 produce even more in the years to come. According to the
185 Energy Information Administration, the U.S. is on pace to

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

186 produce 12.4 million barrels a day this year, which is an
187 all-time record, and up to 12.8 million barrels a day in
188 2024.

189 So I am not really sure why the majority thinks we need
190 to give even more incentives for big oil to produce more oil.
191 So if -- and the title of this hearing, "Unleashing American
192 Energy," it really means -- is giving big oil unfettered
193 access to do as they please, well, I guess that is what these
194 bills do.

195 But again, they do nothing to unleash our nation's true
196 energy potential. They don't do anything to protect the
197 American people from the volatility of the global oil market
198 and the skyrocketing prices we saw last summer. They don't
199 do anything to combat the climate crisis or deliver
200 environmental justice to some of the most vulnerable
201 communities across this country.

202 So if we really, really want to unleash America's energy
203 potential and drive down the cost of energy, then we need to
204 break our addiction to oil, and we need an orderly transition
205 to cleaner, renewable energy sources. Not only will doing so
206 help continue to reduce the harmful emissions that are
207 driving the climate crisis, but it reduces our dependence on

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

208 the global oil market, and it will reduce energy bills that
209 many Americans are struggling to afford.

210 Clean energy is now one of the cheapest sources of
211 energy, and it is why countries around the world are already
212 making the transition to expand the use of new technologies
213 that will serve as a foundation for them to continue to grow
214 their economies into the future. And we cannot fall behind
215 in that effort. We can either be the leaders of a global
216 clean energy transition or our adversaries will, because they
217 understand the risk as much as we do.

218 So instead of furthering our dependence on oil, we
219 should actually be fueling the innovation of new technologies
220 that can provide clean, renewable energy that is both
221 reliable and affordable, and also by increasing our grid
222 security. We need to build the foundation and we need to
223 invest in training for the energy workforce so they can take
224 on the jobs of the future. This is how we unleash America's
225 energy potential.

226 So, Mr. Chairman, I want to say this again, because I
227 think there is some confusion. People seem to think that if
228 we produce more oil and gas domestically, even though we are
229 producing record amounts, this is going to make us

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

230 independent from international energy levels or from OPEC
231 price increases. That is simply not the case, because it is
232 an international market. And we saw that last year when oil
233 and gas prices went up so much, even though there was the
234 ability to have increased domestic production.

235 So I think that, by working together, we could find
236 bipartisan solutions. We all have the same goal: a solid
237 energy source, transition to renewable energy, and combating
238 the climate crisis, and building the foundation to make sure
239 that can happen.

240 I don't think these bills are the solution, so I think
241 we should go back to the drawing board and get that right.

242 [The prepared statement of Ms. DeGette follows:]

243

244 *****COMMITTEE INSERT*****

245

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

246 *Ms. DeGette. And with that, I yield back.

247 *Mr. Duncan. The chair now recognizes the chair of the
248 Subcommittee on Environment, Manufacturing, and Critical
249 Minerals [sic], Mr. Johnson, for five minutes for an opening
250 statement.

251 *Mr. Johnson. Well, thank you, Mr. Chairman, and good
252 morning, everyone. I, too, want to thank our panelists for
253 being with us this morning.

254 You know, my constituents back at home in Ohio know
255 firsthand the importance of affordable American energy, and
256 that abundant, affordable energy is vital to economic growth,
257 and it is a key factor in ensuring our national security.
258 Last week we heard about some of the domestic problems we
259 face in meeting these challenges.

260 Today we will discuss thoughtfully removing some of the
261 red tape and delays that can prevent constructing new
262 critical energy projects, keep capital on the sidelines, and
263 -- that are killing innovation dead in its tracks. I am
264 eager to get going on proposals to streamline the process for
265 building essential energy projects in America. Producing
266 more American energy will help reduce global emissions,
267 improve energy reliability, and lower costs for American

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

268 consumers.

269 President Biden's war on affordable and reliable energy
270 and the problems that war creates is not limited to killing
271 the use of oil, natural gas, and coal. His Administration's
272 policies are blocking progress on the President's own stated
273 goal to develop domestic resources essential for the very
274 energy alternatives he prefers, such as wind, solar, and
275 batteries.

276 For example, the supply of minerals necessary to build
277 these alternative energy sources is insufficient to meet some
278 of this Administration's climate goals, including a "carbon
279 free power sector" by 2035, and ensuring widespread use of
280 "zero emission vehicles."

281 In addition, many of these critical minerals and the
282 refining and processing capacity for them is controlled by
283 adversaries like China and Russia. We cannot stake our
284 future on certain technologies that then rely upon our
285 enemies for the minerals and mineral processing needs to
286 develop them.

287 This Administration must stop promising Utopia, while
288 prohibiting our own mineral production, like canceling leases
289 for new nickel and copper mines in Minnesota, blocking new

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

290 lithium mines in Nevada, and rescinding a land swap necessary
291 for a copper mine in Arizona.

292 Fortunately, the legislation we are considering today
293 would reorient the law to reestablish America's energy
294 dominance without weakening America's global leadership in
295 advancing our higher environmental and labor standards.

296 So today we will consider a bill amending the Toxic
297 Substances Control Act to require EPA to review and make
298 timely decisions on the manufacturing of a new chemical or a
299 new use of an existing chemical that is a critical energy
300 resource. This bill still emphasizes risk protection, but
301 will prevent the marketplace from waiting an excessive amount
302 of time for critical materials needed to meet our emissions,
303 climate, and energy expectations.

304 We will also review legislation directing the EPA
305 administrator to allow more regulatory flexibility in
306 enforcing air quality permits for critical energy resource
307 facilities like processing and refining facilities.

308 Another measure amends the Solid Waste Disposal Act to
309 allow for critical energy resources engaged in mineral
310 processing to receive interim permit status for the
311 treatment, storage, or disposal of their waste, a permit that

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

312 the EPA must still review.

313 There is also a bill which authorizes EPA only during
314 national security and energy security emergencies to waive
315 certain regulations necessary for processing or refining of
316 critical energy resources.

317 Additionally, we will look at legislation preventing EPA
318 from imposing expensive design analysis requirements on
319 already-constructed gasoline refineries, which would elevate
320 the EPA's view of what makes sense above what industry
321 experts and best practices prove makes sense.

322 Staying on refineries, we will examine a bill to have
323 the Department of Energy and the National Petroleum Council
324 assess and report on the importance of petrochemical
325 refineries in the United States, including a review of
326 opportunities to expand capacity such -- of such facilities,
327 risk of such facilities, and an assessment of federal and
328 state regulations or policies that have contributed to a
329 decline in the capacity of such facilities.

330 Finally, we will review a bill repealing the wasteful
331 Greenhouse Gas Reduction Fund, which was established in the
332 Inflation Reduction Act.

333 So, as you can see, a lot of work needs to be done to

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

334 establish an energy strategy that encourages innovation, that
335 drives investment, and benefits our economic and national
336 security while we remain good stewards of our environment.

337 I want to also note that we are moving these in regular
338 order. It is really good to be back to legislating through
339 regular order.

340 I believe the new Republican majority on the Energy and
341 Commerce Committee is leading with solutions to our nation's
342 energy and critical resource challenges, and I look forward
343 to hearing from each of you as we talk today.

344

345

346 [The prepared statement of Mr. Johnson follows:]

347

348 *****COMMITTEE INSERT*****

349

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

350 *Mr. Johnson. And I yield back the balance of my time.

351 *Mr. Duncan. I thank the gentleman. I will now
352 recognize the ranking member of the Subcommittee on
353 Environment, Manufacturing, and Critical Materials, Mr.
354 Tonko, for five minutes.

355 *Mr. Tonko. Thank you, Mr. Chair. I strongly support
356 this committee's efforts to examine and legislate ways to
357 enhance our long-term energy security, affordability, and
358 sustainability for the American people.

359 But unfortunately, nearly all of the bills before us
360 today continue to look backwards toward the energy needs of
361 our past, rather than embracing the energy opportunities of
362 the future. And those opportunities are overwhelmingly about
363 positioning the United States to become the global leader in
364 the clean energy technologies and supply chains that will
365 dominate the energy system over the next several decades.

366 We need our national energy policy to have vision, and
367 that vision cannot solely be how to further enrich oil and
368 gas companies which are raking in record profits. That is
369 why we should be celebrating the Inflation Reduction Act's
370 nearly \$370 billion in clean energy and climate investments,
371 which are already beginning to support the deployment of new

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

372 clean energy resources, commitments in domestic
373 manufacturing, and a significant reduction in climate
374 pollution.

375 But sadly, two of the bills being considered today would
376 repeal critical sections of the IRA, which were developed and
377 enacted by the Democrats of this committee in the 117th
378 Congress. The Greenhouse Gas Reduction Fund is going to
379 facilitate historic investments to decarbonize our grid, our
380 transportation system, and buildings by supporting
381 well-paying jobs and guaranteeing benefits in disadvantaged
382 communities. And the Methane Emissions Reduction Program
383 provides industry with significant funding to adopt emission-
384 reducing technologies before using a market-based approach to
385 incentivize pollution reductions. This is a sensible program
386 that provides certainty for industry, while incentivizing the
387 reduction of super pollutants from the oil and gas sector.

388 I am also concerned that several of the bills under
389 consideration would create new loopholes and -- in important
390 environmental laws, allowing a broad and inadequately defined
391 group of polluting industries to get fast-tracked for
392 approval with little consideration for the potential harms
393 they may pose to Americans' air, water, and safety. This is

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

394 not the way to achieve our shared goals of a more secure,
395 affordable, and cleaner energy system.

396 But there are steps that we could take together that
397 would. We could have focused hearings to wrestle with
398 complex energy issues. How should hydrogen pipelines be
399 regulated? What reforms are needed to the hydropower
400 licensing processes? How can we build more interstate and
401 inter-regional transmission lines to improve the reliability
402 and affordability of our electricity system, while enabling
403 greater deployment of cost-effective, clean energy resources?

404 I suspect these questions may interest members on both
405 sides of the aisle, and each of those topics could be the
406 subject of a narrow, largely bipartisan hearing. This
407 approach would certainly require work and negotiations, but
408 that is surely true of any serious effort to enact bipartisan
409 energy legislation.

410 Unfortunately, the approach being offered today will not
411 achieve this goal. We are considering 17 Republican bills
412 covering a wide range of topics and amending numerous
413 statutes. Several of these draft bills were seen for the
414 first time just a little over a week ago.

415 During the Democrats time in the majority, we often

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

416 tried to give our minority counterparts an opportunity to
417 contribute to legislative hearings' agendas. As far as I am
418 aware, that -- there were not discussions of potentially
419 Democratic-sponsored bills that could have fit this hearing's
420 theme.

421 I also expect we will hear criticisms of the
422 Administration for failing to attend today. I agree with my
423 Republican colleagues that we should seek and expect to hear
424 from the agencies at legislative hearings, but we should also
425 make efforts to accommodate their participation, including by
426 providing legislative texts well in advance, and being
427 flexible with the hearing calendar.

428 When the Republicans were last in the majority during
429 the Trump Administration, EPA did not testify at any
430 legislative hearings in 2017, and only twice in 2018. We
431 should be consistent both in our expectations that the
432 Administration provide witnesses and technical assistance on
433 legislation, and that we need to be flexible to accommodate
434 schedules to ensure that their participation is well informed
435 and instructive to the development of legislation.

436 So while I am disappointed in the process that has led
437 us here today, I still believe there are bipartisan policies

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

438 that we can and should work on together to achieve the goals
439 of this hearing's title. And with that said, I look forward
440 to the discussion on the 17 bills before us today.

441 [The prepared statement of Mr. Tonko follows:]

442

443 *****COMMITTEE INSERT*****

444

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

445 *Mr. Tonko. And with that, Mr. Chair, I yield back.

446 *Mr. Duncan. I thank the gentleman. It is now my honor
447 to recognize the chair of the full committee, Mrs. McMorris
448 Rodgers, for five minutes for an opening statement.

449 *The Chair. Thank you, Mr. Chairman, Chairman Duncan,
450 Chairman Johnson. It is great to be kicking off our
451 legislative agenda with you.

452 Our goal on Energy and Commerce is to ensure reliable,
453 secure, and affordable energy, and that it is available to
454 power homes and businesses across this country.

455 America has been blessed with abundant natural
456 resources. We should be looking toward developing a
457 predictable regulatory landscape across the board that
458 inspires innovation, entrepreneurship, and technological
459 leadership. Hydropower, nuclear, fossil energies, wind,
460 solar, and batteries: we need all of them in order to secure
461 a stronger, more prosperous America, reduce costs and
462 emissions, address climate issues, and create more robust and
463 resilient communities.

464 Rush-to-green energy policies, both at the state and
465 Federal level, have curtailed reliable energy and
466 infrastructure, resulting in everything from blackouts to

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

467 spiking prices. We have seen the devastating impact these
468 policies have had on people in Europe, where forced
469 government transition away from reliable energy sources
470 resulted in more dependance upon Russia. These policies are
471 unsustainable, and lead to greater reliance on countries like
472 Russia or, in our case, China.

473 If we cede our energy leadership to countries like
474 Russia and China, they will always leverage that influence to
475 advance their own authoritarian agenda. This is not the
476 future that any of us want. The best way to address future
477 risks, whether they be climate change or global price shocks,
478 is with a strong economy and a more secure, abundant energy
479 supply here at home. We need to put energy security back at
480 the center of energy policy.

481 The solutions we are discussing today reflect key steps
482 to return from the path of shortages and high prices to a
483 path of prosperity. We have several bills that will help
484 unlock American natural gas and its delivery systems. To
485 provide reliable, affordable, and clean natural gas is
486 essential for heating our homes and businesses, and
487 strengthening America's global standing, all while continuing
488 to lead the world in reducing carbon emissions.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

489 These solutions build on the lessons of the shale
490 revolution, which proved energy expansion can be
491 unprecedented and bring energy security, while also helping
492 drive down American emissions.

493 We also need to restore America's leadership in clean
494 nuclear energy. I am leading a bill that aims to eliminate
495 our reliance, which is currently 24 percent, on Russian
496 nuclear fuels for our nuclear reactors. Expanding our
497 leadership and developing and expanding nuclear energy is
498 going to be one of the top priorities of this Congress. And
499 addressing our reliance on Russian fuel is just the
500 beginning.

501 To unleash American energy, we also need a regulatory
502 environment that doesn't hamper industry. Several measures
503 improve regulatory flexibility to assist with the reshoring
504 of industries that manufacture and process critical energy
505 materials. These bills strengthen existing regulations, and
506 provide new authorities to enable the EPA and states, working
507 together, to permit new and expand existing manufacturing,
508 manufacturing that is key for strengthening our energy
509 security, national security, and ending our reliance on
510 China. It is also a necessary step as we incorporate

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

511 technologies like electric vehicles and renewables into our
512 energy mix.

513 Additionally, we will consider bills that make sure the
514 EPA focuses on its core mission, which does not include
515 forcing a transition to more expensive, less reliable energy
516 sources and systems.

517 Many of these issues have been bipartisan in the past,
518 and I do hope and expect us to come together. This hearing
519 is an opportunity to provide feedback as we work through
520 regular order.

521 And I should note that it is disappointing
522 representatives from the Department of Energy, the Federal
523 Energy Regulatory Commission, the Environmental Protection
524 Agency declined to appear. Appearing before this committee
525 is an important part of their obligation to Congress, and we
526 expect them to fulfill it.

527 In closing, I look forward to our discussion today on
528 how this committee can improve American energy leadership,
529 security, and people's lives. It is time to get to work.

530 [The prepared statement of The Chair follows:]

531

532 *****COMMITTEE INSERT*****

533

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

534 *The Chair. And with that, I yield back, Mr. Chairman.

535 *Mr. Duncan. I thank the chairwoman.

536 I want to pause and just say that Congress's thoughts
537 and prayers are with the folks in Syria and Turkey after the
538 devastating earthquake.

539 And I now recognize the ranking member of the full
540 committee, Mr. Pallone, for five minutes.

541 *Mr. Pallone. Thank you, Chairman Duncan.

542 Committee Republicans are showing today that their top
543 energy and environmental priorities are to do the bidding of
544 Big Oil, and to undermine our nation's bedrock environmental
545 laws. And these are not the same priorities of committee
546 Democrats.

547 Over the last two years, Democrats delivered historic
548 wins for the American people. We enacted laws that are
549 already creating good-paying jobs, cutting costs for working
550 families, and advancing homegrown clean energy, all while
551 tackling the worsening climate crisis. And while we want to
552 build upon these successes for the American people, House
553 Republicans are stuck in the past, and failing to address the
554 energy challenges and opportunities we face today.

555 I would like to start by highlighting my serious

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

556 concerns with some of the fossil-focused bills that we are
557 discussing today. The cross-border energy infrastructure
558 bill is nothing more than a shadow approval of the Keystone
559 Pipeline masquerading as legislation. It establishes that
560 every single cross-border energy project is in the public
561 interest, a radically higher bar than exists now. And this
562 is not serious legislation.

563 Representative Burgess's bill would put the Federal
564 Energy Regulatory Commission in charge of permitting reviews
565 that it doesn't have the expertise or the time to lead, and
566 the Unlocking our Domestic LNG Potential Act would eliminate
567 the requirement that the Department of Energy determine that
568 exporting natural gas from a U.S. facility is in the national
569 interest. This legislation would effectively greenlight
570 sending unrestricted amounts of LNG to adversaries like
571 China. It is just more proof that committee Republicans are
572 more interested in doing the bidding of their fossil fuel
573 friends than actually protecting our energy security.

574 And I am also deeply disappointed with the legislative
575 proposals being considered in the Environment Subcommittee's
576 jurisdiction. Two of the bills would revoke programs enacted
577 as part of the Inflation Reduction Act that are projected to

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

578 cut climate pollution, reduce the deficit, and leverage
579 private-sector investment in clean energy projects across the
580 nation.

581 H.R. 484 targets the Methane Emission Reduction Program,
582 which establishes a suite of incentives to drive down excess
583 methane pollution and remediate the effects of the pollution
584 that does occur. This program fundamentally ensures
585 polluters pay for wasted methane, and not customers.

586 Republicans also target the Greenhouse Gas Reduction
587 Program, which invests \$27 billion in non-state and local
588 climate finance institutions that support the rapid
589 deployment of low and zero-emission technologies. My
590 Republican colleagues claim to support all-of-the-above
591 policies, yet they oppose a program that invests in clean
592 energy projects.

593 We are also considering bills that allow so-called
594 critical energy sources to bypass common-sense environmental
595 protections. One bill would circumvent consideration of
596 safer technologies to avoid chemical disasters under the risk
597 management program, while another bill would undercut
598 protective health policies that were developed and passed on
599 a bipartisan basis by this committee in the Frank Lautenberg

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

600 Act. And we should not be putting polluters over people by
601 waiving critical public health and environmental protections
602 that keep American communities safe.

603 Now, if Republicans really want to unleash American
604 energy, I invite them to stop trying to tear down critical
605 climate and environmental programs, and work with us to build
606 a better future for all by investing in clean energy and
607 bolstering our environmental safeguards.

608 I can't find much value in the legislation before us
609 today, which is unfortunate, since many members are
610 interested in working on clean energy permitting. And
611 instead, my majority colleagues scheduled a hearing on 17
612 Republican bills or discussion drafts without even asking
613 Democrats if we have any bills that would address the
614 underlying topic. If they truly want to enact legislation
615 that addresses energy security and affordability, this is not
616 the path. The American people deserve better.

617 Finally, I must set the record straight about why the
618 Administration could not testify at today's hearing. The
619 majority claims they gave the Administration two weeks'
620 notice, and that the Administration said this was not enough
621 time to secure witnesses.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

622 What they left out is that the two weeks' notice came in
623 an email right before midnight on January 24th. It did not
624 contain the list of bills for the hearing, the legislative
625 text of the bills, or any information about other invited
626 witnesses. How were the agencies supposed to prepare for a
627 hearing when they have not been told what bills they are
628 supposed to be commenting on?

629 And to be clear, only 2 of the 17 bills had been
630 introduced when this hearing was noticed 1 week ago. If the
631 bills were not ready to share with the Administration or with
632 Democratic members, then this hearing should have been
633 postponed until a later date.

634 [The prepared statement of Mr. Pallone follows:]

635

636 *****COMMITTEE INSERT*****

637

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

638 *Mr. Pallone. And with that, Mr. Chairman, I yield
639 back.

640 *Mr. Duncan. I thank the gentleman. This now concludes
641 with member opening statements.

642 The Chair would like to remind members that, pursuant to
643 committee rules, all members' opening statements will be made
644 part of the record.

645 I want to thank all the witnesses for being here today
646 and taking time to testify before the subcommittees.

647 Each witness will have the opportunity to give a five-
648 minutes opening statement, followed by a round of questions
649 from members.

650 There are some lights in front of you. Green means go.
651 Yellow means you have got one minute, a one-minute warning,
652 and red means you need to wrap up.

653 Our witnesses today are the Honorable Mark Menezes; Mr.
654 Jeffrey Eshelman; Mr. Raul Garcia; Ms. Katie Sweeney; Mr.
655 Tyson Slocum; and the Honorable Bernard McNamee.

656 We appreciate you being here today. I will now
657 recognize Mr. Menezes for five minutes to give an opening
658 statement.

659

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

660 STATEMENT OF THE HON. MARK MENEZES, FORMER UNITED STATES
661 DEPUTY SECRETARY OF ENERGY, FORMER CHIEF COUNSEL, ENERGY AND
662 ENVIRONMENT, COMMITTEE ON ENERGY AND COMMERCE; JEFFREY
663 ESHELMAN, II, PRESIDENT AND CHIEF EXECUTIVE OFFICER,
664 INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA; RAUL GARCIA,
665 LEGISLATIVE DIRECTOR FOR HEALTHY COMMUNITIES, EARTHJUSTICE;
666 KATIE SWEENEY, EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING
667 OFFICER, NATIONAL MINING ASSOCIATION; TYSON SLOCUM, DIRECTOR
668 OF THE ENERGY PROGRAM, PUBLIC CITIZEN; AND THE HON. BERNARD
669 MCNAMEE, FORMER COMMISSIONER OF THE FEDERAL ENERGY
670 REGULATORY COMMISSION

671

672 STATEMENT OF MARK MENEZES

673

674 *Mr. Menezes. Good morning. Madam Chair McMorris
675 Rodgers, Ranking Member Pallone, Subcommittee Chairmen Duncan
676 and Johnson, Ranking Members DeGette and Tonko, and members
677 of the Subcommittee, thank you for the invitation to testify
678 on legislative solutions designed to promote U.S. energy
679 production, lower energy costs, and to strengthen our supply
680 chains of critical minerals and energy resources. Today's
681 hearing features bills designed to achieve these important

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

682 goals.

683 Now, in order to unleash American energy, it is
684 important that Congress ensures the legislative will of the
685 people is carried out by the President and the executive
686 branch. Frequently, the executive branch is at odds with the
687 laws of Congress, and takes actions without clear
688 congressional authority. Several of the bills under
689 consideration today make congressional intent clear to the
690 executive branch.

691 The Protecting American Energy Production Act clarifies
692 that states have primacy regulating hydraulic fracturing.
693 Congress made this clear in the overwhelmingly bipartisan
694 Energy Policy Act of 2005. Our global friends and allies are
695 grateful for our production and export, and have come to rely
696 on U.S.-produced oil and natural gas as a reliable source of
697 energy and an alternative to Russian supply. This bill
698 prohibits the President from issuing any moratoria on
699 hydraulic fracturing, thus preserving states' rights.

700 Similarly, the sense of Congress resolution opposes the
701 executive branch placing restrictions on the export of oil
702 and petroleum products. This makes clear the congressional
703 intent that the President and all Federal agencies follow the

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

704 law as written when a bipartisan Congress lifted the oil
705 export ban in 2015.

706 The Unlocking our Domestic LNG Potential Act removes
707 redundant reviews and the need for multiple Federal
708 permission slips to produce and liquefy LNG for export. The
709 bill makes clear that it is FERC and not the Department of
710 Energy which has the exclusive authority to approve or deny
711 requests to export natural gas to a foreign country.

712 The Promoting Cross-border Energy Infrastructure Act
713 makes clear that it is the DoE and FERC, the Federal agencies
714 with expertise in energy, that have the authority to grant or
715 deny the interconnections and modifications of cross-border
716 electricity lines and pipelines without the need for a
717 presidential permit.

718 Turning now to lowering energy costs, it is important
719 that the members appreciate that, with the shale revolution,
720 the U.S. now has an abundance of cheap natural gas which is
721 replacing baseload coal, complementing the increased
722 deployment of wind and solar, and is the primary reason why
723 the U.S. leads in actual emission reductions.

724 The Promoting Interagency Coordination for Review of
725 Natural Gas Pipelines Act ensures increased access and

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

726 delivery of supply to lower natural gas costs by authorizing
727 FERC to be the lead agency to coordinate other agencies,
728 establish reasonable timelines, and keep track of progress of
729 the permitting and environmental reviews required under NEPA
730 and other laws.

731 Reducing costs of government can save taxpayers dollars
732 to offset the cost of energy. The repeal of the Greenhouse
733 Gas Reduction Fund repeals the \$27 billion appropriated to
734 EPA to provide grants and financial assistance to states,
735 municipalities, tribal governments, and non-profits for zero-
736 emission technologies. While laudable and generous, there is
737 little oversight of EPA required by Congress to administer
738 this fund. Remember, EPA's requested budget in 2022 was only
739 \$11.4 billion.

740 Another bill to lower energy costs is the Natural Gas
741 Tax Repeal Act, which repeals the methane waste fee and
742 statutory methane regulations included in the non-bipartisan
743 Inflation Reduction Act. EPA has proposed a supplemental
744 rule to regulate methane emissions open for public comment
745 now, which essentially does the same thing without the
746 methane waste fee, but with Clean Air Act penalties.

747 Turning now to strengthening our supply chains, we know

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

748 the U.S. relies on imports for 31 of 35 of our critical
749 minerals necessary for the U.S. defense and our clean
750 economy, 14 of which we are totally dependent on imports. To
751 ensure critical energy resources, Congress should designate
752 DoE with the responsibility to do this. That is what
753 Securing America's Critical Mineral Supply Act does. It
754 amends the DoE Organization Act to give DoE the
755 responsibility of securing our supply of critical energy
756 resources.

757 Congress should ensure our critical energy facilities
758 produce our critical energy resources during emergencies and
759 threats to our energy security. Several of the bills under
760 consideration here today do just that.

761 The National and Energy Security Waiver bill authorizes
762 the EPA administrator, in consultation with DoE and the
763 governor, to waive certain requirements, sanctions, or fees
764 during times of threats to our national or energy security to
765 maintain an adequate supply of gasoline and diesel and other
766 critical refined resources.

767 Another bill addresses EPA's backlog of pending
768 applications to complete risk assessments of chemical
769 substances necessary today to produce our critical energy

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

770 resources. EPA's backlog is so great that U.S. companies are
771 hesitant to make capital investments to produce critical
772 battery components necessary for the deployment of EVs. This
773 inexplicable delay is a problem China and our global
774 competitors simply do not have.

775 Likewise, the interim permit bill for safe storage and
776 disposal of critical energy resources allows temporary onsite
777 storage and disposal similar to past practices and, like
778 other bills, a common-sense approach to accelerate U.S.
779 development of critical mass --

780 *Mr. Duncan. I am going to ask the gentleman to wrap up
781 his opening.

782 *Mr. Menezes. -- our transition to battery
783 technologies, EV use, and grid scale battery storage.

784 I will. I am in the course of wrapping up.

785 Since 2009, EPA has had the use of its flexible air
786 permitting rule. EPA limits its use, and so we have a bill
787 to allow that.

788 Congress also needs to ensure that interstate electric
789 transmission infrastructure --

790 *Mr. Duncan. I am sure a lot of this will be covered in
791 the question-and-answering, so I am going to ask you to wrap

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

792 up.

793 *Mr. Menezes. It is. Well, with that, I will, in fact,
794 thank you for the opportunity to testify today.

795 I ask that my written statement be included in the
796 record, and I look forward to your questions.

797 [The prepared statement of Mr. Menezes follows:]

798

799 *****COMMITTEE INSERT*****

800

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

801 *Mr. Duncan. Thank you for that, and I apologize, but
802 we do have a broad panel. So the chair will go to Mr.
803 Eshelman.
804

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

805 STATEMENT OF JEFFREY ESHELMAN

806

807 *Mr. Eshelman. Good morning, and thank you for having
808 me here today. It is a pleasure to be here. I am Jeff
809 Eshelman, President and CEO of the Independent Petroleum
810 Association of America.

811 I would like to thank Chairman Duncan and Chairman
812 Johnson for gathering this hearing today. We really
813 appreciate being a part of it.

814 As you know, the American natural gas and oil industry
815 is very diverse, and consists of many sectors. My
816 organization, IPAA, represents the exploration and production
817 part of the industry. The independent companies who don't
818 have refineries or gasoline stations, these companies
819 specifically search for and produce the nation's gas and oil
820 wells.

821 There are about 6,000 independent producers exploring
822 and producing for the nation's energy supply each day. They
823 are spread across 33 states. And here is the kicker that a
824 lot of people don't recognize: Collectively, these small
825 businesses, the 6,000 of them, are responsible for developing
826 91 percent of the nation's natural gas and oil wells,

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

827 accounting for 83 percent of America's oil supply and 90
828 percent of our domestic natural gas supply.

829 Through good times and bad, our companies invest
830 billions in new projects, searching for America's energy. So
831 the characterization that this industry is Big Oil is
832 actually a big myth. It is the independent, smaller
833 companies that are drilling most of the wells and providing
834 for most of the energy in this country.

835 Through the effort of independent producers, today
836 America is a world leader in natural gas and oil production.
837 And we are doing it responsibly. In this time of continuing
838 uncertainty, one thing is certain: A healthy oil and natural
839 gas industry is good for America. It is good for our
840 economic and national security, as well as for our allies
841 across the globe.

842 Let me take a few minutes to address some of the
843 strengths, weaknesses, opportunities, and threats that we see
844 at IPAA.

845 Strengths. Natural gas is actually good for the
846 environment. Today the nation has its cleanest air in 20
847 years. In fact, total greenhouse gas emissions continue to
848 decline, despite production and consumption of natural gas

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

849 increasing.

850 Our industry is committed to reducing leaks and
851 improving pipeline infrastructure. American producers are
852 taking the right, responsible approach to these issues.

853 Other strengths of our industry include that we have
854 America's vast natural gas supply right under this ground,
855 about 100 years' worth. Oil and gas will remain America's
856 largest fuel source through 2050. And coupled with wind,
857 solar, hydro, nuclear, coal, batteries, America has a strong,
858 reliable energy portfolio.

859 The weaknesses we see, inflation, which affects all
860 Americans. Our industry is not just producing energy, but it
861 is also consuming it. A weak economy results in a weakened
862 industry.

863 Labor and service costs -- for example, purchasing
864 tubular goods -- have driven up the costs of drilling and
865 completing wells by 30 percent year over year. It is often
866 difficult for us to find a new workforce, to even find
867 trucks.

868 And the need for a takeaway capacity through pipelines
869 and gas storage are essential.

870 But there are some good opportunities to keep in mind.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

871 America's natural gas and oil production are vital here at
872 home.

873 On the legislation being discussed today, IPAA strongly
874 supports H.R. 150, the Protecting American Production Act,
875 sponsored by Congressman Duncan. This legislation prohibits
876 the President from declaring a moratorium on the use of
877 hydraulic fracturing, unless Congress authorizes such a
878 prohibition.

879 IPAA also supports H.R. 484, the Natural Gas Tax Repeal
880 Act, sponsored by Congressman Pfluger. This legislation
881 would strike language designed to establish a tax on natural
882 gas imposed on America's independent oil and natural gas
883 producers.

884 IPAA recognize that the importance of managing our
885 emissions of methane and other volatile organic compounds,
886 and we are committed to working diligently to comply with
887 state and Federal agencies.

888 Now the threats. And mostly it is about uncertainty in
889 our industry. Uncertainty breeds inaction, and that is not
890 an option for us. So what are the threats that create
891 uncertainty for our businesses?

892 Well, we have lawsuits; we have new permitting

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

893 infrastructure regulation threats; we have proposed threats
894 of new regulations with the Endangered Species Act and
895 increases -- increased taxes on methane; we have the
896 Securities and Exchange Commission looking at climate plans;
897 we have bans and setbacks; we have electrification proposals,
898 like for natural gas stoves that we have seen so much about
899 in the news; and there is delayed lease sales in onshore and
900 offshore. And there is so much more.

901 But I want to work with this committee -- or IPAA wants
902 to work with this committee to make sure that we can address
903 these threats, strengths, weaknesses, and opportunities.
904 Thank you for the opportunity.

905 [The prepared statement of Mr. Eshelman follows:]

906

907 *****COMMITTEE INSERT*****

908

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

909 *Mr. Duncan. I thank the gentleman. The chair will now
910 recognize Mr. Garcia for five minutes.
911

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

912 STATEMENT OF RAUL GARCIA

913

914 *Mr. Garcia. Thank you, Chairman. Thank you, all the
915 ranking members, for the invitation to speak. My name is
916 Raul Garcia. I am the legislative director for Healthy
917 Communities at Earthjustice.

918 In giving an opinion about the 17 bills that we are
919 considering today, I can't -- I don't have enough time to go
920 one by one. But there are some narratives that the bills
921 overall establish for us.

922 Overall, there are litany of exemptions, a litany of go-
923 arounds, and a litany of ways that big industries get to go
924 around laws that we have in the books already that were put
925 in the books by Congress in bipartisan support in order to
926 protect the communities that this very Congress represents.

927 And so, when we talk about already having industries
928 that act responsibly, one has to beg the question: If they
929 are acting responsibly, why do they want to waive the laws
930 that hold them accountable to acting responsibly? And we
931 have not gotten an answer on that front.

932 But we also have to remember that what is at stake here
933 is broader than the simple choice that the proponents of

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

934 these bills give us. So they give us a false choice between
935 having healthy communities, a healthy environment, and energy
936 security. And that is simply not true. We can have both.
937 But it is a clever twist.

938 I mean, it is a clever ploy, even if it is a cruel one.
939 Because on the one hand, some of these bills actually repeal
940 parts of the laws they have made -- that have made it into
941 the books that would speed up a transition to clean energy,
942 that would give us energy security in a clean and healthy
943 way, like the -- like parts of the IRA, particularly the
944 Greenhouse Gas Reduction Fund. Now, that would speed up
945 distributed solar energy so that people can have energy at
946 their own homes so that grids going down are not a problem
947 for an entire state. But we want to take that away in these
948 bills.

949 And then, on the back end, we actually want to give
950 industry loopholes that they can use in order to not comply
951 with the Clean Air Act, with the Toxic Substances Control
952 Act. These laws were established by this Congress in
953 bipartisan fashion to protect the air that we breathe, and
954 the toxics that are in our environment, the water that we
955 drink, the makeup that we put on our faces, everything that

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

956 goes into our stomachs. And we want to peel that away.

957 Now, we hear a lot about energy security and this phrase
958 of critical minerals, critical energy sources. So let's talk
959 about critical energy sources. Few bills of the 17 that we
960 have here today actually establish a definition for critical
961 energy sources. What they actually say is, let's leave that
962 definition up to the Secretary of Energy. That is a Trojan
963 horse. That means everything can suddenly become a critical
964 energy source.

965 And so what are we talking about when we are talking
966 about these sources? We are talking about making sure that
967 we have a responsible way to get to clean energy that
968 establishes safe protections for our communities. And these
969 bills, frankly, do exactly the opposite.

970 And so, when we talk about the Toxic Substances Control
971 Act, for example, one of the bills would have us consider the
972 economic impacts, the economic costs of -- when determining
973 whether a substance is toxic or not. So that would mean
974 that, if we put poison in three cups of water, we are going
975 to drink them all and figure out what the economic cost is
976 going to do to us.

977 So the -- another question that I have for the

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

978 proponents of the bill is, what is the cost of a human life?
979 What is the cost that that poison is going to inflict on a
980 human being? Because it is good to talk about everything
981 that is on paper and laws and exemptions and procedures. How
982 do we explain the emissions coming out of the fossil fuel
983 industry or the mining industry to our communities who are
984 suffering from cancers, from asthma, from cardiac conditions?
985 But we haven't talked about that here yet.

986 And so I believe that that is what we need to focus on,
987 and that is what we need to do. And so these bills, by and
988 large, fail, flat-out fail to address what communities across
989 the country are dealing with.

990 [The prepared statement of Mr. Garcia follows:]

991

992 *****COMMITTEE INSERT*****

993

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

994 *Mr. Garcia. Thank you.

995 *Mr. Duncan. Thank you. I now recognize Ms. Sweeney

996 for five minutes.

997

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

998 STATEMENT OF KATIE SWEENEY

999

1000 *Ms. Sweeney. Thank you. Good morning, members of the
1001 subcommittee. I appreciate being here on behalf of the
1002 National Mining Association's mineral and hardrock mining
1003 companies to talk about the need to strengthen our mineral
1004 supply chains to unleash American energy and lower energy
1005 cost.

1006 Domestic mining, conducted under world-leading
1007 environmental safety and labor standards, is critical to
1008 securing virtually every key supply chain, especially energy.
1009 But the right policies are needed to unlock our full
1010 potential.

1011 Minerals are an integral part of all current forms of
1012 energy, and for those we hope to rely on more in the future.
1013 From copper, nickel, and silver, and renewables to cobalt,
1014 and lithium, and EVs to barite, and molybdenum that keep oil
1015 and gas moving, to uranium and coal, which produced over 40
1016 percent of our electricity, minerals security makes energy
1017 security.

1018 As we enter the most mineral-intensive era in human
1019 history, the International Energy Agency estimates demand for

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1020 some minerals required for energy generation transitions
1021 could grow by more than 40 times by 2040. Urgent action is
1022 needed to secure these essential supply chains. But recent
1023 U.S. Geological Survey information shows our country is
1024 headed in the wrong direction.

1025 Despite the rhetoric around securing our mineral supply
1026 chains, we are at a crisis point. In 2022, the U.S. reached
1027 its highest recorded mineral import reliance. Imports made
1028 up more than one-half of U.S. apparent consumption for 51
1029 non-fuel mineral commodities, up from 2021, when only 47
1030 commodities met that metric.

1031 We are more dependent than ever before on China and
1032 others for minerals essential to modern life. And each new
1033 announcement of a blocked mine, such as Twin Mines -- Twin
1034 Metals Project in Minnesota or foreign sourcing agreements
1035 with countries with documented problematic labor practices,
1036 locks in our position of competitive weakness.

1037 The U.S. must focus on supplying these minerals at home,
1038 as well as restoring domestic smelting, refining, and
1039 processing capabilities. In a 2019 hearing, Benchmark
1040 Minerals talked about growing mineral demand for EV batteries
1041 and lack of domestic production, cautioning that those who

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1042 control these critical raw materials and those who possess
1043 the manufacturing and processing know-how will hold the
1044 balance of industrial power in the 21st century auto and
1045 energy storage industries.

1046 Automakers understand that that truth, and worry that
1047 the coming battery minerals shortfall will decimate the EV
1048 revolution. Ford's President and CEO recently highlighted
1049 the need to focus on domestic supply chains all the way to
1050 the mines to reduce our reliance on minerals sourced from
1051 countries with documented child labor practices and
1052 corruption.

1053 Without permitting reform, the U.S. will be watching the
1054 global competition for energy dominance from the sidelines.
1055 Providing additional funds or incentives for projects that
1056 will never be approved does nothing. As the IEA concluded in
1057 a recent report, governments must leverage private investment
1058 in sustainable mining, but also ensure clear and rapid
1059 permitting procedures to avoid potential supply bottlenecks.

1060 Opening or expanding a U.S. mine typically involves
1061 multiple agencies and tens or even hundreds of permitting
1062 processes at the local, state, and Federal levels. Delays
1063 arise from duplication among agencies, absences of firm

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1064 timelines, and failures in agency coordination. Necessary
1065 authorizations take an average of 7 to 10 years, one of the
1066 world's longest permitting processes. Valid environmental
1067 concerns should be fully addressed, but permitting processes
1068 should not serve as an excuse to trap mining projects in a
1069 limbo of duplicative, unpredictable, endless, and costly
1070 review.

1071 We can build on important work done by this committee to
1072 support new domestic production and processing. Chair
1073 McMorris Rodgers and Natural Resource Chair Westerman's
1074 Securing American Mineral Supply Chains Act offers common-
1075 sense solutions to reestablish a domestic mineral supply
1076 chain. The act prioritizes responsible development; and
1077 would provide certainty to mining companies, investors, and
1078 manufacturers; establish lead agencies; and improve
1079 permitting timeliness; maintain access to mineralized Federal
1080 lands unless withdrawn by Congress, and unless the USGS can
1081 assure that the withdrawal does not threaten supply chains;
1082 support research, development, and demonstration funding; and
1083 workforce development and training.

1084 It is time for the United States to walk the talk on
1085 mineral security. As our minerals needs skyrocket for

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1086 everything from EVs to advanced energy technologies, the U.S.
1087 is stumbling when it comes to our supply chains.

1088 NMA appreciates this committee's prioritization of these
1089 issues, and is eager to help craft solutions. Thank you.

1090 [The prepared statement of Ms. Sweeney follows:]

1091

1092 *****COMMITTEE INSERT*****

1093

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1094 *Mr. Duncan. Thank you for that. The chair will now
1095 recognize Mr. Slocum for five minutes.
1096

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1097 STATEMENT OF TYSON SLOCUM

1098

1099 *Mr. Slocum. Thank you, Mr. Chairman, Ranking Member,
1100 members of the committee. It is my pleasure to be here
1101 today. I am Tyson Slocum, and for the last two decades I
1102 have been the director of the energy program with Public
1103 Citizen here, in Washington, D.C.

1104 So liquefied natural gas exports are the disruptive
1105 event that is radically upending domestic energy markets.
1106 For the first time in history, American natural gas
1107 consumers, whether they be households, operators of power
1108 plants, are forced to compete with their counterparts in
1109 Berlin and Beijing on price. That is why, coast to coast,
1110 Americans are now paying significantly higher prices for
1111 electricity and to heat their homes.

1112 There have been periods in the last two months where
1113 prices on the U.S. West Coast and in New England have been
1114 more expensive for natural gas than in Ukraine. That is
1115 because we are now -- because, prior to LNG exports, our
1116 domestic markets were insulated from global calamities. War
1117 could break out in Europe, and there would be no bump in
1118 price. Now our domestic benchmarks are directly linked with

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1119 global events like the same that has been the way with oil
1120 and gasoline markets for more than a generation.

1121 So this is not a crisis of inadequate natural gas
1122 production. We are breaking records on natural gas
1123 production in the U.S. every month, according to the Energy
1124 Information Administration. Twenty percent of U.S. natural
1125 gas production is exported out of the United States, and that
1126 is what is driving the imbalance.

1127 But on the production side, we are far and away the
1128 largest producer on the planet. The number two and number
1129 three global producers of gas, Russia and Iran, combined
1130 don't produce as much as the United States every day. So we
1131 are not going to produce our way to lower prices as long as
1132 the export spigot remains open.

1133 So, of course, a focus of policy on energy efficiency
1134 and promoting zero emission alternatives to gas has to be
1135 part of the solution. But in the meantime, we need stronger
1136 regulation over LNG exports, not less. And so I am just
1137 going to briefly cover 4 of the 17 bills.

1138 So H.R. 647 would eliminate the requirement that natural
1139 gas exports be consistent with the public interest. That is
1140 a standard that has been in place for 85 years, and we

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1141 believe that it is crucial that all natural gas exports
1142 continue to be subject to that public interest standard.

1143 The Cross-border Energy Infrastructure Act would require
1144 FERC to approve any natural gas export pipeline within 30
1145 days of receiving the application. So that is a de facto
1146 approval. We are a party in a case at FERC right now
1147 involving a natural -- a proposed natural gas cross-border
1148 pipeline, a 155-mile pipeline that would connect the Permian
1149 Basin at the Waha Hub to Mexico, and then directly send that
1150 U.S.-produced gas through Mexico to new LNG export terminals
1151 on Mexico's Pacific coast.

1152 Thankfully, there is a public interest review, and we
1153 are an intervener in that FERC proceeding, where we are going
1154 to raise concerns about the threat to the public interest of
1155 exporting Permian gas directly to China. And removing that
1156 review would not be advisable.

1157 H.R. 484 would eliminate the methane fee in the
1158 recently-enacted Inflation Reduction Act. What is wild about
1159 this is the Inflation Reduction Act bends over backwards to
1160 accommodate the oil and gas sector. Congress appropriates a
1161 billion-and-a-half dollars in grants to the oil and gas
1162 sector to help them invest in facilities to reduce their

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1163 methane emissions. I don't see the oil and gas industry
1164 complaining about a billion-and-a-half dollars in taxpayer
1165 grants to help their business. And in addition, the fee is
1166 waived if you successfully comply with EPA regulations on
1167 methane emissions. So that makes the industry a partner with
1168 effective regulation. And so I don't think that that
1169 legislation is advisable.

1170 And last, I just want to touch on the bill that would
1171 prevent the EPA from requiring oil refineries using
1172 hydrofluoric acid alkylation to explore less hazardous
1173 alternatives. It is important to note that, in October of
1174 2022, the U.S. Chemical Safety and Hazard Investigation
1175 Board, in response to a series of tragic accidents with a
1176 hydrofluoric acid alkylation, recommended and urges the EPA
1177 to subject these facilities to hazard reviews. So I think it
1178 would be imprudent to remove that opportunity.

1179 Thank you so much. I look forward to your questions.

1180 [The prepared statement of Mr. Slocum follows:]

1181

1182 *****COMMITTEE INSERT*****

1183

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1184 *Mr. Duncan. I thank the gentleman. The chair will now
1185 recognize Mr. McNamee for five minutes.
1186

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1187 STATEMENT OF BERNARD MCNAMEE

1188

1189 *Mr. McNamee. Thank you, Mr. Chairman. Chairman
1190 Duncan, Ranking Member DeGette, Chair Johnson, Ranking Member
1191 Tonko, Chair Rodgers, and Ranking Member Pallone, members of
1192 the committee, thank you for inviting me to participate in
1193 this hearing. I am Bernie McNamee, and I am here and want to
1194 make it clear that I am only expressing my own views, and
1195 they are not of my employer or any of its clients.

1196 Today we are facing a new energy crisis. The people of
1197 the -- the American people are facing a new energy crisis.
1198 Americans are now faced with energy scarcity; artificial
1199 shortages of natural gas and oil, despite massive reserves in
1200 the United States; and an electric grid that is less
1201 reliable.

1202 Nor can all this be blamed on Putin's war in Ukraine.
1203 Misguided government policies, as well as the politicization
1204 of capital, are causing much of the current energy crisis in
1205 this country. The energy challenges are wide ranging.

1206 We have the means to reinvigorate our energy priorities
1207 for the benefit of the American people. Many of the bills
1208 here today will help do that. But recognizing the limited

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1209 time for these opening comments, I will focus on three major
1210 issues: permitting reform, the importance of natural gas to
1211 energy security, and restoring reliability to our electric
1212 grid.

1213 Permitting reform. Over the years we have seen a number
1214 of initiatives to speed up environmental reviews, including
1215 permitting reform. And the problem is not just agencies
1216 reviewing projects. The substantive aspects of various
1217 environmental laws contribute to the rejection, delay, and
1218 cost of energy projects. Therefore, attempts to make the
1219 bureaucracy work more efficiency [sic] may not result in more
1220 projects being approved or constructed.

1221 To address permitting challenges, Congress should look
1222 at the substantive requirements in various laws and agency
1223 regulations that they are implementing, so as to ensure that
1224 they properly protect the environment, but also do not create
1225 artificial barriers.

1226 But there is another problem, and it is related to NEPA
1227 litigation. As enacted by Congress, NEPA does not provide
1228 for a private cause of action. But the courts have allowed
1229 agency actions on NEPA decisions to be challenged in court
1230 through the Administrative Procedures Act. The result is

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1231 that agencies now spend an inordinate amount of time and
1232 effort trying to address every minor comment and issue raised
1233 in environmental reviews. And no matter how good an agency's
1234 review is, the agency's action can still be challenged in
1235 court, which can then hold up a project for years. Such
1236 delays can end up killing a project, or making it more
1237 expensive.

1238 Congress should consider reforming NEPA and the EPA to
1239 limit how legal challenges can be made against agency
1240 actions. But of course, this is a two-edged sword. We want
1241 agencies to be accountable, so Congress will have to engage
1242 in a careful balancing of its authorities.

1243 Next, natural gas energy security. American energy
1244 security and affordability is vitally dependent on access to
1245 domestically-produced natural gas. Natural gas is important
1246 for home heating, manufacturing, but also provides about 38
1247 percent of our electric generation. Unleashing natural gas
1248 production should be a priority, and natural gas pipelines
1249 are very important to get end product to users.

1250 Furthermore, Federal and state policymakers need to
1251 recognize the interdependence of the electric grid and
1252 natural gas, especially natural gas pipelines. This means

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1253 ensuring that pipelines are also safe from cyber and physical
1254 threats, which I also know is being considered by this
1255 committee.

1256 Finally, restoring the reliability of the electric grid.
1257 Electric reliability is decreasing in many parts of the
1258 country. And we have seen this in California, Texas, and
1259 part of the East Coast this past December. And these
1260 failures have not been the usual causes for power outages,
1261 which are usually downed power lines. What we have been
1262 seeing is a lack of enough generation on the grid,
1263 dispatchable generation to keep the power going.

1264 This is the result of policy choices, in particular the
1265 convergence of subsidized renewables and regional
1266 transmission organizations. Though described as electric
1267 markets, RTOs are actually complex regulatory constructs.
1268 And unlike traditional utilities, generators and RTOs have no
1269 obligation to serve customers. Furthermore, RTOs and
1270 generators are not passing the full economic benefits of no-
1271 fuel and subsidized renewables to customers. The end result
1272 has been higher prices for customers, less reliability, and
1273 little accountability.

1274 This can be contrasted with traditional utilities which

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1275 engage in an integrated resource planning to provide
1276 reliability, have the rate set in a manner that is --
1277 provides the economic benefits of fuel diversity to
1278 customers, and is accountable to state public utility
1279 commissions and legislators.

1280 As you look at the various issues about reliability,
1281 particularly the interaction between natural gas and
1282 electric, you may want to consider reforms to the Federal
1283 Power Act, FERC oversight, and enhancing the role of the
1284 states. Reliable, affordable, and abundant energy is
1285 essential for the American people and the nation.

1286 I am grateful for the committee's work. Thank you for
1287 having me here. And I ask that my written comments be put in
1288 the record.

1289 [The prepared statement of Mr. McNamee follows:]

1290

1291 *****COMMITTEE INSERT*****

1292

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1293 *Mr. Duncan. Well, let me thank you all for your
1294 testimony, and we will now move into the question and
1295 answering portion of the hearing, and I will begin the
1296 questioning, and I will recognize myself for five minutes.

1297 Seeing Ranking Member DeGette's coffee this morning, I
1298 am reminded that America runs on Dunkin.

1299 [Laughter.]

1300 *Mr. Duncan. I spell it a little differently.

1301 The truth of the matter is, America runs on energy. For
1302 example, my bill, Protecting American Energy Production Act,
1303 clarifies congressional intent and states that -- have
1304 primacy regarding hydraulic fracturing. It also prohibits
1305 the President from issuing any moratorium on hydraulic
1306 fracturing.

1307 Two years ago, America was energy dominant for the first
1308 time since 1952. We went from the largest net importer to
1309 the -- to a net exporter. We became number one in -- oil and
1310 gas producer of the world. We became a global price setter,
1311 undercutting the leverage of OPEC. Finally, we achieved the
1312 -- President Jimmy Carter's mission for the DoE: We were no
1313 longer reliant on foreign adversaries for our energy
1314 security.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1315 We have now seen a reverse of this. The Democrats'
1316 energy policies have made us weaker and more reliant on other
1317 nations for energy and our supply chains. The Biden
1318 Administration and congressional Democrats have taken over
1319 100 actions to make it more difficult to produce oil and gas
1320 here in the United States. This may be why -- that the
1321 Administration didn't want to testify today. They know they
1322 have taken all executive action possible to undercut American
1323 energy production.

1324 President Biden has then blamed energy companies for not
1325 producing enough, while pushing a rush to green energy agenda
1326 that would make us overwhelmingly dependent on China, Russia,
1327 and our adversaries for energy.

1328 The bottom line is we have the resources here in America
1329 to meet all of our energy needs and help those around the
1330 globe, abundant natural resources.

1331 The goal of the legislation we are reviewing today is
1332 reverse of this, to make American energy and its supply
1333 chains more secure, while driving down consumer costs and
1334 emissions. So, Mr. Eshelman, I appreciate your comments on
1335 the shale revolution. We are going to talk about the
1336 hydraulic fracturing and the moratorium today.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1337 The innovation and entrepreneurial spirit helped make
1338 America energy dominant and a global leader in emissions
1339 reductions. This didn't happen in countries with price and
1340 supply controls. What would happen if this Administration
1341 sought to curtail the use of hydraulic fracturing?

1342 *Mr. Eshelman. Well, it would --

1343 *Mr. Duncan. Mr. Menezes.

1344 *Mr. Eshelman. It would be --

1345 *Mr. Duncan. Or Mr. Eshelman, I am sorry.

1346 *Mr. Eshelman. Yes, so it would be devastating. I
1347 remember back in 1994, when I worked at IPAA, we issued a
1348 request to the Commerce Department called a Section 232,
1349 because we were so dependent on foreign oil that we wanted a
1350 national security, basically, ranking for America, that it is
1351 a threat to the United States, all this foreign oil coming
1352 into America.

1353 But now, if we look back 20 years later, 30 years later,
1354 America has become energy independent, basically. We produce
1355 12 million barrels of oil a day. We have -- imports about
1356 seven million, so it is not even half, because we also export
1357 about three to four million. So it has made us a global
1358 leader. It has created jobs. It has brought down prices.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1359 It has taken down the trade deficit, it has helped local
1360 communities.

1361 I know, Mr. Joyce, I am from Pennsylvania, Dr. Joyce,
1362 And we are the number-two natural gas producers. It has made
1363 our counties rich.

1364 And so we operate in every community across the country,
1365 pretty much. We live in the communities. We are not
1366 headquartered all the time in Houston, or wherever you might
1367 think Big Oil is. So jobs, deficit reduction, helping local
1368 communities, it has done so much.

1369 *Mr. Duncan. Thank you for that. Yes, I meet with gas
1370 producers and pipeline managers all the time, owners.

1371 And Mr. Slocum, you mentioned our natural gas
1372 production. I would argue that we have so much natural gas
1373 in this country we can't truly measure how much. You talked
1374 about, I think, 20 percent that we are exporting. Producers
1375 and pipelines tell me that they could provide more natural
1376 gas to the nation if they had somewhere to put it. They just
1377 don't have anywhere for the gas to go. They are at capacity
1378 on the pipelines, what is produced in the Marcellus. They
1379 could produce more, they just don't have anywhere to send it.

1380 My communities need it. My state needs it. The rest of

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1381 the nation needs it. Natural gas is what got us here in our
1382 emissions goals.

1383 The goal of these bills today is to counter misguided
1384 energy policies that will offshore investment, make us
1385 reliant on countries that don't share our values. If they
1386 had their way, we would be relying on critical minerals
1387 primarily produced in countries with no regard for human
1388 rights or emission reduction goals, countries like China.
1389 These bills would reflect that the U.S. is serious about
1390 building out all forms of energy here, a true all-of-the-
1391 above approach.

1392 What happens, Mr. Menezes, if we recede from the world
1393 on the energy production, would it be cleaner?

1394 *Mr. Menezes. Well, we need to maintain our ability to
1395 produce because our global allies and partners have really
1396 become -- to depend on U.S.-produced LNG. They prefer to do
1397 business with LNG. After Putin's invasion, Europe came to us
1398 asking us to increase production. So they have -- really
1399 have come to rely on us.

1400 Plus, with the agreement with the Biden Administration
1401 to -- that our U.S. LNG providers were going to produce more
1402 and provide Europe over this winter and next winter, also

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1403 came the realization that natural gas helped Europe meet its
1404 net zero goals.

1405 *Mr. Duncan. Yes.

1406 *Mr. Menezes. And indeed, so countries are looking to
1407 U.S. for LNG to help meet net zero goals, which, you know,
1408 the U.S. is proud to be a leader in that.

1409 *Mr. Duncan. Yes. My time is expired, but lessen their
1410 dependance on Vladimir Putin and others for their energy
1411 sources.

1412 And I will go to the ranking member, Ms. DeGette, for
1413 five minutes.

1414 *Ms. DeGette. Thank you so much, Mr. Chairman. The
1415 first thing I want to start with, Mr. Chairman, so we get
1416 this subcommittee off on the right foot, is I know the
1417 Administration would love to come and testify on these bills.

1418 And so, first of all, I think we should have another
1419 hearing with the Administration on these bills. Secondly, if
1420 you expect the Administration to come, then we would expect
1421 that you give them the same comity that we did when Mr. Trump
1422 was in the White House, and give them advance notice. But in
1423 addition, you have got 17 bills up today, and they only had
1424 notice of what 2 of those bills were. So if you really want

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1425 fulsome testimony, you need to give them the bills.

1426 The second thing I want to point out is that I have good
1427 news for you, Mr. Eshelman and everybody else and you, Mr.
1428 Chairman, which is, you know, we have a lot of fracking in my
1429 state of Colorado, too. And I have been dealing with it for
1430 some time. And as you know, fracking occurs a lot in places
1431 where traditional drilling did not. And so it is really
1432 important -- so I don't think anybody is seriously saying we
1433 should eliminate fracking.

1434 But what I am saying and what many are saying is we
1435 should have adequate environmental and security legislation
1436 to make sure that it is safe for the communities around it.
1437 And I don't think you could disagree with that. Is that
1438 right, Mr. Eshelman?

1439 *Mr. Eshelman. I believe you are correct, that the
1440 states --

1441 *Ms. DeGette. Thank you.

1442 *Mr. Eshelman. -- and local communities are doing their
1443 part.

1444 *Ms. DeGette. Right.

1445 *Mr. Eshelman. But I don't think the Federal Government
1446 can put --

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1447 *Ms. DeGette. Okay, thanks.

1448 *Mr. Eshelman. -- a one-size-fits-all on --

1449 *Ms. DeGette. I have only got five minutes,
1450 unfortunately. So I would like to talk to you, Mr. Slocum,
1451 for a minute about this notion of increasing oil and gas
1452 production in the United States, whether it is traditional
1453 drilling or fracking, and this concept that that will somehow
1454 make us independent from foreign oil. And the Chairman was
1455 talking to you about that.

1456 Is that correct, that if we have increased oil and gas
1457 production here, that that will make us independent from
1458 international oil? And if not, why not?

1459 *Mr. Slocum. Yes. No, that is not correct, because, as
1460 you noted, oil and gasoline markets are globally priced, and
1461 they have been since the futures exchange opened in 1982 in
1462 New York.

1463 And so that is why, whenever during the first Gulf War
1464 in 1990, we saw significant price spikes here in the United
1465 States, even though there were no domestic impediments to
1466 that. It was because the commodity is a globally priced
1467 commodity. And prior to the export boom of natural gas,
1468 natural gas was insulated. And now that we have got LNG

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1469 exports, Americans are now exposed to global natural gas
1470 price shifts.

1471 *Ms. DeGette. So what would the best way to become
1472 independent from these -- this foreign market?

1473 *Mr. Slocum. To get our economy off of volatilely
1474 priced, globally priced fossil fuels like oil and natural
1475 gas --

1476 *Ms. DeGette. And move more into renewable fuels that
1477 were domestically developed?

1478 *Mr. Slocum. Correct.

1479 *Ms. DeGette. Okay. Now I want to ask you one more
1480 thing about H.R. 484, because one of the focal points I have
1481 been working on for some years is reducing methane emissions.
1482 And so H.R. 484 rolls back the Obama-era methane rule that
1483 had bipartisan support and industry support, including BP and
1484 Shell.

1485 So I want to ask you why section 60113 of the Inflation
1486 Reduction Act is so important.

1487 *Mr. Slocum. It is so important because methane is an
1488 incredibly powerful greenhouse gas, far more destructive than
1489 CO2. It is shorter-lived in the atmosphere, but capturing
1490 those methane emissions from the oil and gas sector is

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1491 critical if we are going to successfully address the climate
1492 crisis.

1493 And so that is why I thought that the methane provisions
1494 in the IRA were extremely fair. They provide --

1495 *Ms. DeGette. And it gives the --

1496 *Mr. Slocum. They accommodate industry --

1497 *Ms. DeGette. Yes.

1498 *Mr. Slocum. -- to help industry achieve those emission
1499 reduction --

1500 *Ms. DeGette. They actually give funding to the
1501 industry to help them comply with the bill, right?

1502 *Mr. Slocum. Correct.

1503 *Ms. DeGette. And finally, Mr. Garcia, I want to thank
1504 you for your testimony. But I would particularly ask the
1505 committee to look at your written testimony, where you
1506 analyze every one of these 17 bills and talk about the
1507 fundamental problems. I don't have time in five minutes,
1508 like you didn't have time in your testimony, but it is really
1509 helpful analysis. And I think we should really try to work
1510 together to move this discussion forward, rather than just
1511 rehashing tired debates that we have had over all the many
1512 years I have been on this committee.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1513 With that, I yield back. And welcome to the new
1514 chairman.

1515 *Mr. Johnson. [Presiding] The gentlelady yields back,
1516 and the chair now recognizes himself for five minutes for the
1517 purpose of asking questions.

1518 And let me -- I want to touch on my legislation, the
1519 Unlocking our Domestic LPG Potential Act. And I mentioned
1520 last week how unleashing U.S. LNG exports strengthens
1521 America's geopolitical posture on the world stage, but it can
1522 also bring considerable benefits here at home.

1523 Mr. Menezes, thank you for you -- thank you for
1524 mentioning my legislation, and for saying how America can
1525 lead the way in providing the world's energy. Can you
1526 explain how increasing U.S. LNG exports can have a positive
1527 effect on increasing production here at home, bringing with
1528 it the jobs and economic growth in places like my district in
1529 Ohio that sits atop the Utica and Marcellus Shale?

1530 *Mr. Menezes. Thank you very much for the question.
1531 Indeed, you know, throughout the world, many of our friends
1532 and allies are coming to the United States and asking us to
1533 try to produce as much LNG for the purpose of export. They
1534 are aware that, when we produce natural gas, it is used,

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1535 obviously, to drive our very powerful economy. But they have
1536 come to look to us, really, as part of the solution. They do
1537 not want to go to any of the monarchies if they have to.

1538 They do not want to go to Iran. And they certainly now have
1539 announced that they are no longer going to rely on Russia.

1540 So they have looked to the U.S. to replace this supply.

1541 We need to look at a future where Russia will no longer
1542 be a reliable provider. Now, Russia will likely do deals
1543 with the monarchies and perhaps China, but it is important
1544 for our friends and allies to know they can depend on the
1545 United States.

1546 And so with that demand for export, increases domestic
1547 production, it lowest prices.

1548 *Mr. Johnson. Thank you, Mr. Menezes. Now let's shift
1549 gears a bit.

1550 We have an impressive slate of bills from our members on
1551 the Environment, Manufacturing, and Critical Materials
1552 Subcommittee that would address some of the major challenges
1553 that we are facing. Ms. Sweeney, please allow me to start
1554 with you, because you mentioned in your testimony that some
1555 critical materials needed for future industries and
1556 technologies like lithium and cobalt will skyrocket some 30

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1557 or even 40 times beyond current demand right now. Frankly,
1558 this increase is hard to even comprehend.

1559 The bottom line is we need a lot more mining and a lot
1560 more mines, and it is going to have to be done somewhere.
1561 So, Ms. Sweeney, wouldn't we want to do more of this right
1562 here in America?

1563 Can you tell us how, if we had the right permitting
1564 reforms and regulations in place, our domestic mining
1565 industry would be able to extract the minerals and metals we
1566 need in a safer and more environmentally responsible way than
1567 in other countries?

1568 *Ms. Sweeney. Thank you so much for that question. And
1569 yes, we have about 6.2 trillion of value of minerals known in
1570 the U.S. today. And there is further mapping all the time.
1571 So there are more minerals that will be found, and we can
1572 mine here under the best standards -- environmental, labor,
1573 and safety standards -- in the world.

1574 But we do need the right policies in place to really
1575 unlock that potential. And permitting is one of the
1576 impediments. We need more efficiencies. We are not asking
1577 for environmental shortcuts. We are asking for a more
1578 efficient process, similar to the processes that are

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1579 similarly stringent in Canada and Australia, but they do more
1580 to focus on coordinating amongst the various agencies. They
1581 have firm timelines in place.

1582 *Mr. Johnson. Okay. All right. Well, thank you.

1583 And back to you, Mr. Menezes, very quickly. We are
1584 considering multiple bills today to allow America to protect
1585 its "critical energy resources" when America is under
1586 threat. Would you agree that, in addition to, say, oil and
1587 gas, this definition could also include critical minerals and
1588 rare earths?

1589 *Mr. Menezes. Absolutely. They are going to be
1590 necessary for our transition to a cleaner --

1591 *Mr. Johnson. Okay. Would you agree this is a broad
1592 definition? Could it also include things like battery and
1593 solar components, perhaps electrical, steel?

1594 *Mr. Menezes. Yes, it can include all of those
1595 necessary for our energy production and use.

1596 *Mr. Johnson. Okay. Well, thank you, because it is
1597 essential that we protect all of these components and their
1598 manufacturing supply chain.

1599 I do want, in my remaining time, I want to go back. I
1600 heard, Mr. Garcia, you mentioned that these bills are replete

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1601 with exemptions and go-arounds. These bills are actually the
1602 removal of burdensome regulatory barriers that are -- to
1603 advancing a true, all-of-the-above, market-driven energy
1604 strategy, the kind that the President actually wants.

1605 But yet these barriers for permitting, for mining, for
1606 exporting clean natural gas, you name it, those are things
1607 that would promote the President's agenda. But this
1608 Administration doesn't want that. And that is what we are
1609 trying to break down today. Because good, solid energy
1610 policy is also good climate policy. And we believe
1611 Republicans are offering those up today.

1612 And with that, I would yield back. And now I recognize
1613 our colleague, the ranking member on the Environment, and
1614 Manufacturing, and Critical Materials Subcommittee, Mr.
1615 Tonko, for five minutes.

1616 *Mr. Tonko. Thank you, Mr. Chair.

1617 Mr. Garcia, thank you for your testimony. I am grateful
1618 to you and the Earthjustice organization for the partnership
1619 with frontline communities seeking protection from
1620 environmental and health threats.

1621 Yesterday, members received a letter from Earthjustice
1622 and seven other environmental organizations expressing

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1623 opposition to five bills under consideration today. While I
1624 understand you have several concerns with each of these
1625 bills, the broad definition of "critical energy resource" ` `
1626 seems to be a common issue. What is your understanding of
1627 what could be included in these bills' definition of
1628 "critical energy resources," ` ` and what risks might this pose
1629 to the communities with which you partner?

1630 *Mr. Garcia. Yes, absolutely. As I mentioned, the
1631 bills themselves don't actually give us a definition of what
1632 critical, whether it be critical minerals or critical energy
1633 sources, actually are. And so it really defers to the
1634 secretary of energy in any given administration to determine
1635 what these are. And so that means that virtually anything
1636 can become a "critical energy resource." ` `

1637 And so, you know, the idea here is that we have to make
1638 sure that the energy that we produce is clean, but the
1639 manufacturing that goes into the creation of that clean
1640 energy also has to be clean, and it has to protect
1641 communities themselves.

1642 And so, when we are talking about broad outlines, right,
1643 and broad schemes that do go around the laws, it is going to
1644 be particularly problematic because, again, we are talking

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1645 about laws and regulations. And we certainly heard about red
1646 tape, but few people actually mentioned that it is not red
1647 tape, it is actually protections that people rely on. NEPA,
1648 the National Environmental Policy Act, is at times the only
1649 law that communities have on the ground to actually know what
1650 is going to happen in their backyards, and then to be able to
1651 comment on what is going to happen, say, on a mining project,
1652 or on a drilling project, or an energy project.

1653 And so we have to really think about how expansive this
1654 definition can really get, because, you know, when we are
1655 talking about the -- for example, the TSCA bill, it says that
1656 for critical energy sources you have to study the economic
1657 costs to see if the substance is safe, which is backwards. A
1658 substance is either safe or not. It is either poisoning or
1659 it is not. And you can't figure that out afterwards.

1660 It also puts these chemicals on the market before the
1661 determination of whether they are safe or not is actually
1662 made. And so you can imagine that, right? Like, you -- hey,
1663 you got three cups in front of you. Go ahead and drink them
1664 all. We will find out later if one of them is poisoned. It
1665 is backwards logic. And that is what we are doing to our --
1666 that is what we would be doing to our communities day in and

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1667 day out, if we allowed this to move forward.

1668 *Mr. Tonko. Thank you.

1669 Ms. Sweeney, your testimony highlighted the increasing
1670 international demand for critical minerals and the strategies
1671 developed by several foreign governments, including the UK
1672 and Canada, to address these growing demands. A common
1673 thread highlighted in these strategies is the importance of
1674 bringing greater transparency to supply chains.

1675 I know that the National Mining Association has said
1676 that the Inflation Reduction Act's clean vehicle tax credit,
1677 coupled with other provisions in the IRA, can help U.S.
1678 energy security and supply chain resilience. As you know, a
1679 key component of this tax credit is verifying material
1680 sourcing, and I want to hone in on that verification effort.

1681 What do you see as the need for increased supply chain
1682 transparency and tracking in helping verify and promote
1683 compliance with the domestic sourcing requirements in the
1684 recently-enacted battery incentives?

1685 *Ms. Sweeney. Thank you very much for that question.
1686 That is a great question, and transparency is needed.

1687 I mean, there is information that we do get from the
1688 U.S. Geological Survey about where minerals come from, but it

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1689 can be quite complicated to trace them back to the source,
1690 and additional resources are probably needed to be able to do
1691 that.

1692 *Mr. Tonko. So what --

1693 *Ms. Sweeney. Of course, if we get them here, we
1694 wouldn't have to trace too far.

1695 *Mr. Tonko. Right. But what specifically should we do
1696 to improve that tracing, tracking opportunity?

1697 *Ms. Sweeney. You know, I have not spent a lot of time
1698 thinking about that. I would love to get back to you with an
1699 answer.

1700 *Mr. Tonko. Sure. Thank you. And I also believe
1701 Congress should consider other methods for meeting our
1702 critical mineral demands, including investing in R&D to
1703 develop alternative battery chemistries that are less reliant
1704 on critical minerals, and putting a greater emphasis on the
1705 recycling of critical minerals already in commerce.

1706 Mr. Garcia, do you believe more can be done to achieve
1707 more sustainable sourcing through recycling and reuse of
1708 critical minerals, provided this is done using safe and
1709 environmentally sound processes?

1710 *Mr. Garcia. Yes, absolutely. And the laws that are in

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1711 the books, far from being obstacles, are actually guides.
1712 They guide us in order to make sure that, while we are doing
1713 more recycling of these minerals, and while we are figuring
1714 out what we want to do in terms of the next innovation, that
1715 we are doing it in a way that it is safe. And so, far from
1716 obstacles, these are guideposts that we need to make sure
1717 that we are keeping in mind as we move forward in innovation.

1718 *Mr. Tonko. Thank you very much.

1719 With that I yield back, Mr. Chair.

1720 *Mr. Johnson. The gentleman yields back. The chair now
1721 recognizes the chairlady of the total committee, Energy and
1722 Commerce, Mrs. McMorris Rodgers, for five minutes.

1723 *The Chair. Thank you, Mr. Chairman. Our goal is to
1724 put security back at the center of our energy policy. That
1725 is what this, the package before us today -- each of these
1726 bills is central to our energy work.

1727 And flipping the switch for more American energy and
1728 energy-related industrial activity, it is key, while
1729 maintaining America's highest labor environmental safety
1730 standards. There is nothing in any of the bills before us
1731 that would undermine those high standards.

1732 And I -- and, you know, Russia's invasion of Ukraine, it

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1733 didn't cause the energy crisis. It just exposed what was
1734 going on in weakening American energy security. The risks
1735 extend way beyond oil and gas supplies to vulnerabilities in
1736 the civilian nuclear sector.

1737 The sad fact is our domestic fuel infrastructure, from
1738 uranium mining and conversion to enrichment services, has
1739 eroded. Upwards to 24 percent of America's fuel this year --
1740 this year -- will be Russian sourced, which places our fuel
1741 supplies at greater risk of disruption.

1742 Mr. Menezes, during your time as Deputy Secretary of
1743 Energy, DoE highlighted the importance of restoring American
1744 nuclear leadership in the world. Would you speak briefly as
1745 to why a strong nuclear industrial base, from fuels to
1746 technological development, is critical to domestic nuclear
1747 development, quality energy supplies, and to our national
1748 security?

1749 *Mr. Menezes. Well, thank you very much. I mean, we
1750 have always been aware of the need for the U.S. to maintain
1751 its global leadership in nuclear technology, but it became
1752 more apparent as I began to travel overseas and to see the
1753 role that Russia and China is playing, doing deals with our
1754 friends and allies across the world, trying to bring their

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1755 nuclear technology to them.

1756 Now, one might say, well, you know, that is not a big
1757 deal, but it is a big deal, because what we are doing is we
1758 are ceding the leadership, the technological leadership, the
1759 institutional knowledge, and the 50 to 100-year relationships
1760 with China and Russia -- with our friends and allies. They
1761 are turning away from the U.S. So that is an important
1762 thing: We are losing the global leadership.

1763 We have 123 requirements in our law. China and Russia
1764 do not. And so we should all be concerned about maintaining
1765 that. Regardless of how you feel about nuclear energy, we
1766 need to maintain that leadership. It is very real, and it is
1767 very threatening.

1768 And then our own history is that we really have -- we
1769 need to improve our mining, our milling, our conversion, our
1770 fuel fabrication, and, of course, enrichment. And so I
1771 really -- I ask this committee to please look seriously at
1772 it.

1773 We released a report in 2020, where we tried to look at
1774 it in a very broad view, and I would like to submit that in
1775 the record, as well, with my testimony. Thank you.

1776 *The Chair. Thank you very much.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1777 Ms. Sweeney, just to build on this a little bit, my
1778 legislation is designed to send a clear signal to industry
1779 that a date certain America's nuclear industry can no longer
1780 rely on Russian-sourced, low-enriched uranium. What do you
1781 believe this signal would mean for building out our domestic
1782 fuel industry?

1783 *Ms. Sweeney. It is a lifeline. Frankly, you know,
1784 talking about insecure supply chains, our reliance on foreign
1785 sources of uranium, over 97 percent is foreign. It is just
1786 crazy when you think about that. And that industry is on the
1787 precipice of extinction. They need that lifeline.

1788 *The Chair. So this week we are all talking about a
1789 Chinese spy balloon that made its way across America,
1790 underscored the importance of Americans and -- having safe
1791 and secure systems, supply chains. It is real. The threat
1792 from China is real. It is active.

1793 So Ms. Sweeney, what do you believe this event says
1794 about the urgency for us building out our mineral, metal, and
1795 energy materials supply chains?

1796 *Ms. Sweeney. It is such an important topic. You know,
1797 we need to be able to rely on ourselves for as much as we
1798 can, and we have so much here that we can be using. We have

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1799 the great workforce, we have great transportation
1800 infrastructure. We can and should be doing it here, and that
1801 will protect us, you know, in energy crisis, in military
1802 crisis, in economic crisis.

1803 *The Chair. So would you speak to where do we get the
1804 minerals and the metals that we need right now? Where do
1805 they come from?

1806 *Ms. Sweeney. Could you repeat that?

1807 *The Chair. The minerals, the metals that we need in
1808 energy, in --

1809 *Ms. Sweeney. Oh, oh --

1810 *The Chair. Yes, yes.

1811 *Ms. Sweeney. China, mostly China, right? And the
1812 processing, as well.

1813 I mean we are 80 percent reliant on rare earths that
1814 come from China. Processing, they do about 90 percent of the
1815 rare earths processing there.

1816 *The Chair. And what has been happening recently in
1817 America, as far as making more of this available in America?

1818 *Ms. Sweeney. Well, we have gotten a lot of funding for
1819 new projects in the U.S., but what we are lacking is the
1820 permitting reforms to accompany that. So what -- we are

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1821 seeing money going to projects, but we are not seeing
1822 approvals happening. So it is really delaying our ability to
1823 unleash our full potential.

1824 *The Chair. Yes, you can't build without permitting
1825 reform.

1826 I yield back, Mr. Chairman.

1827 *Mr. Johnson. The gentlelady yields back. The chair
1828 now recognizes the ranking member of the Energy and Commerce
1829 Committee, Mr. Pallone, for five minutes.

1830 *Mr. Pallone. Thank you, Chairman. I am going to try
1831 to get in some questions for Mr. Slocum and Mr. Garcia.

1832 So, Mr. Slocum, in your testimony you talked about how
1833 increased LNG exports have increasingly tied American natural
1834 gas markets with global markets, meaning that American
1835 consumers are now sharing in the volatility that global
1836 markets are experiencing due to Russia's invasion of Ukraine.
1837 And American natural gas markets are currently reflecting
1838 that volatility.

1839 Last year, American natural gas futures fluctuated
1840 wildly from a low of just under \$4 per unit to nearly 10. I
1841 don't know how families in New Jersey is supposed to budget
1842 for gas to heat their homes when it could double in price on

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1843 them with no warning whatsoever.

1844 So first question, Mr. Slocum, can you talk about how
1845 increased LNG exports have increased home energy costs for
1846 Americans?

1847 *Mr. Slocum. Yes. So the Department of Energy has
1848 authority to review export applications, and it has approved
1849 every one. And so, as a result, we went from zero LNG
1850 exports in 2016 to now we are the largest LNG exporter in the
1851 world. And what that has done is it has forced consumers in
1852 New Jersey and Texas and elsewhere to compete with our
1853 foreign counterparts for that gas.

1854 And obviously, we want to help our allies in need after
1855 the Russian invasion, but I think that there needs to be a
1856 balanced assessment because when there are physical shortages
1857 in New England and extremely high prices on the West Coast,
1858 it is clear that the level of export is creating detrimental
1859 impacts for energy affordability at a time when families are
1860 already stretched thin with high energy prices.

1861 *Mr. Pallone. Well, thank you.

1862 Now, I wanted to enter into the record -- if I ask
1863 unanimous consent to enter into the record -- a CNBC article
1864 from last June detailing the decrease in U.S. natural gas

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1865 prices after the explosion at a Freeport LNG terminal. If I

1866 could ask unanimous consent, Mr. Chairman.

1867 *Mr. Johnson. Without objection, so ordered.

1868 [The information follows:]

1869

1870 *****COMMITTEE INSERT*****

1871

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1872 *Mr. Pallone. Thank you.

1873 So if -- my understanding is that, you know, because
1874 that Freeport terminal export was closed, that we had more
1875 natural gas here, and prices went down. Accurate?

1876 *Mr. Slocum. That is 100 percent correct. So on June
1877 8th, 2022 there was a massive explosion at the Freeport LNG
1878 facility, which alone accounts for 20 percent of all of U.S.
1879 LNG exports, so it is a very large facility. And the futures
1880 market immediately reacted to the fact that that 20 percent
1881 export capacity was going to be offline for some time by
1882 sending domestic prices significantly lower, a recognition of
1883 the direct impact that exports have on domestic pricing.

1884 *Mr. Pallone. All right. Let me just focus on Mr.
1885 Johnson's bill, Mr. Slocum. Then I have to get to Mr.
1886 Garcia.

1887 Can you talk about how removing the requirement for DoE
1888 to find that LNG exports are in the public interest would
1889 worsen the problem of expensive natural gas?

1890 *Mr. Slocum. Correct. Right now, the -- under the
1891 standard established in 1938, Congress dictated that no
1892 exports are allowed to occur unless they are found to be
1893 consistent with the public interest. And right now the

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1894 Department of Energy performs that test.

1895 We banded together with a number of other organizations
1896 in October, noting some methodology flaws in the way that the
1897 Department of Energy currently does that. But the statutory
1898 requirement is very important to ensure that exports are
1899 consistent with the public interest. And I think removing
1900 that public interest standard would not be advisable.

1901 *Mr. Pallone. All right. Let me go to Mr. Garcia about
1902 methane.

1903 Consumers are also paying for market failures that make
1904 it cheaper for the industry to waste methane than to install
1905 or upgrade equipment to prevent leaks. And this leaked or
1906 intentionally wasted gas never makes it to consumers, but
1907 they are nevertheless stuck with the bill. So that is why we
1908 enacted the Methane Emission Reduction Program to ensure
1909 consumers stop paying for wasted energy or the harm its
1910 emissions cause. Cleaning up legacy damage and preventing
1911 future pollution from the oil and gas industry were also
1912 reasons for the program.

1913 So Mr. Garcia, you have got less than a minute. Could
1914 you speak to how frontline communities would benefit from
1915 holding the oil and gas industry accountable for its methane

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1916 pollution?

1917 *Mr. Garcia. I mean, throughout we see, whether it be
1918 oil and gas production or petrochemical facilities across the
1919 country, do some of the worst damage to communities across
1920 the country. And we can almost pinpoint the communities, the
1921 Ironbound community out in out in New Jersey, the Cancer
1922 Alley between Baton Rouge and Louisiana -- sorry, and New
1923 Orleans in Louisiana.

1924 All you have to do is really go -- and I really
1925 encourage everybody on this committee -- go and take a --
1926 what they call the toxic tour of these communities to truly
1927 understand what they are dealing with left and right, day in
1928 and day out.

1929 And people say, well, it is their choice to live there.
1930 They were there before. They were there before. And
1931 industry has come in, and they have utterly ravaged the
1932 health of these communities throughout.

1933 And they will tell you about the cancer clusters. They
1934 will tell you about all of the concerns that they have about
1935 the respiratory health, cardiac health. And I honestly can't
1936 do it justice here.

1937 But it is imperative that the protections that we have

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1938 stay in the books. And what really needs to be the focus of
1939 this Congress is how do we strengthen protections so that not
1940 only are we addressing the energy needs, which we have heard
1941 a lot about here today -- and what we haven't heard many
1942 things -- in fact, anything about -- are the health
1943 protections that need to be in place for communities to
1944 actually thrive in the face of oil and gas, mining, and other
1945 dirty industries.

1946 *Mr. Pallone. Thank you.

1947 Thank you, Mr. Chairman.

1948 *Mr. Johnson. The gentleman yields back. The chair now
1949 recognizes the gentleman from Texas, Dr. Burgess, for five
1950 minutes.

1951 *Mr. Burgess. Thank you, Mr. Chairman.

1952 Deputy Secretary Menezes, let me just ask you a
1953 question, if I could. The statement was made that natural
1954 gas prices fell in June after the unfortunate accident at the
1955 Freeport facility.

1956 Do you know what has happened since then, as far as the
1957 futures on natural gas?

1958 *Mr. Menezes. Well, I think today, you know, they are
1959 back at their normal historic lows since the shale

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1960 revolution. So that has been the constant thing. There was
1961 indeed a blip of the prices, as mentioned. But you have to
1962 look at the long-term view.

1963 And so DoE has done, like, five studies using EIA and
1964 other experts in the field to look at if, in fact, all of the
1965 facilities that are pending there were actually permitted and
1966 built and exported. The studies have all been -- the
1967 projections have been clear: modest increases in prices.
1968 And this is going out to 2040.

1969 *Mr. Burgess. Yes. According to Bloomberg, the price
1970 did drop in late June and early July. It then immediately
1971 came back up for the balance of the summer, dropped again a
1972 little bit in September, when perhaps energy demands -- air
1973 conditioning and electricity demands -- fell off, and
1974 currently stands at two-and-a-half dollars per million BTU, I
1975 mean, which is in line with its historical precedent.

1976 So -- but there is probably another reason why they are
1977 paying higher prices in Boston. Can you help us with that?

1978 *Mr. Menezes. So on the price of natural gas, there are
1979 several reasons for that. It should not surprise anyone
1980 that, due to limited capacity on the West Coast and the East
1981 Coast, that those prices are going to be high. Those areas

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1982 of the country have taken the position to restrict natural
1983 gas going in there. So their constituents should be prepared
1984 to pay higher prices.

1985 On pricing with respect to electricity, that is
1986 something actually different. So the pricing there is done,
1987 you know, at different points within the bid based markets.
1988 And so those are -- it is locational marginal pricing, and it
1989 really depends on the price of natural gas, really, to set
1990 the electricity.

1991 But to be sure, when you restrict access to natural gas,
1992 and our economy is growing on the use of natural gas, you
1993 will have higher electricity prices at the points where you
1994 can't get natural gas. And more and more of our generation
1995 is replacing coal and ramping renewables. So it is a good
1996 thing that it is growing, but you have got to be careful
1997 about how you characterize pricing.

1998 And with respect to the jump in LNG going down, remember
1999 that was in -- the prices went up for the unanticipated Putin
2000 invasion of Ukraine. That is what set the prices up. So
2001 when it came down because of the Freeport accident, it could
2002 only come down, to be frank about it, because the Putin
2003 invasion caused the global prices to go so high.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2004 *Mr. Burgess. So what is the principal source for
2005 natural gas in Boston?

2006 *Mr. Menezes. I don't know if there is a principal
2007 source. I do know that New England has, you know, the
2008 ability to import natural gas from Yamal and other places.
2009 Our Jones Act restricts, you know, our ability to get natural
2010 gas from the Gulf of Mexico up to New England. So that is --

2011 *Mr. Burgess. So let me just ask Mr. Eshelman.

2012 Are those are your independent producers that are
2013 selling in Boston?

2014 *Mr. Eshelman. No, we are not up in Boston. I was
2015 going to say probably the biggest source of methane in New
2016 England is dairy farms.

2017 *Mr. Burgess. Is what?

2018 *Mr. Eshelman. Dairy farms.

2019 *Mr. Burgess. Well, look. And Mr. -- or Secretary
2020 Menezes, I appreciate your thoughts on this, and the
2021 restriction of natural gas. One of the bills we have under
2022 discussion is to help get product that is stranded in the
2023 Permian Basin, and get it into the stream of commerce. So I
2024 appreciate your comments on that.

2025 *Mr. Menezes. Just on a point on that, so, I mean, the

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2026 President was taking the credit for increasing exports so
2027 they could get to Europe. You know where the exports were
2028 coming from? The exports were coming from the Permian Basin
2029 in --

2030 *Mr. Burgess. Correct.

2031 *Mr. Menezes. -- Texas to the export facilities there
2032 with -- beyond Federal overreach. That is the source. The
2033 President didn't make that point when he was taking credit
2034 for increasing production to help our European --

2035 *Mr. Burgess. Well, maybe you could help him with that
2036 line in the State of the Union tonight. He likes to take
2037 credit for stuff.

2038 But, look, I really appreciate your efforts on helping
2039 us with the bill to get the siting and the permitting for
2040 natural gas pipelines.

2041 Yes, I get the concern that you don't -- in the
2042 production of natural gas you don't want flaring and venting.
2043 The problem with stranded gas in the Permian Basin is you
2044 can't get it -- sometimes you can't get it to market. So
2045 this is an effort to do that. And I appreciate you pointing
2046 out how we are helping the President in the process.

2047 So thank you all for being here today, and I appreciate

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2048 the lively discussion.

2049 And I will yield back, Mr. Chairman.

2050 *Mr. Johnson. The gentleman yields back. The chair now
2051 recognizes the gentlelady, Ms. Schakowsky, for five minutes.

2052 *Ms. Schakowsky. Thank you to our witnesses.

2053 Drill, baby, drill is what Big Oil and Big Gas wants
2054 right now. And it seems as if, from the list of bills that
2055 are being considered today, that that is what my Republican
2056 colleagues want, as well. It is really a wish list, I think,
2057 and a laundry list of policies on the Big Oil agenda.

2058 So, Mr. Slocum, I want to ask you, consumers have been
2059 on a natural gas roller coaster, with prices reaching the --
2060 their highest level since 2008. Do the bills that we have --
2061 or that we are considering today do anything to combat the
2062 high gas prices that consumers have suffered for this last
2063 year?

2064 *Mr. Slocum. I am unable to find any consumer
2065 protections in these proposed bills. In fact, I think that
2066 the expansion of exports would likely hurt consumers.

2067 What is striking to me is the lack of any energy
2068 efficiency or demand reduction initiatives in this
2069 legislation. It is not always about supply, it is also about

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2070 demand.

2071 And how do we get more tools in the hands of consumers
2072 to help them avoid these high costs? More incentives. More
2073 funding for building efficiency, for building
2074 electrification, if municipalities and states want to go that
2075 direction. Weatherization. All of these types of tools can
2076 empower consumers to avoid their exposure to increasingly
2077 volatily-priced fossil fuels for energy.

2078 *Ms. Schakowsky. So I want to ask you this. So in that
2079 case, what can -- tell us what we can do to encourage the
2080 utility companies to transition away from fossil fuels, while
2081 at the same time, of course, lower home energy costs and
2082 promote energy efficiency.

2083 *Mr. Slocum. Right. I think --

2084 *Ms. Schakowsky. I mean, we want to hear your ideas of
2085 what we can do going forward.

2086 *Mr. Slocum. Well, I think, you know, Congress already
2087 has directed a lot of financial incentives through the
2088 Inflation Reduction Act to try to spur the deployment of a
2089 number of different clean energy and energy efficiency
2090 technologies. And I think anything else that Congress can do
2091 to assist states with ensuring that utilities are making

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2092 those investments in energy efficiency.

2093 There are a number of states that have recognized that
2094 prodding their utilities to invest more in their consumers to
2095 increase energy efficiency is the best path forward. And so
2096 providing more regulatory incentives and financial incentives
2097 for utilities, for building owners, for landlords, and for
2098 homeowners to deploy and adopt energy efficiency technologies
2099 and clean energy technologies, that is only going to help
2100 reduce customers' bills and their exposure to volatily-
2101 priced fossil fuel energy.

2102 *Ms. Schakowsky. Can you give us some examples of
2103 things that are happening around the country that are
2104 delivering that kind of good outcome?

2105 *Mr. Slocum. Sure. So I live in Maryland, which has
2106 very proactive -- it is called Empower Maryland, where the
2107 Public Service Commission, backed by the legislature,
2108 requires utilities to invest not necessarily in building new
2109 power plants to meet demand, but investing in consumers to
2110 help obtain energy efficiency initiatives. So, you know, I
2111 live in a house built in 1900 that needed a whole lot of
2112 weatherization renovation. And that was helped in part
2113 because of incentives through the utility.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2114 And so I think looking at energy providers not as just
2115 providing energy, but assisting customers in avoiding energy
2116 use through improvements in energy efficiency, has to be a
2117 central component. And all investments in energy efficiency
2118 are typically far more cost effective, meaning the bang for
2119 your buck for investing in energy efficiency is always better
2120 than building new energy resources.

2121 *Ms. Schakowsky. I thank you so much for your
2122 comments --

2123 *Mr. Slocum. Thank you.

2124 *Ms. Schakowsky. -- and I yield back.

2125 *Mr. Johnson. The gentlelady yields back. The chair
2126 now recognizes the gentleman from Ohio, Mr. Latta, for five
2127 minutes.

2128 *Mr. Latta. Well, thanks, Mr. Chairman, and thanks for
2129 our witnesses for being here today. I really appreciate it.

2130 And one key area that is holding the United States back
2131 from reaching its full potential for energy production is
2132 refining capacity. Last year the Energy Information
2133 Administration estimated that North America lost over one
2134 million barrels of fuel per day in refining capacity in a
2135 three-year period.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2136 Where refining capacity has decreased, demand for energy
2137 has gone in the opposite direction. Our remaining refineries
2138 struggling to keep up with this demand are running at close
2139 to 95 percent of total capacity. Any economist will tell you
2140 that the situation -- resulting in higher prices for the
2141 consumer. And my legislation, the Researching Efficient
2142 Federal Improvements for Necessary Energy Refining and
2143 Refinery Act, would address this.

2144 If I could start with you, Secretary Menezes, how
2145 important is it for the Federal Government to drive the
2146 conversation towards increasing refining capacity in this
2147 country?

2148 *Mr. Menezes. We do need a robust refining capacity
2149 here, simply so we don't have to import from any other
2150 country, and we can provide our consumers with what we need.
2151 But the fact is that there hasn't been another major -- a
2152 new, major refinery built -- green field -- since 1977. We
2153 have built some small refineries, but we have been closing
2154 more of --

2155 *Mr. Latta. Sorry, would you repeat that again? What
2156 was the date, again, for our major refinery?

2157 *Mr. Menezes. In 1977, the last major green field oil

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2158 production, I believe it was the marathon refinery.

2159 Now, there have been some small refineries that have
2160 been built, typically on brownfield sites, but we have been -
2161 - our industry has been ratcheting out the inefficiencies
2162 back from the 1970s. And so we have been closing, we have
2163 been doing with what we can.

2164 But the permitting process, essentially, is too
2165 difficult to overcome. I believe we have a North Dakota
2166 plant and a Utah plant that, I think, have basically stalled
2167 out because of lack of permits.

2168 So we are doing -- we are making improvements with what
2169 we have had for many years, and that -- it operates at the 95
2170 percent efficiency that you say -- does not leave much wiggle
2171 room for when the President wants us to increase refining.
2172 For example, we simply, A, don't have the facilities or it
2173 would be too costly for us to suddenly begin to take them out
2174 of mothball and then try to get them going again.

2175 So that is why we should look at this comprehensively to
2176 see what we can do to help, you know, get a robust, clean,
2177 environmentally compliant refinery.

2178 *Mr. Latta. And just to follow up, what is the benefit
2179 going to be to the consumer? What is the benefit to the

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2180 consumer?

2181 *Mr. Menezes. Well, you would have a ready supply of
2182 refined products.

2183 *Mr. Latta. Thank you very much.

2184 You know, we have talked a little bit earlier today in
2185 regards to having a strong nuclear fuel security program, and
2186 I totally support it. And I also fully support our chair's
2187 legislation that would ban the importation of Russian
2188 uranium. And, Mr. Chairman, I ask unanimous consent to place
2189 into the record two letters of support in favor of this bill,
2190 one from the Uranium Producers of America and the other from
2191 the organization Clearpath.

2192 *Mr. Johnson. Without objection, so ordered.

2193 [The information follows:]

2194

2195 *****COMMITTEE INSERT*****

2196

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2197 *Mr. Latta. Thank you very much.

2198 Ms. Sweeney, if I could switch gears real quickly and
2199 talk about your testimony, because, interestingly enough, you
2200 know, just by chance -- everybody saw the second page of The
2201 Wall Street Journal today. It is all about what? It is all
2202 about our -- what we are going to do about EVs and our
2203 batteries in this country. And it is a very interesting
2204 article, and I thought right -- apropos for where we are
2205 today.

2206 But, you know, in your -- this testimony that you talked
2207 -- that you presented today, you know, you have that the
2208 lithium band is going to -- demand is going to increase by
2209 more than 40 times by 2040, followed by graphite, cobalt,
2210 nickel at 20 to 25 percent in that timeframe. Our automakers
2211 are warning that the coming battery shortage could stop the
2212 EV revolution in its tracks.

2213 And also in your testimony you state that, with over \$6
2214 trillion worth of mineral resources that we have right here
2215 in this country, you know, it is right in our own backyard.

2216 But it goes right to -- a question, then, is on the
2217 permitting and the delays out there, because also in your
2218 testimony you have your chart that shows that, you know, we

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2219 could be looking at anywhere from 7 to 10 years to get a
2220 production site up. And I have been to the only lithium
2221 facility that we have in this country, out in Nevada.

2222 But you also state that unexpected permitting delays
2223 could reduce that -- mining projects by more than a third.

2224 But do you also -- when you think about all of these
2225 things, you know, what are we going to do in this country,
2226 especially when we look to our friends to the north in
2227 Canada, that their permitting is taking 2 to 3 years, and
2228 here in this country it is taking 7 to 10? What can we do?

2229 *Ms. Sweeney. You know, they have some efficiencies in
2230 Canada and Australia, you know, which have very similar NEPA
2231 regulations and statute in place that do allow the permitting
2232 process to move a little bit faster.

2233 One of those is actually allowing the project proponent
2234 to prepare the environmental impact statement. The
2235 government then does a thorough review, and makes sure that,
2236 you know, that meets all the standards, and they allow the
2237 opportunity for the public to comment on the NEPA project --
2238 or the analysis, just like we do here.

2239 But the project proponent is -- has the best
2240 information. They are on the ground right there. They know

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2241 what is happening on the ground. They have got the data in
2242 front of them, and they have the incentive to move more
2243 quickly. And they are only focusing on one project at a
2244 time. When the government has to do it, they are looking at
2245 a lot of different projects, and it is just a matter of
2246 getting the resources to the project. That is part of the
2247 delays.

2248 Another process that works better --

2249 *Mr. Latta. Oh, excuse me. I am afraid my time has
2250 expired, but I would ask, if you could put that in writing,
2251 and I will address that to you then.

2252 [The information follows:]

2253

2254 *****COMMITTEE INSERT*****

2255

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2256 *Mr. Latta. Thank you very much, Mr. Chairman.

2257 *Ms. Sweeney. Sure.

2258 *Mr. Johnson. I thank the gentleman for yielding. The
2259 chair now recognizes the gentlelady from California, Ms.
2260 Matsui, for five minutes.

2261 *Ms. Matsui. Thank you, Mr. Chairman, and thank you for
2262 the witnesses for being here today.

2263 Recent research from the Energy Innovation shows it is
2264 now cheaper to replace almost every coal plant in this
2265 country with new, renewable generation, rather than pay to
2266 keep those old coal plants running.

2267 In my community, our utility, the Sacramento Municipal
2268 Utility District, affectionately called SMUD, is on track to
2269 be zero carbon by 2030. At the same time, our electricity
2270 rates are among the cheapest of any competitors.

2271 Mr. Slocum, fast-forward to 2030. Based on current
2272 modeling, will the clean energy transition save consumers
2273 money?

2274 *Mr. Slocum. Yes.

2275 *Ms. Matsui. Okay. Again, Mr. Slocum, given the
2276 expected costs of climate change, will the clean energy
2277 transition save our government money?

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2278 *Mr. Slocum. Yes.

2279 *Ms. Matsui. Okay. I want to follow up on what you
2280 said about what utilities can do. Are utilities doing all
2281 those kinds of things, and making sure that -- they are
2282 making sure that their customers have good investments so
2283 that we can transition?

2284 As I mentioned, our municipal utility in Sacramento is
2285 on track to be zero carbon by 2030, 5 years ahead of the
2286 President's goal for decarbonizing the U.S. power sector.

2287 The clean energy transition is achievable, it is cost
2288 effective, and the potential benefits are enormous.

2289 Mr. Garcia, if every utility in this country were zero
2290 carbon by 2030, what kind of benefits would we see among the
2291 low-income and minority communities living adjacent to fossil
2292 fuel facilities?

2293 *Mr. Garcia. Well, it is going to be a huge impact, and
2294 that is why the investments coming out of the IRA are so
2295 important, because we are basically reducing the process that
2296 is poisoning the communities across the country, right? And
2297 so, the less they have to rely on those dirty fuels, the less
2298 poisoned air they have to breathe.

2299 *Ms. Matsui. And for those focused on economic impacts

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2300 above all else, what are the potential economic benefits of
2301 improved health in those frontline communities?

2302 *Mr. Garcia. Well, throughout the -- you know,
2303 throughout all of the economic impacts, they would be quite
2304 substantial.

2305 One, because, you know, I mean, you can think about, in
2306 very concrete terms, how much does an inhaler cost for -- you
2307 know, for a child per se? And that is a saving. The trips
2308 to the emergency room, the hospital bills.

2309 On top of that, it also makes electricity way easier for
2310 them to get, and not as expensive as it used --

2311 *Ms. Matsui. Okay. Nature-based solutions are among
2312 the most cost effective and under-appreciated tools in our
2313 toolbox when it comes to mitigating and adapting to climate
2314 change. And I am very concerned to see a number of bills
2315 here today that would roll back important environmental
2316 protections, and threaten fragile ecosystems.

2317 Mr. Garcia, what would be the cumulative impact of those
2318 bills on our ecosystems, natural lands, and biodiversity
2319 across America?

2320 *Mr. Garcia. It would be extremely destructive, not
2321 only because of the -- I mean, one is the climate emissions

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2322 that they would -- that they bring about, and all of the way
2323 that they are going to make -- the storms, the droughts, all
2324 of that is going to get worse.

2325 But in addition to that, a lot of these projects are
2326 happening without any regard to nature, and I think that
2327 often times we talk about nature as some distant place where
2328 we don't actually go. But we have to recognize that air
2329 knows no borders. It travels all across our states, and so
2330 does water. And so when we are polluting the water, when we
2331 are polluting the air, when the wildlife can't adapt quick
2332 enough, when we are throwing away grasslands that would
2333 protect our communities, say, from hurricanes or bigger
2334 storms that way, we are all going to end up suffering.

2335 And unfortunately, communities of color and low income
2336 are at the front lines of that suffering.

2337 *Ms. Matsui. Certainly, they are the most exposed,
2338 especially to nature's wrath and those dependent on the
2339 resources provided by the natural ecosystems.

2340 How could we work better with low-income, minority, and
2341 frontline communities to protect these ecosystems and improve
2342 the potential of these ecosystems to help mitigate and adapt
2343 to climate change?

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2344 Many of these are in low-income neighborhoods, and it is
2345 very difficult to figure out how to work with them.

2346 *Mr. Garcia. Absolutely. And, you know, the way that
2347 we work with them is by following the guideposts that laws
2348 like NEPA set in place, because NEPA is really about engaging
2349 the public, engaging frontline communities.

2350 And so making sure that it is not industry's alternative
2351 that gets put front and center all the time, making sure that
2352 communities on the ground are actually being able to say,
2353 "That is actually a conflict of interest," making sure that
2354 communities on the ground are able to say, "That is actually
2355 going to affect my water, so you shouldn't do that," and,
2356 frankly, all of those protections that, again, many people
2357 here keep calling obstacles and red tape are those guideposts
2358 in order to engage those communities in a way that is going
2359 to be helpful to them and helpful to the project's sponsor
2360 themselves --

2361 *Ms. Matsui. Okay.

2362 *Mr. Garcia. -- to create better projects.

2363 *Ms. Matsui. Well, thank you very much, Mr. Garcia, and
2364 thank you for the witnesses for being here today. Thank you.

2365 *Mr. Johnson. The gentlelady yields back. The chair

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2366 now recognizes the gentleman from Kentucky, Mr. Guthrie, for
2367 five --

2368 *Mr. Guthrie. Thank you --

2369 *Mr. Johnson. -- minutes.

2370 *Mr. Guthrie. -- Mr. Chair. I appreciate the
2371 recognition.

2372 And there is a cost. First of all, I will bring up
2373 Paradise, Kentucky in Muhlenberg County. It is -- TVA shut
2374 down its coal-fired power plant. It devastated that
2375 community, it devastated the people that live in that
2376 community, but it also devastated everybody in the TVA power
2377 area.

2378 December 23rd, 24th, it was a cold day, it was unusually
2379 cold. But TVA wasn't prepared for it. They will give you
2380 about 10 different reasons because their board wants them to
2381 get out of fossil fuels. But I will tell you, people are
2382 suffering because of it. We had rolling blackouts, which is
2383 hard to believe in America during this time and this day.

2384 The rising cost of gas, the rising cost of energy
2385 affects people at the low-income level at the most. I hate
2386 paying when we were paying \$5 -- almost \$5 a gallon worth of
2387 gas. I hate paying it. But I know people that had to change

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2388 their lifestyle because they couldn't afford to pay it. And
2389 so this is serious stuff.

2390 I mean, we don't need technology deniers. We need to
2391 understand that we have to have a system where people have
2392 access to affordable, reliable, and sustainable energy.

2393 And for instance, you know, Germany tried it. We export
2394 coal, the price of coal has increased because the German
2395 economy decided they cannot continue down the path they were
2396 on. If we didn't export coal, then we wouldn't have the
2397 increased price of coal. Therefore, we wouldn't -- they
2398 wouldn't have opened mines. And so now it has brought more
2399 coal into production because of the decisions that is
2400 happening in Europe.

2401 You know, thank goodness Germany has had a mild winter.
2402 You know, I was praying for a mild winter for Germany because
2403 of some of the decisions they made. You are talking about
2404 people affected? People could have died from the cold
2405 weather if it had moved forward.

2406 So it is important that we are part of this global
2407 economy. And for instance, I was in -- I think Ms.
2408 Schakowsky has left -- I was in her neighborhood, dropping my
2409 daughter off for college, when I heard that Iran had bombed a

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2410 Saudi Arabian oil production facility. And being a child of
2411 the 1970s, my first thought is I better top my car off --
2412 because I can get home on one tank of gas if it is all the
2413 way to the full -- expecting disruptions in the gas supply.
2414 But because of energy independence, we didn't have any. And
2415 I think it went up maybe a dime for a half a day, or a day or
2416 so.

2417 So the point is we have got to do all the -- and I grew
2418 up -- I went to college on the Hudson River, about 45 miles
2419 from New York City. You couldn't swim in it when I was
2420 there. We don't want that, absolutely don't want that. Now,
2421 it is -- fortunately, it has rejuvenated itself. We put in
2422 protections in place.

2423 And so we need communities that are safe, we need
2424 communities that people can live in and enjoy the beauty of
2425 the Hudson Valley, which they can now, because of laws that
2426 Congress put into place, and efforts that people moved
2427 forward.

2428 So we are not selling that, but we want people to have
2429 access to affordable, reliable, and sustainable energy. And
2430 one way to do it -- I want to talk, Mr. Menezes and Mr.
2431 Eshelman, on -- I have a bill in this, or a resolution with -

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2432 - that says we don't want export bans on petroleum and
2433 natural gas. And the reason is that it actually produces
2434 lower prices for everybody when producers can engage in the
2435 world marketplace. It allows expansion of supply. So that
2436 is why, even though the expansion of demand allows expansion
2437 of supply at the price that is sustainable, you may get some
2438 short-term lower prices, but not in the long term.

2439 Also, do we want our friends and our neighbors and our
2440 allies to be dependent on dictators? If you are dependent on
2441 dictators, you are vulnerable to them. So when we choose to
2442 say we are going to keep it all here, we are going to say to
2443 our European friends, "You are going to have to buy from
2444 Putin, you are going to have to buy from Iran, you are going
2445 to have to buy from Venezuela.'`

2446 And so, if the two of you would, kind of talk to why it
2447 doesn't make sense to ban exports of petroleum, natural gas,
2448 Mr. Eshelman and Mr. Menezes.

2449 *Mr. Eshelman. Well, Congressman, there are a few
2450 reasons.

2451 One is if we continue to produce oil here at home, those
2452 are jobs that remain. If we would stop exporting the oil,
2453 those jobs would disappear. So it actually helps when we are

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2454 producing more here at home and exporting to keep those wells
2455 pumping.

2456 The other thing I mentioned before is the trade deficit.
2457 It has come down tremendously because of the export of oil
2458 and natural gas to other countries. About 68 percent of our
2459 LNG exports go to Europe. So it helps our allies, and it
2460 helps our own national security. It makes sure that we are
2461 on the world stage, and being a player.

2462 And so those are the big themes that I would hit.

2463 *Mr. Menezes. And I look at it, really, from a
2464 separation of powers, you know, viewpoint, because having
2465 worked for Congress for many years -- and I got, you know,
2466 accustomed to the fact that, unless Congress says it, you
2467 know, others can't do it, and we set the law of the land, and
2468 then you go over to the executive branch, and the first
2469 question you ask is, well, if Congress doesn't prohibit me
2470 from doing something, then I have all the authority I need to
2471 do something.

2472 And it becomes relevant when emergencies occur, and the
2473 President wants to take action to solve a problem. What
2474 emergency authorities, you know, do I have? What can I do?
2475 What do I have in the Constitution? What is -- what has

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2476 Congress said I can and cannot do?

2477 And with respect to bans of oil, Congress has been --
2478 has set a process in place. The President can actually take
2479 decisions to limit exports, but he has to do it following a
2480 process that Congress clearly put in the bill when they
2481 decided to lift the export ban. So he can't simply
2482 unilaterally declare an emergency and take such action.

2483 And this is what you do: You make him follow the law
2484 that Congress enacted. So that is my view of this, and why I
2485 think it is important for Congress to express the clear
2486 intention to the executive branch to read the law and follow
2487 the law.

2488 *Mr. Johnson. The gentleman yields back. The chair now
2489 recognizes the gentleman from Maryland, Mr. Sarbanes, for
2490 five minutes.

2491 *Mr. Sarbanes. Thanks very much, Mr. Chairman.

2492 Thank you all for your testimony today. As we know, we
2493 are considering several bills that would, according to our
2494 colleagues on the other side of the aisle, unleash American
2495 energy.

2496 But, no surprise, a lot of these bills that are on the
2497 docket here are more of the same. They are really unleashing

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2498 more profit-making by the big oil companies, and doing that
2499 at the expense of the American people, in my view. And it is
2500 beyond me why our colleagues, with these pieces of
2501 legislation, would seek to erode what are bedrock
2502 environmental laws for the sake of unleashing American
2503 energy, as if we need to choose between health and safety of
2504 communities on the one hand, and promoting energy on the
2505 other hand.

2506 One of the bills we have talked about -- but I want to
2507 come back to it -- that we are being -- that we are
2508 considering today would create this new regulatory pathway
2509 for "critical energy sources" under TSCA, and it would
2510 circumvent what were bipartisan reforms that Congress passed
2511 in 2016. It would require EPA to consider non-risk factors
2512 when determining the risks associated with a substance, which
2513 is very backwards thinking, you would think, in this day and
2514 age.

2515 Congress deliberately and explicitly prohibited EPA from
2516 considering such factors when determining whether a chemical
2517 presents unreasonable risk. These factors are, however,
2518 considered in the risk management stage.

2519 The bill would also provide a pathway for a, again,

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2520 critical energy source to enter the market without regulation
2521 if EPA does not act in the review period, thereby potentially
2522 exposing communities and workers to toxic chemicals.

2523 Mr. Chairman, without objection, I would like to enter
2524 into the record a letter that we received from the Natural
2525 Resources Defense Council and nine other environmental groups
2526 opposing this particular legislation.

2527 *Mr. Johnson. Without objection, so ordered.

2528

2529

2530

2531 [The information follows:]

2532

2533 *****COMMITTEE INSERT*****

2534

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2535 *Mr. Sarbanes. Thank you, Mr. Chairman.

2536 Mr. Garcia, getting back to the broader frame here --
2537 and you have spoken to it, but I would like you to do it
2538 again, if you would -- is it necessary to roll these
2539 environmental protections back in order to secure our
2540 nation's energy independence?

2541 I mean, do we need to choose, make this choice between
2542 our environmental laws and energy, or can we do both?

2543 *Mr. Garcia. Absolutely not. We don't have to choose.
2544 We can absolutely do both. We have the technology. And in
2545 fact, some of the legislation presented today would actually
2546 curtail that technology, which is sad to see.

2547 *Mr. Sarbanes. Arguably, if you look historically, when
2548 we have leaned in with more -- a more of an enlightened
2549 perspective on what we need to do with the environment, not
2550 only has that not compromised our economy, it ends up driving
2551 new economies that benefit. The pie grows from that. And I
2552 think the same can happen here. And if we go in the other
2553 direction, as is being suggested by these bills, we could
2554 undermine that kind of opportunity.

2555 So I definitely agree with you, and it is one of the
2556 reasons that we passed in the last Congress the Inflation

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2557 Reduction Act, which would put our nation on track to reduce
2558 greenhouse gas emissions, accelerate the development of
2559 reliable and clean energy.

2560 Unfortunately, again, our colleagues here seem unwilling
2561 to commit to a more sustainable future, as evidenced by their
2562 eagerness to get in there and start repealing all these
2563 things -- again, many of them that came to pass and are on
2564 the books because of a bipartisan consensus and understanding
2565 that this is the right thing to do for our environment, and
2566 for our economy, and for our energy future.

2567 So, Mr. Garcia, let me ask you one last thing while I
2568 have the time. What would erosion of our environmental laws
2569 mean for particularly disadvantaged and under-served
2570 communities, which, as you know, are already overburdened?
2571 If you could, speak to that.

2572 *Mr. Garcia. Yes, absolutely. You know, I don't know
2573 if I caught that right, but where -- when Mr. Menezes
2574 mentioned, you know, we are not creating refineries and the
2575 old refineries that we had are going out, I am not sure if I
2576 caught that right, but I heard they were brownfield sites
2577 now.

2578 Now, think about that. Brownfield sites, which are

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2579 hugely contaminated sites that have not been cleaned up, that
2580 were contaminated by industry are in that place now, and we
2581 want more of these things throughout the country? Right?
2582 That is what is compromising communities everywhere.

2583 And so, unfortunately -- and I have to say this very
2584 explicitly -- these facilities are not in upper-class White
2585 portions of cities. These facilities exist primarily in
2586 neighborhoods of color, people -- where people of low income
2587 live. And so that means that they are the ones absorbing
2588 this pollution, first and foremost.

2589 And even though our laws are not perfect, they offer
2590 protection. We are now to weaken them further with these
2591 loopholes left and right, whether it is the Clean Air Act,
2592 clean-up laws, and planning laws, permitting laws that would
2593 avoid us having to clean up because we are planning correctly
2594 -- that seems like it would multiply the damage.

2595 *Mr. Sarbanes. I yield back, Mr. Chairman.

2596 *Mr. Johnson. The gentleman yields back. The chair now
2597 recognizes the gentleman from Virginia, Mr. Griffith, for
2598 five minutes.

2599 *Mr. Griffith. Thank you very much, Mr. Chairman.

2600 I am so glad to have another Virginian here today, my

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2601 old friend -- I hope that doesn't hurt your reputation any -
2602 - I know we have known each other at least 20 years, probably
2603 more than that, Bernie McNamee. Mr. McNamee, it is good to
2604 have you with us as an energy expert and somebody who teaches
2605 law at the Appalachian School of Law in Grundy, Virginia, in
2606 Buckhannon County.

2607 Now, I mention that because I recently had an
2608 interesting tour, which is right on your way as you drive
2609 there, as you get to that turn where 460 and 19 separate, and
2610 you turn west heading towards Grundy in Russell County -- or
2611 excuse me, in Tazewell County, headed towards Richlands, just
2612 off on your left behind the Food City is a CONSOL office, and
2613 they are doing some fascinating new work.

2614 They have got a new technique to more efficiently and
2615 cleanly capture coal bed methane, and they are using it right
2616 now at Buckhannon No. 1. As you know, Buckhannon No. 1 is a
2617 huge underground mine for metallurgical coal. That means we
2618 make steel out of it, for those who don't know. The
2619 footprint underground right now is about the size of
2620 Washington, D.C., and they are getting ready to open up a new
2621 section in the next couple of years. And so they are
2622 capturing, in a very clean and efficient manner, the coal bed

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2623 methane out of that mine.

2624 But what people may not realize is they also can use
2625 this technique to capture this from existing mines or mines
2626 that -- or areas that have coal that may not have ever been
2627 mined, but because they may be close to the surface or
2628 whatever, they have escaping methane gas. We can use it on
2629 that, too, but they don't get any credit for having a clean,
2630 efficient way, because it is the dreaded fossil fuel. It is
2631 natural gas. Oh, my gosh, egads, it must be bad. But here
2632 is a way that American technology is helping us.

2633 Do you think that is a good way that we should go, and
2634 that if we are going to do something with credits, that we
2635 ought to be looking at things that make it so that smaller
2636 steps forward can be made with existing fuel sources and
2637 baseload like natural gas, et cetera?

2638 Turn your mike on.

2639 *Mr. McNamee. Congressman Griffith, it is great to be
2640 back in front of you once again. And I think you are correct
2641 -- is that the innovation -- the American people have been
2642 the ones that have solved most of our energy crisis and
2643 energy challenges.

2644 You think about the fracking revolution with George

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2645 Mitchell in Texas, the innovation that CONSOL is doing, these
2646 resources -- and what is neat about natural gas, what is
2647 great about the methane that is being produced is that it is
2648 something that can be dispatched and used to keep the grid
2649 growing. And these are very important things that we need to
2650 be focused on, as a country.

2651 It is great to talk about, you know, we think we can go
2652 100 percent renewables, but the reality is, with technology
2653 we have today, we have to have dispatchable energy, and that
2654 is going to come from natural gas, from the methane that is
2655 captured at the coal seam, and these are things that we
2656 should not look negatively about. They have made our
2657 economy, people's lives, and the quality of life for all
2658 American people much better. And it is something we should
2659 embrace.

2660 *Mr. Griffith. Yes, I appreciate that.

2661 Mr. Menezes, you agree that we probably ought to be
2662 using this technology and rewarding it, instead of excluding
2663 it from being able to receive money from, you know, the
2664 Greenhouse Gas Reduction Program? Because it is a fossil
2665 fuel, I don't think they are eligible.

2666 *Mr. Menezes. To be sure. I mean, there are a lot of

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2667 technologies that we can be deploying right now to help
2668 reduce emissions. Remember, our quest here is not to choose
2669 one type of energy over another; our quest here to solve the
2670 climate problem is to reduce emissions.

2671 *Mr. Griffith. Yes, and I appreciate that.

2672 *Mr. Menezes. So anything we can do to reduce
2673 emissions, it doesn't make any difference whether you are
2674 using coal or fossil, you have technologies to deploy, and
2675 the IRA actually encourages it in some in some ways to do
2676 that. So it is reducing emissions, not saying something
2677 should be anti-fossil or, you know, or renewables. That is
2678 the --

2679 *Mr. Griffith. Yes.

2680 *Mr. Menezes. -- false narrative. It is reducing
2681 emissions.

2682 *Mr. Griffith. And I appreciate that.

2683 Back to you, Mr. McNamee. You know, it is interesting
2684 that that Buckhannon No. 1 mine, it is expanding. A lot of
2685 times people want to talk about, oh, we are going to have new
2686 sectors, and we are going to hire all these people in the
2687 renewables area. And while the CEOs may make good money, the
2688 frontline people don't make nearly what the miners in Buck 1

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2689 make. The new section, they estimate, is going to be about
2690 an average of \$103,000 a year for people with sometimes not
2691 even a high school education. They are able to get in there,
2692 and they are able to learn a trade, and go forward, and that
2693 is very exciting.

2694 Also, as a former FERC representative, I would like to
2695 see us move forward on our pipeline reforms, including
2696 possibly even having collocation. But my time is out, so we
2697 will have to talk about that privately another time.

2698 *Mr. Menezes. I would be happy to.

2699 *Mr. Griffith. I appreciate. Always good to see you.
2700 Thank you for being here today, and for spending your time
2701 with us.

2702 I yield back, Mr. Chairman.

2703 *Mr. Duncan. [Presiding] The gentleman's time is
2704 expired. We will now go to Mr. Cardenas for five minutes.

2705 *Mr. Cardenas. Thank you, Mr. Chairman, and also
2706 ranking member, for holding this committee today.

2707 As Members of Congress, we have been entrusted with the
2708 duty to protect and improve constituents' quality of life,
2709 their health, and overall well-being. And as members of this
2710 committee, we have a unique opportunity to examine and put

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2711 forth real solutions that advance our nation's energy
2712 independence, while ensuring a healthier future for our
2713 children and grandchildren.

2714 Today we have convened to discuss 17 bills, all of which
2715 are partisan, none of which Energy and Commerce Committee
2716 Democrats were consulted about. Welcome to the Republican
2717 rodeo, ladies and gentlemen. And this ain't my first rodeo.
2718 I have been in the minority in the House of Representatives
2719 once before, and here we go again.

2720 The bills being discussed today are an attack on the
2721 environmental and public interest laws that are most
2722 essential to ensuring that our constituents can breathe clean
2723 air and drink clean water. These bills will not serve the
2724 American people. They are intended to serve fossil fuel
2725 companies who continue to see record-shattering profits,
2726 while everyday Americans pay higher prices at home.

2727 Today's hearing is an -- is indicative of my Republican
2728 colleagues' misplaced priorities, and their willingness to
2729 sacrifice the health, the safety of the American people,
2730 starting with frontline communities like the one that I
2731 represent.

2732 My district and too many communities across our nation

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2733 know all too well the challenges of environmental injustices.
2734 In 2020 my district was impacted by a methane gas leak, a
2735 leak we later found out had been occurring for over three
2736 years before the actual community found out that it was going
2737 on right in their midst. In my district, residents already
2738 breathe some of California's most polluted air, and a
2739 chemical disaster can be a death sentence to vulnerable
2740 communities like the one that I represent.

2741 There are far too many communities across the country
2742 that we were sent here to help protect, and to make sure that
2743 their quality of life is secured. But yet, with some of
2744 these bills, they are really focused mostly on what industry
2745 prefers, rather than what the American people truly do
2746 deserve.

2747 My first question is for Mr. Garcia. Can you elaborate
2748 on the implications of proposals that hinder efforts from the
2749 EPA's risk management program, and what would happen if they
2750 became law?

2751 *Mr. Garcia. Absolutely. So EPA's risk management
2752 program essentially calls on refineries to be able to present
2753 safer alternatives, or to try to study safer alternatives to
2754 their methods of production. And so it is a huge problem,

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2755 because the bill that we are seeing today would essentially
2756 exempt -- again, a loophole -- from the Clean Air Act to
2757 refineries using hydrofluoric acid, which is incredibly
2758 dangerous for communities that live near the refineries and
2759 that really depend on the air around the refineries
2760 themselves.

2761 And so this is something that it is very much common
2762 sense. In fact, much of the industry is already doing it.
2763 The fact that we are talking about a bill that would that
2764 would eliminate this is sort of puzzling, because large
2765 refineries are doing it. And again, it is common sense. It
2766 is the idea that you should study to see if there are safer
2767 and effective ways to go about the business that you are
2768 already been doing for quite some time.

2769 *Mr. Cardenas. Thank you. And what would
2770 accountability look like for communities facing chemical
2771 disasters, particularly those that are low-income communities
2772 across the country?

2773 *Mr. Garcia. Well, you know, on the foremost, we have
2774 to make sure that -- we have seen disasters before. I mean,
2775 a couple of years ago, the plant in Philadelphia exploded and
2776 was a national disaster because of this same kind of lax

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2777 enforcement of laws.

2778 So what we really need to focus on is making sure that
2779 it doesn't repeat itself. And particularly for communities
2780 of color and low income, and those that live near those
2781 refineries, We need to make sure that the planning is done
2782 right and that it is reoccurring. We can't just pretend that
2783 a facility that is there and that is exempted from the Clean
2784 Air Act is suddenly going to be responsible enough to do its
2785 job. It has to be held in check, and that is why those laws
2786 exist.

2787 *Mr. Cardenas. One of the reasons why I ran for office
2788 many years ago was to make sure that I am a voice for the
2789 community that I grew up in, and I grew up in one of the most
2790 impacted communities in all of Los Angeles or Southern
2791 California, with more dumpsites and plants around my home
2792 than most people would ever want to have to deal with.

2793 In your testimony you explained that, under the bill
2794 that amends the Solid Waste Disposal Act, facilities could
2795 operate before securing a permit?

2796 *Mr. Garcia. That is right. That is right. It
2797 essentially allows industry to roll out the red carpet, march
2798 in, do everything that it wants to do before we even know

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2799 whether the practice is going to be safe, whether the
2800 appropriate precautions are being taken, whether the
2801 community's -- the community alternatives, those projects
2802 that the community is actually bringing forward to accomplish
2803 the same goal, are being considered. All of that gets done
2804 through those laws, and somehow it is not going to matter.

2805 And then it is like this, right? And then, once it is
2806 operational, we get the excuse that, well, it is already
2807 there, so we can't draw it back. It is like --

2808 *Mr. Cardenas. So --

2809 *Mr. Garcia. It is like pouring, like, food coloring in
2810 a cup of water.

2811 *Mr. Cardenas. Thank you.

2812 *Mr. Garcia. Good luck getting that out.

2813 *Mr. Cardenas. Thank you.

2814 Mr. Chairman, I just want to note that I think the clock
2815 was backwards on my --

2816 *Mr. Duncan. It was.

2817 *Mr. Cardenas. So did it actually start at --

2818 *Mr. Duncan. Yes. You got 5 minutes and 44 seconds as
2819 of right now.

2820 *Mr. Cardenas. Okay. But I noticed that it was going

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2821 up, in -- rather than going down then.

2822 *Mr. Duncan. That is correct.

2823 *Mr. Cardenas. Okay, thank you.

2824 *Mr. Duncan. They didn't reset it, but you weren't
2825 shorted on time.

2826 *Mr. Cardenas. Okay, thank you so much.

2827 *Mr. Duncan. We apologize. They are going to make sure
2828 to reset it.

2829 *Mr. Cardenas. No, no --

2830 *Mr. Duncan. And I will go to the crossroads of
2831 America, the gentleman from Indiana, Dr. Bucshon.

2832 *Mr. Bucshon. Thank you, Mr. Chairman. Today I am
2833 speaking in support of the Securing America's Critical
2834 Minerals Act, a bill that our former colleague, Mr. Upton,
2835 introduced last Congress, and I am introducing this Congress,
2836 and I am looking for Democrat cosponsors, if anyone is
2837 interested.

2838 I do find it fascinating that some of the same groups
2839 that support total conversion to electric vehicles are also
2840 the same groups that are working to block the mining of
2841 minerals such as cobalt and lithium that are required for the
2842 batteries, block it here in the United States.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2843 Just to mention, you know, that China is a major
2844 supplier of the lithium. And as far as the Cobalt goes, I
2845 don't know if anybody has seen the video of the mines in
2846 Africa, but, essentially, slave labor in Africa to get the
2847 cobalt. And I would encourage everybody to look at the
2848 YouTube videos of those mines with little children digging
2849 through the dirt, trying to find cobalt.

2850 So over the last few years we have discussed in these
2851 subcommittees the importance of critical minerals and other
2852 energy resources necessary to providing for our energy needs,
2853 as well as the potential vulnerabilities that exist in the
2854 supply chain and domestic production and capacity
2855 limitations.

2856 This bill would ensure that the Secretary of Energy is
2857 engaged productively in addressing the issue. It would
2858 require the Secretary to conduct an assessment of our
2859 nation's energy supply, identify resources that are critical
2860 to our economy, and vulnerabilities in the supply chains of
2861 critical energy resources, and determine the extent to which
2862 critical energy resources play a role in developing new
2863 energy technologies.

2864 The bill defines critical energy resources as those that

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2865 are "essential to the energy sector and energy systems of the
2866 United States," and the supply chain of which is vulnerable
2867 to disruption.

2868 The bill would also direct the Secretary of Energy to
2869 diversify energy sourcing and increase domestic production,
2870 refining, and processing of these resources.

2871 As a supporter of an all-of-the-above energy approach, I
2872 appreciate our need for a diverse energy portfolio. We must
2873 take steps to ensure we safeguard our supply chains, as well
2874 as prevent our adversaries from weaponizing potential
2875 vulnerabilities in these supply chains, and critical minerals
2876 is a large part of our vulnerability -- I can't get that out
2877 today for some reason. As a country, we need more production
2878 here.

2879 So, Ms. Sweeney, how potentially could securing
2880 America's Critical Mineral Supply Act help our country and
2881 the energy sector reduce this reliance on China and other
2882 foreign sources of these critical mineral needs?

2883 *Ms. Sweeney. Thank you so much for the question, and
2884 that is a really important question.

2885 I think that one area that the act really is important
2886 is having the Energy Information Agency actually look at that

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2887 connection between minerals and energy. As I said in my
2888 testimony here earlier, there isn't any form of energy that
2889 doesn't rely on minerals as the -- you know, as the base of
2890 that energy. So it is very important to focus on where these
2891 come from, where we are getting them.

2892 And in particular, you know, you mentioned the
2893 processing and smelting and refining. You know, that is an
2894 area where we need to focus attention, as well. It is not
2895 just the mines themselves, but the processing also needs to
2896 take place here in the U.S.

2897 *Mr. Bucshon. Mr. Menezes, do you have any comments on
2898 that?

2899 *Mr. Menezes. Well, I think the bill is especially
2900 important, because there are other agencies that also would
2901 like to get resources to look at critical minerals, and it is
2902 important to have the Department of Energy, in its
2903 organizational act, have the statutory authority to be the
2904 experts throughout the interagency process. Those agencies
2905 compete at -- for Congress dollars.

2906 And so when you can point to legislation that says we
2907 need this to do our jobs, it is important, really, and we
2908 hope that this would be a strong bipartisan bill to declare

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2909 the Department of Energy -- the Department of Energy has
2910 those national laboratories. I mean, they are better
2911 equipped than any other agency. But at the end of the day,
2912 it is resources.

2913 And so this act is really important for that. Put that
2914 expertise at the Department. It will protect this
2915 committee's interest throughout that interagency process that
2916 can get pretty tough.

2917 *Mr. Bucshon. Thank you. I do also want to emphasize
2918 what my colleague, Mr. Guthrie, mentioned.

2919 We now have an example of what happens when you take an
2920 energy approach that this Administration appears to be
2921 taking, and that is Europe, and that is countries like
2922 Germany. They are now building coal-fired power plants,
2923 importing coal from in the United States also, and it is
2924 probably going to set their clean energy agenda back decades
2925 by getting too far ahead of themselves and trying to restrict
2926 certain forms of energy, rather than taking an all-of-the-
2927 above approach and advancing innovation and technology in
2928 every area of energy production.

2929 I yield.

2930 *Mr. Duncan. I thank the gentleman. Now we will go to

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2931 California, Mr. Peters, for five minutes.

2932 *Mr. Peters. Thank you, Mr. Chairman. Last week I
2933 encouraged Republicans and Democrats on this committee to
2934 engage in a constructive bipartisan process to enact sensible
2935 permitting reforms to deliver energy security and
2936 environmental protection for the American people. I spoke
2937 about the need to reduce excessive process requirements
2938 necessary to build clean energy projects, and reform
2939 environmental laws from the 1970s to meet the challenges of
2940 today. I talked about the dismal state of our electric grid,
2941 and how we must build 200,000 miles of new transmission lines
2942 by the 2030s to keep the lights on, lower costs for
2943 Americans, and build clean energy projects like solar, wind,
2944 hydropower, and nuclear.

2945 And my Republican colleagues have said publicly they are
2946 committed to advancing permitting reform, and that they are
2947 focused on an all-of-the-above energy agenda to secure our
2948 energy future, and that is why I am a little bit disappointed
2949 about the hearing today. We are discussing 17 bills, and
2950 almost all of them are focused on solely natural gas and oil.
2951 And doubling down on oil and gas will lead to more price
2952 uncertainty and financial pain for Americans.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2953 Speaking of all of the above, the Energy Information
2954 Administration says that a very small amount of the planned
2955 projects on the ground today are going to be natural gas, and
2956 that 86 percent are zero-emission projects. That is what we
2957 are trying to build. But we don't really address that today.
2958 There is no focus today on key energy technologies like
2959 solar, wind, transmission, energy storage, advanced nuclear,
2960 hydropower, or hydrogen. And for a party that claims it
2961 doesn't want to pick winners and losers, Republicans are
2962 seeming to pick oil and gas every single time.

2963 So I am not going to give up hope. But if we are going
2964 to pass permitting reform in this Congress, it has to be
2965 bipartisan. Today we are using our time to discuss partisan
2966 bills that I really don't think will be going anywhere, re-
2967 litigating a pipeline that was terminated more than two years
2968 ago by the company developing it. I think we could do
2969 better.

2970 I am a proud Democrat. I am a former environmental
2971 attorney. I am a climate hawk ready to have hard
2972 conversations about permitting reform. And we can compromise
2973 on NEPA, the Nuclear Regulatory Commission, hydropower re-
2974 licensing, critical minerals, interstate electric

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2975 transmission, and more, but I really want to get about that
2976 business.

2977 Let me ask a couple of questions of the witnesses today,
2978 and thank you for being here.

2979 Mr. Menezes, you helped negotiate the Energy Policy Act
2980 of 2005, which included language intended to streamline the
2981 construction of electric transmission lines. Can you
2982 elaborate on why we need to build these lines faster, and the
2983 importance of advancing bipartisan legislation to permit
2984 these projects faster?

2985 *Mr. Menezes. Well, even today, as it was back then, I
2986 mean, there are probably more difficult things to build and
2987 site -- interstate transmission line, but it is hard for me
2988 to come up with what they are.

2989 *Mr. Peters. Yes.

2990 *Mr. Menezes. Really, it has opposition almost
2991 everywhere you turn. And although the goal of modernizing
2992 our grid, to make it green, et cetera, and to embrace the
2993 energy transition, it is one of the most difficult things to
2994 overcome: an interstate transmission line crossing states of
2995 low populations, et cetera.

2996 So I know Congress has been looking at this. There are

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

2997 ways to go about trying to do this. We tried it with
2998 backstop authority. Two courts told us we didn't quite get
2999 it right.

3000 *Mr. Peters. Right.

3001 *Mr. Menezes. There has been some proposals over in the
3002 Senate to look at that. And so I think that this is
3003 something that certainly is within this committee's
3004 jurisdiction to take another look at.

3005 *Mr. Peters. I drafted the POWER ON Act, which was put
3006 in by the Senate into the infrastructure bill to provide
3007 backstop authority. That is certainly helpful. But when we
3008 have a project that takes 10 years, and 7 of those years are
3009 permitting and processing, we will not be able to build the
3010 grid that we need to electrify this economy. And I think we
3011 are going to lose a lot of the benefit of the IRA if we do --
3012 if we don't.

3013 Mr. Slocum, methane is a super-pollutant responsible for
3014 about 25 percent of human-made warming. Today we hear claims
3015 that we produce the cleanest energy in the world. I am not
3016 sure, if you consider methane, that that is true. But isn't
3017 it essential that oil and gas producers significantly reduce
3018 methane leaks to be the cleanest in the world?

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3019 *Mr. Slocum. Yes.

3020 *Mr. Peters. The IRA included billions of dollars of
3021 new funding to help large and small oil and gas companies
3022 reduce their methane emissions. The EPA is finalizing a new
3023 rule to reduce those emissions from oil and gas operations.

3024 Will the oil and gas industry significantly reduce
3025 methane emissions in the absence of that regulation and
3026 strong funding?

3027 *Mr. Slocum. I don't think so. I think you need to
3028 have that regulatory structure and -- in order for the
3029 industry to make those investments.

3030 *Mr. Peters. I agree. And on this too I would
3031 reiterate my willingness to work in a bipartisan way.

3032 One of the things I think we can offer to the small
3033 producers who are concerned about these costs is that the IRA
3034 provides funds to help those companies comply.

3035 I also don't pretend that oil and gas is going away
3036 tomorrow. It is going to be around for a while. While it is
3037 around, we need to make it cleaner, and I am willing to work
3038 on that, as well.

3039 Mr. Chairman, my time is expired. I yield back.

3040 *Mr. Duncan. I thank the gentleman. Now we will go to

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3041 the vice chair of the Energy, Climate, and Grid Security
3042 Subcommittee, Mr. Curtis, for five minutes.

3043 *Mr. Curtis. Thank you, Mr. Chairman. I -- like many
3044 of you, view PFAS as a four-letter word. And I think on this
3045 committee it has been demonized frequently, and in some cases
3046 rightly so. But it might surprise all of us and my
3047 colleagues to know that a number of products needed for
3048 transformation and energy production require PFAS.

3049 As a matter of fact, semiconductors, green hydrogen
3050 membranes needed for electrolyzers, hydrogen used in fuel
3051 cells, and lithium batteries all require fluoropolymers,
3052 especially plastics. Critical PFAS is used in EV charging
3053 infrastructures, batteries, powertrains. I have a list here
3054 of 21 uses in the semiconductor industry of PFAS. So
3055 frequently, when we quick rush to judgment and lump all of
3056 these together, it is probably a mistake.

3057 I have a bill, one of the 17 that has been discussed
3058 today, that would make sure that these chemicals are approved
3059 in a timely manner. There is nothing about this bill that
3060 asks the agency to approve anything that is not safe, that is
3061 not healthy, simply to do it in a timely manner.

3062 In short, chemicals are all around us and necessary for

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3063 every industry, but especially to achieve decarbonization of
3064 our economy in the world. If we want a clean future, we need
3065 to approve chemicals more effectively and responsibly. My
3066 bill would help deploy clean energy technology more quickly,
3067 and puts the following three conditions on there.

3068 Hard deadlines on EPA's ability to make a decision on
3069 the risk presented by the critical energy resource. I
3070 believe, if we give them 180 days, it will take 280. If we
3071 give them 280, it will take 380. They need to stick to the
3072 guidelines that we have given them.

3073 It prevents the EPA from telling an applicant to suspend
3074 their application unless EPA has reviewed the notice -- it
3075 sounds reasonable -- and make a determination.

3076 And it requires EPA to consider cost and other non-risk
3077 factors in determining if an unreasonable risk is present.
3078 We heard earlier from Mr. Garcia that that was akin to
3079 killing people, and I adamantly disagree with that. It does
3080 not say that they should make an unwise decision, simply that
3081 they should take that into consideration, and that seemed
3082 pretty melodramatic to me.

3083 Mr. Menezes, you have experience as a former deputy
3084 secretary of energy. Can you speak to the importance of

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3085 chemicals in the energy sector?

3086 *Mr. Menezes. Without critical -- one of the two -- I
3087 learned two lessons when I visited the labs. To achieve
3088 breakthrough technologies, we need two things: one, high-
3089 performing computing to do modeling and continue to do
3090 modeling -- and it is modeling that is important; and another
3091 thing is we need to create chemicals and products that do not
3092 exist today. They do not exist, and we need to do that.

3093 And to make that point, they actually gave me a new
3094 product that they had made. This was at Argonne, and this is
3095 cesium aluminate. It didn't exist before 2017. It is going
3096 to be a key product that is going to be used in our green
3097 energy future. And to even make the point, they used the
3098 same product to make me a 3D printed replica of our Capitol
3099 building.

3100 So this is what the future looks like. The problem is
3101 that these chemicals are bollocksed up at EPA. EPA reads
3102 risk as almost any risk is unreasonable, and so they can't
3103 seem to make decisions.

3104 And so all the companies are asking, particularly those
3105 driving toward the EV technologies, et cetera, is, "Please
3106 tell us what the rules are, tell us what we need to do," and

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3107 we need to do that.

3108 But China is going to maintain the dominance in the
3109 electric vehicle space, okay? They are beating us. We need
3110 to get our act together, please. Just --

3111 *Mr. Curtis. So, first of all --

3112 *Mr. Menezes. -- what we need to do.

3113 *Mr. Curtis. -- everybody is not going to believe that
3114 this wasn't a setup, you came prepared with your props for my
3115 question. So you and I didn't rehearse this.

3116 *Mr. Menezes. We did not rehearse it. In fact, as I
3117 was reading the bill, it dawned on me that this made a big
3118 impression on me. It was on my desk when I was preparing for
3119 this hearing. This was not set up.

3120 *Mr. Curtis. So before we run out of time, my friends
3121 on the Democratic side often emphasize the importance of
3122 decarbonizing quickly, and I agree with them. But then they
3123 call bills like mine undermining environmental laws. Do you
3124 think it is possible to move in a reasonable speed and
3125 protect ourselves, as well?

3126 *Mr. Menezes. Of course. We are trying to figure out
3127 ways to get the laws that are on the books to actually
3128 produce results. Please do your job. Stop with the delays.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3129 The applicants go in and they are told -- and they are -
3130 - the bureaucrats are aware of the 90-day rule. So they will
3131 get you to withdraw and resubmit, because they can't meet the
3132 statutory deadlines. So they are sort of trying to do their
3133 job, but we have reached the point where the backlog now is
3134 so significant that those that want to take advantage of the
3135 IRA provisions can't do it because --

3136 *Mr. Curtis. I am going to run out of time, but --

3137 *Mr. Menezes. -- they can't get the --

3138 *Mr. Curtis. -- so I just want to make two --

3139 *Mr. Menezes. -- can't get their permits.

3140 *Mr. Curtis. -- two quick points. There is a lot of
3141 parallel here with permitting reform.

3142 Just tell us what the rules are, and then let us do it
3143 and make it timely and predictable. That is what people are
3144 asking for.

3145 And Mr. Chairman, regrettably, I am out of time. I
3146 yield the balance of my time.

3147 *Mr. Duncan. I thank the gentleman. The chair will now
3148 go to the gentlelady from an energy-producing area of the
3149 State of Texas, Mrs. Fletcher, for five minutes.

3150 *Mrs. Fletcher. Thank you so much, Mr. Chairman.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3151 Thanks for holding this hearing. Thanks to you and, of
3152 course, Ranking Member DeGette, as well as our chairman --
3153 chairwoman, and ranking member, and others.

3154 And I have listened to the testimony today and to the
3155 questions. I appreciate all of your time in being here. I
3156 think there has been a lot of really important information
3157 conveyed, as well, in your written testimony. And I am a
3158 little bit concerned about some of the things that I have
3159 heard this morning, specifically some of the bills that have
3160 been introduced for this hearing.

3161 And I would, of course, like to note that we are
3162 considering 17 bills, many of them aimed at repealing some
3163 of, I think, the very good work that we did in the last
3164 Congress to try to address the complexities of the policy
3165 that we are trying to do here.

3166 And so, you know, I would request, hopefully, that we
3167 will get a little more notice in the future in time to review
3168 these bills, because I think that, you know, we all know --
3169 and everyone on this committee should know and understand --
3170 that energy policy is complex. And we have had no better
3171 example than what we have seen happen over the last year, and
3172 the importance of all of us really having a depth of

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3173 understanding on this committee as we work to make policy.

3174 Certainly, what we have seen happening in Europe with
3175 Russia's unjustified and unconscionable invasion of Ukraine,
3176 what we have seen happen to our friends and allies in Europe,
3177 what we have seen happen here in the United States as a
3178 result of the market demands, and some of the things that we
3179 have talked about today -- I disagree with some of our
3180 witnesses about the importance of, for example, exporting
3181 natural gas and being able to help our allies reduce their
3182 dependence on Russian oil and gas at this critical moment.

3183 What we know is this is domestic policy, it is foreign
3184 policy. It has real consequences in our communities. People
3185 who are living, especially in my hometown of Houston, people
3186 who are living near the largest petrochemical complex,
3187 arguably, in the world, there are real-world health impacts.
3188 There are real-world economic impacts. These are also our
3189 jobs.

3190 So coming together and building consensus around what we
3191 can do, I think, is incredibly important for this committee.
3192 And I heard a few things today that I just -- I want to take
3193 up.

3194 Most important, I think, Mr. Menezes, you said -- and I

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3195 agree with you -- that the issue here is that we want to
3196 reduce emissions. That is what we are trying to do, and that
3197 is what the good legislation that we passed in the last
3198 Congress really does. And so, you know, I think that what we
3199 did in the Infrastructure Investment and Jobs Act and,
3200 importantly, the Inflation Reduction Act is really important
3201 to accomplishing those goals.

3202 And I am going to disagree with and I am disappointed to
3203 see the bill 484 that has been introduced by my friend from
3204 Texas, Mr. Pfluger, because I think it undoes the important
3205 work that we did on this committee just last year in trying
3206 to address the impacts of methane, and deal with that in a
3207 way that is reasonable and workable for industry.

3208 And we spent a lot of time on this committee, and got a
3209 lot of criticism for what we have, a billion-and-a-half
3210 dollars, to help small operators employ the technology, this
3211 grant program. And so I want to kind of direct my question
3212 there, because I think, Mr. Eshelman, I saw you shaking your
3213 head during Mr. Slocum's testimony about the IRA and the
3214 methane fee. But there is funding there to help smaller
3215 operators in particular, because that was a real concern that
3216 we heard about, the ability to implement the technology to

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3217 reduce methane emissions, which should be the goal of
3218 everybody here. And I think on both sides of the aisle we
3219 keep saying that is what we want to do.

3220 So, you know, I would like to see if there are real
3221 concerns still about the implementation and the ability to
3222 implement that, something that we can do that doesn't involve
3223 repealing what many people in the industry have said is a
3224 very smart solution to try to address the complications, but
3225 also address methane emissions. And so that is a concern
3226 that I have. And, you know, the question I have for you is
3227 does this mean -- I mean, it sounds like you don't support
3228 this, you want to see it repealed.

3229 Are your members not going to take the grant money that
3230 we provided to try to assist them? What do you think should
3231 be happening with that?

3232 *Mr. Eshelman. As we speak with our members, it has
3233 been a very contentious relationship with EPA, especially the
3234 enforcement office. So we are mostly concerned that this
3235 grant money will come out of EPA. We think it should better
3236 come out of DoE, and maybe the Petroleum Technology Transfer
3237 Council. So we are just mostly concerned that it is EPA that
3238 is making these regulations.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3239 *Mrs. Fletcher. And so what I am hearing you say is the
3240 idea of the program, the idea of reducing emissions and
3241 having some coming --

3242 *Mr. Eshelman. Right.

3243 *Mrs. Fletcher. Through this legislation, it is
3244 designed to work in tandem with EPA, so that there can --

3245 *Mr. Eshelman. Our --

3246 *Mrs. Fletcher. The concern you are expressing is the
3247 funding source, versus the idea of what we tried to do with
3248 this legislation. So it sounds like we --

3249 *Mr. Eshelman. That would be one --

3250 *Mrs. Fletcher. -- don't necessarily need to repeal it.

3251 *Mr. Eshelman. That would be one of our concerns, yes.

3252 *Mrs. Fletcher. Okay. Well, I am going to run out of
3253 time. I have a ton of questions. We are going to cover them
3254 on this hearing. I hope I can work with Mr. Pfluger and my
3255 friends on both sides of the aisle to really work on
3256 understanding the depths of this incredibly complicated work
3257 we have in front of us, and working together to achieve all
3258 of our shared objectives.

3259 So thank you so much, Mr. Chairman, for the time, and I
3260 yield back.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3261 *Mr. Duncan. Agreed, and I look forward to working with
3262 you.

3263 The chair will now go to Michigan, Mr. Walberg, for five
3264 minutes.

3265 *Mr. Walberg. Thank you, Mr. Chairman, and thanks to
3266 the panel today for being with us. It is an important
3267 hearing.

3268 Threats to our critical energy infrastructure have
3269 increased year after year. In 2022 attacks on United States
3270 power grids rose to an all-time high. More apparently needs
3271 to be done to protect our critical energy infrastructure,
3272 which is why I plan to introduce the Critical Electric
3273 Infrastructure Cybersecurity Incident Reporting Act.

3274 Mr. Menezes, electric utilities and other energy
3275 infrastructure owners and operators are required to report
3276 critical infrastructure cyber incidents to DoE and FERC.
3277 Last Congress a law was passed that also required some of
3278 these entities to submit incidents to CISA. The FAST Act
3279 clearly establishes DoE as the sector-specific agency for
3280 energy cybersecurity, and granted them authority to address
3281 grid security emergencies. As such, DoE has the expertise to
3282 best address some of these threats.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3283 Mr. Menezes, do you agree that it makes the most sense
3284 for energy sector stakeholders to submit threat incidents to
3285 DoE, and then have DoE share that information as necessary
3286 with CISA?

3287 And secondly, how can Congress clarify DoE's role in the
3288 process?

3289 *Mr. Menezes. Thank you very much. It is very
3290 important that you clarify DoE's role that it is the agency
3291 that private sector and other government agencies need to
3292 report cyber incidents to. Because when Congress passed
3293 CISA, it created confusion as to where reports needed to go.
3294 When we were there, we knew the importance of cybersecurity.
3295 Of course, Congress had mandated cybersecurity standards. We
3296 created the Office of CESER, which remains today: the
3297 Cybersecurity, Energy Security, and Emergency Response.

3298 But within the interagency -- you are hearing this a lot
3299 from me today, I am bringing the experience that I gained in
3300 the executive branch -- is that we need to designate DoE to
3301 have -- to be the agency that all cyber incident reports on
3302 the bulk power system -- this is electricity, it is not oil
3303 and natural gas, but it is electricity -- to go to DoE. And
3304 that is important because we have all the expertise there, we

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3305 have the information sharing there, we have some of the
3306 modeling that the labs develop to look for anomalies on data
3307 pools, et cetera.

3308 So this is an important piece of legislation. It seems
3309 as though, you know, it is a simple thing to do. But we are
3310 going to need all support to get this through. And it is an
3311 important piece of legislation to give DoE clarity.

3312 *Mr. Walberg. And I would hope that it would make more
3313 efficiency in the process for Members of Congress to
3314 understand what is going on and get information and more
3315 transparency, as well.

3316 *Mr. Menezes. Absolutely.

3317 *Mr. Walberg. Mr. McNamee, as a former FERC
3318 commissioner, how will increased sharing and coordination of
3319 cyber incidents improve the safety and reliability of our
3320 electric infrastructure?

3321 *Mr. McNamee. I think it is very important that
3322 anything that can be done to make the sharing information on
3323 the bulk power system and threats to it be done. The threats
3324 are real. As you mentioned in your comments, they are
3325 happening all the time, both cyber and physical securities.

3326 And one of the things that frightens me the most is what

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3327 happens with the limited natural gas pipeline capacity up to
3328 the northeast. If there is a physical attack on the
3329 pipelines up there, you are going to lose a lot of power.
3330 Then the problems that you have on the bulk power system in
3331 relation to transformers or the SCADA systems, these things
3332 are real threats. The utilities are being pinged every
3333 single day by foreign actors trying to get into the systems
3334 to be able to flip the switch off when we need it the most,
3335 on the coldest days of the year.

3336 So I think legislation like yours makes sure that there
3337 is focus, and that is, as Secretary Menezes said, that there
3338 is one source in the government that is absolutely
3339 responsible. Of course, FERC has responsibility for
3340 establishing, along with NERC, reliability standards, SIP
3341 standards, but I think it is important that reporting go
3342 through DoE.

3343 *Mr. Walberg. Thank you. Being from Michigan, I am
3344 extremely concerned about the current backlog at EPA of
3345 hundreds of TSCA section 5 applications, and the impact it
3346 has had on our auto supply chain. Last year my Michigan
3347 colleagues and I sent a letter to Administrator Regan,
3348 imploring him for the bare minimum of timely review of two

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3349 pre-manufacturing notice applications that were essential to
3350 the launch of an EV battery plant in the state.

3351 Mr. Chairman, I would like to, if you would allow, to
3352 include that letter for the record.

3353 *Mr. Duncan. Without objection.

3354 [The information follows:]

3355

3356 *****COMMITTEE INSERT*****

3357

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3358 *Mr. Walberg. Mr. Menezes, the Biden Administration is
3359 forcing a transition to electric vehicles, yet it took almost
3360 a year for the EPA to approve this project that would supply
3361 the needed batteries. How will Representative Curtis's draft
3362 legislation improve the efficiency and timeliness of the TSCA
3363 review process, so that auto supply chains remain in the
3364 United States?

3365 *Mr. Menezes. Well, thank you, and we talked a little
3366 bit about that before.

3367 It basically -- it says that, look, not any risk is an
3368 unreasonable risk. Two, it stops them from forcing
3369 applicants to withdraw and resubmit so that they can reset
3370 the statutory deadline there. And basically, it allows them
3371 to be able to go forward after a certain time period that has
3372 elapsed while they were pending review. This will allow us
3373 to accelerate our move to the -- through the energy
3374 transition, you know, to more EV use.

3375 The letter that you mentioned, you know, expressed the
3376 frustrations clearly, and I think that is why Mr. Curtis's
3377 bill will go a long way to helping streamline the process,
3378 not remove any environmental protection.

3379 *Mr. Duncan. The gentleman's time is expired.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3380 *Mr. Walberg. Thank you, Mr. Chairman. I yield back.

3381 *Mr. Duncan. Thank you. Now we will go to New York,
3382 Mr. Clarke, for five minutes.

3383 *Ms. Clarke. Thank you, Chairman Duncan, Chairs Duncan
3384 and Johnson, and Ranking Members DeGette and Tonko for
3385 holding this hearing today. I would also like to thank our
3386 witnesses, as well, for being here to testify on these bills.

3387 There are real challenges in America's power sector as
3388 our nation begins an economy-wide transition to clean energy
3389 in the midst of the climate crisis. But I reject the premise
3390 presented today that the only way we can unleash American
3391 energy is through creating loopholes in our bedrock
3392 environmental laws and/or sacrificing the health of our
3393 communities. Many of the bills considered today would not
3394 only weaken our economic and national security, but also turn
3395 the clock backwards on the progress that we have made
3396 combating climate change and protecting public health.

3397 My first question is to Mr. Garcia.

3398 In your testimony you state that many of these bills
3399 would circumvent bedrock environmental laws like the Clean
3400 Air Act, TSCA so polluters can profit at the expense of
3401 frontline communities. Could you elaborate on the connection

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3402 between frontline communities and what waiving the Clean Air
3403 Act and Solid Waste Disposal Act would mean for communities
3404 sited near these facilities?

3405 *Mr. Garcia. Yes, absolutely. I mean, when we are
3406 talking about the Clean Air Act, one of the -- again, what
3407 they are seeking to waive with the bill that waives -- that
3408 addresses the Clean Air Act is a common-sense practice that
3409 many industries already take on, which is simply to study how
3410 can we achieve the same goals that we already have in a safer
3411 way.

3412 And we are dealing with hydrofluoric acid. And it
3413 exempts any refinery that uses hydrofluoric acid from that
3414 requirement to study if there is a safer way to do this. It
3415 is problematic, because hydrofluoric acid is extremely
3416 dangerous to the human body. It is -- it can explode. And
3417 not only that, but there are already recorded alternatives
3418 that many across the industry already use in order to do the
3419 same thing in a safer way. And so there is really no other
3420 way to characterize this. It is something that industry
3421 absolutely doesn't need. And yet we are still seeing this
3422 bill being pushed through.

3423 So, you know, unfortunately, the brunt of this comes

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3424 down on those communities that live near these facilities and
3425 the workers that work in these facilities. Unfortunately, we
3426 have seen facilities like these blow up. And when that
3427 happens, it hurts the people who are there, first and
3428 foremost.

3429 And so I think that, you know, Vice Chair Curtis said I
3430 was being melodramatic when I was talking about life and
3431 death. But it really is. It is really hard to not get
3432 dramatic when you are talking to the families of those that
3433 get devastated by the deaths of their loved ones. And so
3434 that is what is really at stake here, and that is why we have
3435 -- what we have to keep front and center.

3436 *Ms. Clarke. Thank you. My next question is for you
3437 again, Mr. Garcia, and Mr. Slocum.

3438 So much of the discussion today has been focused on how
3439 burdensome regulations are. Can you tell us why it is so
3440 important to center community voices, especially those who
3441 have been historically marginalized, like communities of
3442 color and indigenous populations, when it comes to permitting
3443 decisions in the energy industry?

3444 *Mr. Slocum. It is absolutely essential that frontline
3445 communities that are being asked to host all of the hazards

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3446 play a prominent role in the siting process.

3447 We are working with an African American community in the
3448 Florida Panhandle that is opposed to a liquefied natural gas
3449 export terminal that -- we learned about it through a FERC
3450 regulatory process. Nobody in the local governments there
3451 had told these folks that this was the plan.

3452 And this is a common, unfortunate occurrence that we see
3453 throughout the country, where the local community does not
3454 have involvement or consent. And it is crucially important
3455 that, as part of any sort of regulatory review, that those
3456 frontline communities play a prominent role in being able to
3457 have a say in the development within their own communities.

3458 *Ms. Clarke. Thank you. Well, my time is winding down
3459 pretty quickly.

3460 Let me just say that studies have continued to find that
3461 race, more than any other demographic, is the primary
3462 indicator for living near an energy facility emitting toxic
3463 pollutants. In fact, more than half of the individuals live
3464 -- living life close to any hazardous waste site are people
3465 of color.

3466 With that, Mr. Chairman, I yield back.

3467 *Mr. Duncan. I thank the gentlelady. The chair will

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3468 now go to Mr. Carter from Georgia.

3469 *Mr. Carter. Thank you, Mr. Chairman, and thank all of
3470 you for being here.

3471 Mr. Chairman, thank you for continuing on this theme
3472 that we have started with in the Energy and Commerce
3473 Committee this year, and that is about unleashing American
3474 energy. This is extremely important. We have all seen and
3475 witnessed what happens when we neglect American energy
3476 dominance and our own independence. It is to our own
3477 detriment. We -- it results in high energy prices and
3478 diminished supply chains. And that is why I am really happy
3479 that we continue to focus on this.

3480 And we know about supply chains, but there is perhaps
3481 nothing more important in supply chains when we talk about
3482 them than critical minerals. That has to be perhaps one of,
3483 if not the most, glaring weaknesses that we have. All of you
3484 have mentioned our dependance on China for critical minerals,
3485 and how that needs to end. And we all recognize that. And
3486 we have got legislation in this package to fix that.

3487 And I want to talk about some of that, because I am
3488 eager to talk about a bill that I am introducing, and it has
3489 to do with the Solid Waste Disposal Act, and it has to do

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3490 with mining. As I understand it, when you get a mining
3491 permit, you get the first permit, then you have to -- if you
3492 are going to keep the hazardous waste for longer than 90
3493 days, you have to get a second permit. But while you are
3494 waiting on that second permit, what my legislation -- what
3495 this legislation will do will be to give you an interim
3496 permit, if you will, until you can go through the process to
3497 get the second permit.

3498 So I think it makes a lot of sense. It helps us with
3499 our supply chain for critical minerals, and it needs to be
3500 done now, because there is no time to waste. We have got to
3501 address this issue right now. No, it is not a silver bullet,
3502 but I think it is a fix that will help us tremendously.

3503 Ms. Sweeney, I want to go to you, and I want to ask you,
3504 because it is interesting. You say in your written testimony
3505 -- and I quote -- an average of 7 to 10 years to secure -- it
3506 takes an average of 7 to 10 years to secure -- one of the
3507 longest permitting processes in the world for mining projects
3508 -- to receive necessary permits to even begin to build the
3509 mine project. And then you compare this to Canada and
3510 Australia, who have kind of similar environmental regulations
3511 as we have, and there it only takes them a few years, two to

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3512 three years, to complete.

3513 How can -- how have they been able to maintain
3514 comparable environmental standards to the U.S., and complete
3515 the permitting process for new mines in a fraction of the
3516 time that we do?

3517 *Ms. Sweeney. They have a lot more coordination up
3518 front of the various agencies involved, whether they be
3519 provincial, territorial, or the overarching Canadian
3520 Government. They are seeking to do, like, one-stop
3521 permitting shopping.

3522 They also allow the project proponent to prepare the
3523 environmental impact statement, which really involves a lot
3524 of efficiencies because you are not waiting for the agencies
3525 to have to do that. But the federal -- but the government
3526 does oversee that to make sure that the rigorous rules are --

3527 *Mr. Carter. So there are a lot of lessons we could
3528 learn from them, and a lot of good takeaways from them.

3529 *Ms. Sweeney. Absolutely.

3530 *Mr. Carter. What would be one of the most immediate
3531 that could help us?

3532 *Ms. Sweeney. Up-fronting litigation. I think that is
3533 something in Canada that they are focused on, and getting

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3534 that done, so you are not at the end of your 10-year process,
3535 just entering into the litigation that could add another 10
3536 years before you can actually start operations.

3537 *Mr. Carter. Good, good. Okay, I want to go to Mr.
3538 McNamee.

3539 And when we talk about unleashing American energy, part
3540 of that is the structure of the market that the energy goes
3541 into. Can you help me out? Restructured electricity markets
3542 like regional transmission organizations, RTOs, do they lead
3543 to lower rates? Do they lead to greater reliability?

3544 I mean, tell me what the advantage, if there is any, of
3545 these are.

3546 *Mr. McNamee. They don't. And the RTOs were originally
3547 structured on the idea to use market forces to get
3548 efficiencies.

3549 But the problem is that there are seven RTOs in the
3550 country, six of them regulated by FERC. The problem is that
3551 they use marginal pricing to set power prices, so you get
3552 bids in by each of the generators into -- to bid to meet
3553 every five minutes of what the energy needed.

3554 And the problem is usually natural gas does set the
3555 clearing price on that, but every other resource is getting

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3556 paid that natural gas price. So if you are a subsidized
3557 renewable, you have no fuel costs, you have tax credits, yet
3558 you are getting paid the natural gas price. So the economic
3559 benefits of renewables are not passing through to customers.
3560 Hence the reason energy prices keep going up, despite adding
3561 all these renewables.

3562 And then secondly, you have got a reliability problem
3563 because none of these generators are like your utility. None
3564 of them have an obligation to serve. And so they bid in, and
3565 if they are picked, they run. If they don't -- but then you
3566 have problems like you had in Texas, which you have seen also
3567 in this past winter, where there is no incentive to winterize
3568 your unit because you are, like, well, why should I do it if
3569 it is going to make it more expensive?

3570 What you want is a system that allows -- that is
3571 designed to serve the people, and you need reliability as the
3572 number-one thing.

3573 *Mr. Carter. Good. Well, thank you all.

3574 And again, this permitting process is crushing us. We
3575 have got to do something about it.

3576 Thank you, Mr. Chairman. I yield back.

3577 *Mr. Duncan. The gentleman -- the chair will now

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3578 recognize Ms. Barragan for five minutes.

3579 *Ms. Barragan. Thank you, Mr. Chair. I am especially
3580 concerned about legislation under consideration today which
3581 says that no hazard assessment is required on the use of
3582 hydrofluoric acid at a refinery to understand the risk of an
3583 accidental release. This chemical is deadly. It is toxic.
3584 It is deadly toxic to people, and it is extremely corrosive.
3585 A hazard assessment is a common, safe safety measure the
3586 Environmental Protection Agency has proposed.

3587 We also know there are safer alternatives available that
3588 many refineries already use.

3589 The refineries in and near my district that still use
3590 hydrofluoric acid -- and it is a safety -- a serious safety
3591 concern. In 2015 there was a near miss at a refinery near my
3592 district in Torrance, California. An explosion at the
3593 refinery launched debris that landed close to two tanks
3594 containing hydrofluoric acid. People could have been killed.

3595 Mr. Garcia, what safer technologies are available for
3596 oil refineries to replace hydrofluoric acid, and should the
3597 oil industry have to consider them?

3598 *Mr. Garcia. Yes. I mean, there are quantities of
3599 alternatives. And that is the saddest part about this bill,

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3600 is that there are quantities. One of them is sulfuric acid.

3601 But the idea is that that is what the analysis should
3602 tell you, right? That is what the analysis that industry
3603 should have to do. That is the one that tells you, yes,
3604 there are better alternatives to do this and still accomplish
3605 the goal that we need to accomplish.

3606 And so when we hear about it, just this piece of the
3607 Clean Air Act being completely dismantled, it is really
3608 puzzling because you have everything -- industry has
3609 everything that it could want in order to keep this in the
3610 books, and that -- actually, compliance is relatively easy.
3611 So it is puzzling to see this.

3612 *Ms. Barragan. Thank you.

3613 Mr. Chair, I would like to enter into the record a
3614 letter I led with Senator Booker to EPA on the proposed risk
3615 management plan rule signed by 47 Members and Senators. The
3616 letter asks EPA to finalize a rule that requires refineries
3617 to transition to safer chemicals and processes. This letter
3618 was supported by environmental groups and labor, including
3619 the United Steelworkers and United Auto Workers.

3620 I will hand you that letter at the end of the
3621 questioning.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3622 *Mr. Duncan. Without objection.

3623 [The information follows:]

3624

3625 *****COMMITTEE INSERT*****

3626

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3627 *Ms. Barragan. Mr. Slocum, I am concerned about the
3628 Unlocking our Domestic LNG Potential Act, which eliminates
3629 the requirement that our Department of Energy find imports
3630 and exports to be consistent with the public interest.

3631 What could the consequences of this bill be on domestic
3632 energy prices and our climate?

3633 *Mr. Slocum. Well, the public interest should be
3634 comprehensive. It should look at environmental justice
3635 considerations. It should look at climate and clean energy
3636 considerations. So it should be requiring the Department of
3637 Energy to perform those assessments, to require applicants to
3638 document how LNG exports -- whether or not they are
3639 displacing dirtier forms of energy abroad, or whether or not
3640 they are displacing renewables by bolstering existing gas
3641 infrastructure.

3642 Right now, the Department of Energy is not performing
3643 that assessment. To eliminate that assessment all together,
3644 which has been in place for 85 years, would be a huge
3645 disservice to communities, especially in the Gulf, that are
3646 being asked to host these massive facilities.

3647 *Ms. Barragan. Well, thank you for that, and thank you
3648 for raising the issue of environmental justice issues.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3649 I share the climate concerns, and I want to underscore
3650 the impact of energy prices because my constituents have been
3651 hit hard by this -- by rising natural gas prices. And this
3652 shows how volatile fossil fuel prices are, and why we need
3653 the Department of Energy to be a check on the fossil fuel
3654 industry's proposals to have countries like China competing
3655 with American consumers to buy gas. This is why the
3656 Industrial Energy Consumers of America, a coalition of
3657 manufacturing companies, has opposed this bill. I think it
3658 is bad for the U.S. manufacturing.

3659 Mr. Garcia, legislation under consideration proposes to
3660 repeal the Greenhouse Gas Reduction Fund that was passed by
3661 Democrats in the Inflation Reduction Act. This fund would
3662 provide low-income communities with grants and loans to
3663 reduce greenhouse gas emissions with zero emissions
3664 technologies. Can this fund help low-income residents to
3665 reduce their energy bills?

3666 *Mr. Garcia. Absolutely. I mean -- and we saw that --
3667 that fund is really meant to make sure that we don't make the
3668 mistakes that have happened in previous energy revolutions,
3669 where often people of color and low income get left out. And
3670 so this fund is specifically meant to make sure that low-

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3671 income and people of color have access to those funds.

3672 *Ms. Barragan. And can the fund help create clean jobs,
3673 energy jobs, in low economic communities --

3674 *Ms. Garcia. Absolutely.

3675 *Ms. Barragan. -- low-income communities?

3676 *Mr. Garcia. Absolutely.

3677 *Ms. Barragan. Well, thank you for that. It is
3678 unfortunate, the Republican talk about lowering energy costs
3679 and creating jobs. They talk about it, but they want to
3680 repeal programs that empower communities to do just that.

3681 With that, Mr. Chair, I yield back.

3682 *Mr. Duncan. The gentlelady yields back, and the chair
3683 will now go to the gentlelady from Arizona, Mrs. Lesko, for
3684 five minutes.

3685 Before I do that, there are going to be votes called
3686 around 1:30. Apparently, there is two votes. We are going
3687 to plow through and get as far as we can, but we will recess
3688 and come back, and finish the hearing. Members are
3689 encouraged to come back right after the second vote is
3690 called. And vote, come back, and we will get back on it,
3691 because there is another hearing following this.

3692 Mrs. Lesko, you are recognized for five minutes.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3693 *Mrs. Lesko. Well, thank you, Mr. Chairman. I love
3694 this committee, because we are talking about energy, critical
3695 minerals on the environment. What could be more important
3696 than that?

3697 Mr. Chairman, I am proud to sponsor the House concurrent
3698 resolution expressing disapproval of the revocation by
3699 President Biden of the presidential permit for the Keystone
3700 XL pipeline. This is a simple resolution, and I hope my
3701 colleagues will support it. Many of my colleagues on the
3702 other side of the aisle have said they disapprove of the
3703 cancellation of the Keystone XL pipeline, and this resolution
3704 gives them and the entire House of Representatives the
3705 opportunity to show our disapproval.

3706 On day one of his Administration, President Biden
3707 canceled the Keystone pipeline. Soon after he canceled the
3708 Keystone, he removed sanctions on the Nord Stream II
3709 pipeline. This paved the way for Russia to hold the EU
3710 hostage to Russia's energy, and not allow cleaner, U.S.-
3711 provided LNG.

3712 Canceling the Keystone pipeline did not stop the
3713 drilling or exporting of the sand oils, as the extreme
3714 environmentalists thought. The 830,000 barrels per day of

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3715 crude oil from Alberta, Canada is still being produced, and
3716 being shipped via rail or other pipelines. Canada's oil
3717 sands producers were able to export a record amount of crude
3718 in 2022 to overseas markets, including China and India. So
3719 instead of providing well-paying jobs for Americans, the
3720 Biden Administration prefers those jobs to go elsewhere.

3721 The cancellation of the pipeline also did little to stop
3722 emissions. CO2 emissions will increase, since much of the
3723 oil is now transported by the railroads, a much dirtier
3724 method of transit, instead of the pipeline. Rail transport
3725 also increases the risk of derailment and ensuring
3726 environmental damage of spilled oil.

3727 Mr. Menezes, thank you for pointing out in your written
3728 testimony another shortcoming of President Biden canceling
3729 the Keystone pipeline: the fact that the U.S. and its allies
3730 would have had access to Canadian oil to lessen the import
3731 and use of Russian oil. Canceling the pipeline was a
3732 horrible financial decision, in my opinion. Developers of
3733 Keystone XL are seeking to recoup more than \$15 billion in
3734 damages connected to President Biden's decision.

3735 Mr. Menezes, what other financial losses can you comment
3736 on, due to the cancellation of the XL Pipeline?

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3737 *Mr. Menezes. Well, I was going to add that, you know,
3738 we import about 700,000 barrels per day from Russia. So the
3739 Keystone Pipeline could have also been used to offset that
3740 amount as we, along with all other NATO countries and our
3741 allies, have said no to Russia resources. So it is very
3742 significant, as we have been talking about all morning.

3743 The fact is that, if you can increase supply, you are
3744 going to have downward pressure on prices, you know, for our
3745 -- you know, for your constituents and for the American
3746 people. And I know, you know, people want to have it both
3747 ways, right? They would like to stop -- to have refineries
3748 operate, but they want their constituents to have cheap gas.
3749 You can't have it both ways.

3750 *Mrs. Lesko. Thank you.

3751 *Mr. Menezes. We can have environmentally compliant
3752 refineries in operation and making rational decisions to
3753 remove the bottlenecks. But that is just common-sense
3754 approaches, really, is everything we are considering today.

3755 *Mrs. Lesko. Thank you. My next question is for Ms.
3756 Sweeney.

3757 Ms. Sweeney, copper is not listed as a critical mineral,
3758 although it is -- I think it uses four times as much copper

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3759 in an electrical vehicle as in a standard vehicle and other
3760 things. Why do you think that copper isn't listed as a
3761 critical mineral, and do you think it should be?

3762 *Ms. Sweeney. I definitely think that it should be. I
3763 think that it actually does meet the U.S. Geological Survey
3764 criteria. But when they were doing the latest list, they
3765 didn't have the most recent data in front of them. I think,
3766 using the data today, that copper would definitely make that
3767 list.

3768 However, you know, in National Mining Association's
3769 viewpoint, anything that you need and can't get really should
3770 be critical. So maybe those kinds of criticality lists don't
3771 just make the most sense because, as technologies change,
3772 something that is critical today may not be critical
3773 tomorrow.

3774 You know, people were talking about substitutions.
3775 Well, then you are creating a new critical mineral, because
3776 something that maybe we use now to substitute becomes the
3777 next big thing that everybody is going to need. So if we
3778 just had efficient permitting, criticality doesn't matter so
3779 much.

3780 *Mrs. Lesko. Well, good. And I hope that copper is

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3781 added to the critical mineral list, because I am from
3782 Arizona, we produce lots of copper, and it is unfortunate
3783 that the Resolution Copper Mine has been put on hold. The
3784 final impact -- environmental impact statement was approved
3785 under the former Administration, and now has been put on
3786 hold, plus a lawsuit.

3787 So I yield back. Thank you.

3788 *Mr. Duncan. I thank the gentlelady. The chair will
3789 now go to Dr. Ruiz for five minutes.

3790 *Mr. Ruiz. I would like to inform the gentlewoman from
3791 Arizona that I am very familiar with the copper mines in
3792 Arizona. My family actually worked in those copper mines in
3793 years past. I believe it is the Bisbee Queen's Copper Mines
3794 is one of those big, big areas.

3795 But thank you, Chairman. I would like to address a
3796 recurring theme that I have seen in multiple pieces of
3797 legislation before this committee today. In these pieces of
3798 legislation I see bills that are sacrificing key provisions
3799 of landmark legislation that help protect people's health,
3800 like the Clean Air Act, to -- in order to increase critical
3801 mineral extraction. And that is the wrong approach.

3802 Frontline communities already bear too much of the

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3803 burden of the environmental injustice. To name an example,
3804 people living near fossil fuel drilling sites are at greater
3805 risk for pre-term birth, cancer, asthma, and other
3806 respiratory diseases. I mean, it is a direct link to real
3807 people's health, childhood asthma, COPD, all these other
3808 things.

3809 As a doctor, the health of my constituents is my top
3810 concern, and I have seen firsthand that we must do more to
3811 protect vulnerable communities from pollution and other
3812 environmental dangers.

3813 I do want to be clear that I am not against critical
3814 mineral production. I have been unequivocal that we need to
3815 build our domestic supply chains. And as a prime example of
3816 this is right in my own district, in the Imperial Valley or
3817 the Imperial County.

3818 In the Imperial Valley, the Salton Sea has a massive
3819 supply of lithium. In fact, it is the fifth largest lithium
3820 deposit in the whole world. It has the potential to supply
3821 the lithium needed for electrical vehicle batteries and our
3822 clean energy future. We import the vast majority of our
3823 batteries and our lithium from other countries that are not
3824 aligned with our world views. We call the area Lithium

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3825 Valley back home to emphasize the potential that this lithium
3826 has to transform the region.

3827 And beyond powering our country towards its clean energy
3828 future, I believe that Lithium Valley can also provide a
3829 model for how we can both protect our community's health and
3830 get the critical minerals we need. And how do we do that?

3831 So instead of hardrock mining or salt flat evaporation,
3832 breaking up the earth, putting more dust in the air, et
3833 cetera, in Imperial County the lithium is extracted from
3834 geothermal production. So it is in a closed loop cycle, and
3835 the brine that goes through this closed loop as they
3836 naturally produce geothermal energy -- which is a good thing
3837 -- they filter that brine out to extract the lithium. And so
3838 it is better for the environment and better for our
3839 communities. This shows that we don't have to sacrifice
3840 health and the environment. We can have a win-win for the
3841 environment, for our public health, and for places like the
3842 Imperial Valley.

3843 Mr. Raul Garcia -- I like your first name, by the way.
3844 We share that. In Spanish we would call each other tocayos.
3845 In your testimony you note that our country doesn't have to
3846 make this false choice between energy creation and protecting

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3847 the health and safety of our vulnerable communities.

3848 Tell me more about that, and as it applies to the
3849 critical mineral production, as well.

3850 *Mr. Garcia. Well, I think that when we are talking
3851 about critical mineral production, we want to make sure that
3852 we are using the resources that are available to us that are
3853 the safest ways to use the critical minerals. And that --
3854 when that requires mining, it has to follow the law. It
3855 shouldn't -- we shouldn't be seeking exceptions to the law in
3856 order to make sure that this happens safely. We actually
3857 need to make sure that it applies.

3858 We also need to make sure that we, as you mentioned,
3859 have a circular economy on critical minerals. So making sure
3860 that they are being recycled, and that when they are being
3861 recycled they are being -- the recycling is being done
3862 responsibly and in a clean way, the -- whether it is
3863 extraction or recycling of it. And again, those laws, those
3864 bedrock laws are in place.

3865 Now, we have talked a lot about permitting in some
3866 places and how long it takes. But I like to point out that a
3867 lot of the delays that happen on permitting are actually not
3868 done because of the requirements of the permitting structures

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3869 themselves. They are done because the agencies are being
3870 starved from actual funding in order to carry out the
3871 permitting.

3872 And so, if we want to speed up permitting, when we are
3873 talking about -- whether it is a mine or whether it is
3874 something else, you actually need to fund the agency in order
3875 to make sure that the experts are going to do so, are going
3876 to get out the permits in a way that is going to protect
3877 communities on the ground.

3878 *Mr. Ruiz. Catch-22, right? Chipping away government
3879 in order to make it as ineffective as possible, and then
3880 complaining that they can't do their job and it is too slow.
3881 So the only result is going to be to eliminate government at
3882 all, and eliminate these rules that protect the health. And
3883 that is not necessarily feasible or the right thing to do for
3884 the American people.

3885 But with that my time is over, and I yield back.

3886 *Mr. Duncan. I appreciate the gentleman. The chair
3887 will now go to another gentleman from the crossroads of
3888 America, Mr. Pence, for five minutes.

3889 *Mr. Pence. I thank you, Chairmen Duncan and Johnson,
3890 and Ranking Members DeGette and Tonko for holding this

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3891 hearing. And thank you to the witnesses for appearing today.

3892 The bills before us begin to shore up our national
3893 energy strategy, lower energy prices for Hoosiers, and put
3894 our nation back on track towards energy dominance.

3895 The Biden Administration's electrification-or-nothing
3896 approach is only deepening our reliance on China and leaving
3897 our country vulnerable in the event of a national emergency.
3898 Despite what the Biden Administration is telling us, demand
3899 for oil and natural gas will only increase around the world.

3900 Petroleum products are the lifeblood of the American
3901 economy, fueling businesses to bring good-paying jobs and
3902 lowering energy costs for families.

3903 Over the past two years, the Biden Administration has
3904 failed to put forth a coherent energy strategy. Hoosiers in
3905 southern Indiana deserve answers on why this Administration
3906 has made it more expensive for families to heat their homes,
3907 and for business and families to keep their lights on at the
3908 old prices. And I hope we hear a little bit of that tonight.

3909 My legislation being considered today would provide
3910 waivers for critical energy resources in the event of a
3911 national security emergency. And I quote, "If the
3912 administrator of the Environmental Protection Agency, in

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3913 consultation with the Secretary of Energy, determines that
3914 the processing and refining of a critical energy resource at
3915 a critical energy resource facility is important to the
3916 national security or energy security of the United States,
3917 then the administrator may waive application of any
3918 requirement, sanction, or fee under the Clean Air Act.'`

3919 And by the way, I am one of the few -- I am old enough,
3920 I actually read the Clean Air Act when it came back -- came
3921 out many, many years ago.

3922 This bill would ensure that the Federal Government can
3923 act swiftly to preserve access to energy supplies. And I
3924 look forward to hearing constructive feedback on how to
3925 improve this legislation and provide the Federal Government
3926 with tools to respond in the event of a crisis.

3927 Mr. Menezes, I am going to direct my question and my
3928 comments to you at this point. Back in 2005 I went in with
3929 then-Governor Mitch Daniels when he became governor in the
3930 State of Indiana, and I was the chief deputy commissioner of
3931 the Indiana Department of Environmental Management. And the
3932 biggest problem in the State of Indiana was over-regulation
3933 by the EPA and IDEM. It was inhibiting business growth. It
3934 was holding farmers down. It was costing too much money.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3935 The regulations were just crushing the State of Indiana.

3936 And that got changed. At that point the State of
3937 Indiana was \$2 billion in the hole, and today there are \$6
3938 billion to the good.

3939 My question to you: In the event of a national security
3940 emergency that threatens access to critical energy resources,
3941 what sort of emergency authority tools exist to address
3942 severe supply disruptions for different types of energy?

3943 *Mr. Menezes. Right. Well, there -- that is where the
3944 confusion lies here, because we face emergencies regularly.
3945 You go into the executive branch, you know, as a public
3946 official. So the president and his team typically says, what
3947 do -- what can we do at this point? And it is can -- does
3948 the Constitution prohibit it? Has Congress prohibited such
3949 action? Has Congress authorized?

3950 And with respect to waivers, Clean Air Act, Jones Act
3951 waivers, these kinds of things, Stafford Act, declarations of
3952 emergencies, what waiver authority is there, we have a body
3953 of law that kind of -- the executive branch runs fairly well.
3954 Where it gets diffused and confused is anything thereafter
3955 that.

3956 And so, you can look at all of these different laws, and

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3957 you don't see anything with respect to, really, energy,
3958 critical energy resources, in there. And so, as a
3959 consequence, being at the department, you are kind of brought
3960 in at the last minute. In fact, the Department of Defense
3961 has a lot of clear, you know, emergency -- they weigh in,
3962 they can do things. Commerce, even Transportation. MARAD
3963 under the Jones Act. The Department of Energy is just like
3964 sort of forgotten about. So you are in there, trying to
3965 focus on the importance of energy.

3966 Puerto Rico. I mean, the governor would tell us -- they
3967 would come to Energy and say, "We can't do anything without
3968 energy. Our water doesn't work, our hospitals can't run. We
3969 can't do anything without energy. What are you doing for
3970 energy?' ' You don't have those authorities, those clear
3971 authorities on the books to be able to have Energy play a key
3972 role in solving crises during these emergencies.

3973 *Mr. Pence. So would you agree, as a former deputy
3974 secretary, that this bill would add a little clarity to that?

3975 *Mr. Menezes. Add clarity --

3976 *Mr. Pence. And help everybody out, both --

3977 *Mr. Menezes. Office of Legal Counsel, believe me, it
3978 would --

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

3979 *Mr. Pence. All right.

3980 *Mr. Menezes. -- help tremendously.

3981 *Mr. Pence. Thank you. I yield back.

3982 *Mr. Duncan. Okay, the chair now goes to Ms. Blunt
3983 Rochester for five minutes.

3984 *Ms. Blunt Rochester. Thank you, Mr. Chairman, and
3985 thank you to all of our witnesses today.

3986 Across the country we are already seeing the impacts of
3987 the Infrastructure Investment and Jobs Act and the Inflation
3988 Reduction Act. We are seeing a commitment to a cleaner
3989 economy and cleaner planet, and a commitment to our American
3990 manufacturers and workers.

3991 Just in the six months since the Inflation Reduction Act
3992 became law, companies have announced over 100,000 new
3993 domestic clean energy jobs, and billions of dollars in new
3994 manufacturing investments. This historic law -- or both of
3995 these laws have actually created a path to a stronger, more
3996 resilient domestic energy system, all while combating the
3997 ongoing climate crisis.

3998 But unfortunately, the bills and resolutions that we see
3999 before us today would force us off that path. They neglect
4000 to address the global shift toward clean, renewable energy,

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4001 and focus instead on expanding the fossil fuel industry by
4002 creating loopholes for important environmental and public
4003 health protections. We need legislation that not only
4004 protects our domestic energy interests, but also protects the
4005 environment and health of all Americans.

4006 My questions are for Mr. Garcia. One of the bills being
4007 heard today relates to EPA's risk management program rule,
4008 also known as the Chemical Disaster Prevention Rule. The
4009 proposed legislation would amend the Clean Air Act to exempt
4010 refineries that use extremely dangerous hydrofluoric acid
4011 from assessing whether they could potentially use safer
4012 technologies. I am concerned about any legislation that
4013 weakens the Clean Air Act, but I am particularly concerned
4014 about a bill that guts a common-sense practice that would
4015 save lives and prevent disasters.

4016 Mr. Garcia, can you speak to how clients that your
4017 organization represents use foundational laws like the Clean
4018 Air Act to protect themselves from dangerous polluters in
4019 courts, and how creating exemptions for them using the
4020 vaguely defined "critical energy resource" would gut those
4021 legal protections?

4022 *Mr. Garcia. Yes, absolutely. So what we see is that

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4023 the way that permitting should work, and the way that --
4024 whether it is the Clean Air Act or anything else -- it should
4025 work in a way that industry, along with the communities, are
4026 equal partners in a way that identifies the best science in
4027 order to follow through on whatever the permit would allow,
4028 with the health and safety of the communities most impacted.
4029 And that is exactly what the what the RNP does, right? It
4030 is, in fact, a study. And why would we ever want to stymie
4031 innovation in this process?

4032 I believe that, from a lot of folks here today, we keep
4033 talking -- we keep hearing about the next chemical, and the
4034 next metal, and the next thing that we are going to see. Why
4035 aren't we applying the same level of innovation to the
4036 standards that would protect our communities in the process?

4037 And so that -- I think that is a question that has to be
4038 answered. But that is what the process is. And the fact
4039 that the bill seeks to exempt it from exploring that
4040 innovation is very problematic in all sorts of ways.

4041 *Ms. Blunt Rochester. Another bill that we heard about
4042 today authorizes the use of flexible air permitting with
4043 respect to certain critical energy resource facilities. In
4044 your written testimony you stated that using flexible air

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4045 permitting in this manner would take the science out of air
4046 permitting decisions. Can you elaborate on that statement,
4047 and discuss the risks associated with this use of flexible
4048 air permitting?

4049 *Mr. Garcia. Yes, absolutely. We have -- when we are
4050 talking about permitting, there are certain standards that
4051 industry or whoever wants the permit needs to comply with.
4052 In flexible air permitting, as we have it in the bill,
4053 essentially, the administration gets to pick winners or
4054 losers, never mind the actual standards.

4055 And so, when you have an administration that is really
4056 not looking after the health and safety of the people on the
4057 ground, that is really looking for corporate profits and
4058 things like that, it really just allows them to pick
4059 favorites. And unfortunately, there is a long history of
4060 which industries they pick to be favorites in that process.

4061 *Ms. Blunt Rochester. And just as a follow-up, can you
4062 talk about the public health and environmental implications
4063 of that?

4064 *Mr. Garcia. Yes, absolutely. I mean, the idea is that
4065 you are leaving out the science, and at the same time you are
4066 ramming the most dangerous alternatives out there down

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4067 communities' throats. Right?

4068 And so they are the ones that would have to live with,
4069 God forbid, any explosion that happens, the workers
4070 themselves. They are the ones who have to deal with the
4071 consequences.

4072 *Ms. Blunt Rochester. Thank you so much, and I yield
4073 back.

4074 *Mr. Duncan. The chair will go now to Dr. Joyce for
4075 five minutes.

4076 *Mr. Joyce. I want to thank the chairman for holding
4077 this critical hearing today.

4078 As we begin the 118th Congress, we continue to hear from
4079 our constituents at home that the high costs at the pump and
4080 in their electric bills are kitchen table issues that they
4081 deal with every day.

4082 The fact is, the only way to bring down prices is to
4083 increase supply. We have been blessed in this country to
4084 have plentiful reserves of natural resources. In my home
4085 state of Pennsylvania, we have significant deposits of coal
4086 and natural gas. In the last 20 years alone, new drilling
4087 techniques have led to the shale gas revolution, and
4088 Pennsylvania is now the second largest net supplier of energy

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4089 to all other states. In my conversations with energy
4090 producers, they make it clear that the Commonwealth of
4091 Pennsylvania has much more that it can give.

4092 What is standing in the way of unleashing the resources
4093 under the feet of my constituents? It is the Biden
4094 Administration's war on American energy.

4095 At every step, this Administration has held up and
4096 hindered the production of American coal, oil, and natural
4097 gas. From creating restrictive and burdensome regulations to
4098 attempts to scare away capital investment from fossil fuels,
4099 the Biden Administration has stifled supply and caused prices
4100 to rise.

4101 Mr. Chairman, I ask unanimous consent to submit for the
4102 record a report by the National Fire Protection Association,
4103 published in July of 2020, which I will submit at the end of
4104 my questioning.

4105 Just last month, an Administration official raised the
4106 possibility of banning gas stoves due to safety concerns.
4107 Well, let's look at the science, a report by the NFPA. These
4108 claims of unsafe natural gas stoves are incorrect. Gas
4109 stoves are incredibly safe to use. In fact, electric ranges
4110 are over 200 percent more likely to cause a fire, and over

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4111 300 percent more likely to cause a deadly fire, and close to
4112 500 percent more likely to cause fire-related injury than gas
4113 ranges.

4114 This misguided attempt to ban gas stoves shows yet
4115 another step that the Biden Administration is attempting to
4116 move the market away from American energy products like
4117 natural gas. It is time to stop playing political games and
4118 do what is best for our constituents.

4119 No producer single-handedly affects the price, but by
4120 giving businesses regulatory certainty and providing
4121 confidence to capital markets assures that the domestic
4122 production of energy is here to stay. We can lower prices
4123 and reclaim American energy dominance.

4124 My first question is for Mr. Eshelman.

4125 How do aggressive and targeted attempts to discourage
4126 investment in natural gas affect production?

4127 *Mr. Eshelman. Well, first off, to hit on your point
4128 about the natural gas stoves, I think this is a real personal
4129 intrusion, that the government is trying to tell consumers
4130 what kind of choices they can make. So it is what kind of --
4131 how you can cook, what kind of cars you can drive, how you
4132 can heat your home. So that is a very important point to

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4133 bring up. I think consumer choice is at risk here with this
4134 Administration.

4135 Second, business thrives where there is a predictable
4136 landscape. So we need state and local governments and the
4137 Federal Government all work together to streamline their
4138 processes so we can get some permitting done, as well as
4139 exploration and production, and particularly in Pennsylvania.

4140 *Mr. Joyce. Thank you. My next question is for Mr.
4141 Menezes.

4142 I mentioned the need for regulatory certainty in my
4143 earlier remarks. I have a draft bill that would enable
4144 critical mineral facilities to work with the EPA in advance
4145 of the permitting process so that they can react to surges in
4146 the market without needing to restart the permitting process.

4147 Currently, how do regulated critical materials entities
4148 deal with large increases in market demand, and what relief
4149 would this bill give them?

4150 *Mr. Menezes. You know, currently I believe there are
4151 some 300 backlogged applications pending at EPA for the
4152 permits that you have requested, and that number is only
4153 growing, really, to take advantage of a lot of the provisions
4154 that were in the IRA. Capital wants to be expended. This

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4155 new investment will involve new chemicals, et cetera. They
4156 want to get their permits.

4157 A lot of the funding is based on you have to have the
4158 permits first. And so frustration is mounting that we can't
4159 seem to figure out how to get EPA to really just follow the
4160 law, implement the law, get the permits out, and let's try to
4161 embrace the new future with these new chemicals and our
4162 energy --

4163 *Mr. Joyce. Thank you for addressing this critical
4164 issue.

4165 My time is expiring. Thank you, and I yield.

4166 *Mr. Duncan. Okay. The chair is going to go to Ms.
4167 Schrier next. And when she finishes her five minutes, we are
4168 going to take a recess for members to go vote.

4169 Members are reminded we are going to meet again right
4170 after the second vote opens. Vote, come on back. We are
4171 going to go to Kelly Armstrong first up when we come back.

4172 So Ms. Schrier is recognized for five minutes.

4173 *Ms. Schrier. Thank you very much, Mr. Chairman. And
4174 thank you to our witnesses. This has been a really
4175 interesting discussion.

4176 You know, last week one of my Republican colleagues

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4177 acknowledged that there is actually a lot of common ground,
4178 that there is bipartisan agreement that we all want to be
4179 good stewards of the earth, that careful use of resources is
4180 important, and decreasing greenhouse gas emissions is one
4181 element of how we can be good stewards of this earth.

4182 So I was so inspired by these prospects of
4183 bipartisanship that the very next day I met with Democratic
4184 and Republican House and Senate members at a breakfast
4185 discussion about the real practicalities. Like, let's just
4186 get down to nuts and bolts about how we are really going to
4187 get the changes we need made with clean energy in a timely
4188 fashion to actually make the difference that we need to make.

4189 And one important practicality had to do with how delays
4190 in permitting and years of litigation could thwart our very
4191 best efforts to make the changes that we need to achieve our
4192 clean energy goals. And just to be clear on where I stand, I
4193 am not suggesting in any way that we gut our bedrock
4194 environmental protection laws, but we need to make some
4195 pragmatic, necessary reforms, like faster timelines, in order
4196 to have a realistic shot of meeting these clean energy and
4197 emissions goals.

4198 So I am looking for areas where bipartisanship is

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4199 possible, and I think we have some opportunity for common
4200 ground here.

4201 I also believe and know that our production of renewable
4202 energy is only as good as the electric grid that we have.
4203 And the broader system and our Federal permitting laws were
4204 primarily written for the fossil fuel era. And so it is time
4205 to kind of rethink how we can streamline, and it requires
4206 some very practical conversations, not trying to speed every
4207 answer to yes, but at least getting to a yes or a no quickly
4208 so we can move on.

4209 So, Mr. McNamee, I appreciated your testimony. You
4210 noted that Congress should consider reforming NEPA and the
4211 APA to limit how legal challenges can be made against agency
4212 actions. Of course, this is a, as you refer to it, a two-
4213 edged sword, and that we want agencies to be accountable, we
4214 need public input. And so Congress has to do this balancing
4215 act. I was wondering if you could talk a little bit about
4216 this.

4217 And I am confining the way I think about this to the
4218 speeding of clean energy projects.

4219 *Mr. McNamee. Thank you for the question. The -- one
4220 of the key problems is that the way NEPA litigation -- when

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4221 Congress passed NEPA, there was no cause of action. They
4222 thought they just wanted agencies to look at the
4223 environmental impacts, and make sure they consider it.

4224 The Administrative Procedure Act allows parties to
4225 challenge an agency action for being arbitrary and
4226 capricious. And so then they say, well, if the agency didn't
4227 make the decision properly on NEPA, that is arbitrary and
4228 capricious, and so that can be pulled back. An example, FERC
4229 in the last few months had a -- I think it was the D.C.
4230 Circuit sent back an approval that they made because, even
4231 though they addressed the issue, they forgot to cite -- make
4232 a citation to a reg. And so they had to send it back. That
4233 just seems to me to be things that don't need to happen. So
4234 there can be ways to streamline that.

4235 In terms of the clean energy, the thing that I find
4236 somewhat kind of amusing is that the -- that often the same
4237 people who didn't like underground natural pipelines suddenly
4238 say, "We need to fix permitting for, you know, 400 miles of
4239 lattice towers for transmission lines to get wind from the
4240 Midwest to the coasts," going through, you know, farms,
4241 ranches, et cetera.

4242 And what I think it is, we have to look at what are the

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4243 real problems. Because I think what the renewable developers
4244 have realized is there is a NEPA problem. There is a
4245 problem. And so we need to come up with a solution that fits
4246 one size for fitting all, not just picking --

4247 *Ms. Schrier. And I will give you just some feedback on
4248 that. One of those things pollutes, one doesn't. One, in
4249 many cases, lines are already there. But we -- that is a
4250 discussion for another day.

4251 I wanted to just turn at the end to just a really
4252 pragmatic example: hydropower. I come from Washington
4253 State. Hydropower makes up a third of the renewable energy
4254 in the United States. It makes up about half of the
4255 electricity we use in Washington State. And with the looming
4256 climate crisis, hydropower is going to be critical. You
4257 know, it provides baseload, just like nuclear and like
4258 natural gas, that wind and solar just can't provide. And so
4259 hydropower is critical.

4260 And right now it turns out that just about three percent
4261 of dams in this country generate hydropower. And this is an
4262 area where the chairwoman of this committee and I really
4263 agree, that this is exactly the kind of project where, if you
4264 consider the net environmental benefit, you consider the

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4265 economics, you consider the energy benefits, that this sort
4266 of project might be ideal for having a speedier pathway to a
4267 yes or a no.

4268 So I want to thank you, and I yield back my time.

4269 *Mr. Duncan. The gentlelady yields back.

4270 So members are reminded that we are going to come back
4271 right after the second vote opens. So vote and come back,
4272 and I am going to take them in order. Kelly Armstrong is up
4273 next.

4274 Witnesses are asked to remain. If you need to get up,
4275 stretch your legs, bathrooms are down the hall. Apparently,
4276 there is a lot of people in the lobby out here, so you may
4277 not want to go that way.

4278 And we will stand in recess until we get back.

4279 [Recess.]

4280 *Mr. Duncan. All right. We are going to go ahead and
4281 get started. So I will call the subcommittee back in order.

4282 And I will now go to Mr. Armstrong from North Dakota for
4283 five minutes.

4284 *Mr. Armstrong. Thank you, Mr. Chairman. In 2017, when
4285 this committee held a hearing on the Promoting Cross-border
4286 Energy Infrastructure Act, Ranking Member Pallone remarked at

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4287 the time, "With President Trump already approving the
4288 Keystone XL Pipeline, it is unclear to me why Republicans
4289 feel it is necessary to strip the President of his authority.
4290 Do my colleagues on the other side of the aisle honestly not
4291 have confidence in President Trump?'`

4292 It is not that Republicans didn't have confidence in
4293 President Trump, it is that Republicans didn't have
4294 confidence in future administrations to make rational
4295 decisions regarding energy's infrastructure. We only had to
4296 wait a matter of hours after President Trump left office and
4297 President Biden -- for President Biden to revoke the cross-
4298 border permit for the Keystone XL Pipeline, and prove the
4299 exact reason why we need this bill.

4300 Well, it is clear that the FERC and DoE processes are
4301 not immune from political influence, which I will get to in a
4302 second. They must follow statutory and regulatory
4303 guidelines, as opposed to the impulsive decision-making
4304 process used by one president. Opponents of carbon energy
4305 have routinely exploited the uncertainty of the cross-border
4306 process to starve projects of capital investment because they
4307 understand that these projects can take decades to complete,
4308 and are not a short-term investment.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4309 We know that those who are antagonistic to carbon energy
4310 oppose every pipeline project. It has nothing to do with the
4311 merits or the environmental analysis surrounding a particular
4312 piece of infrastructure. To quote a leader of the Keep It In
4313 the Ground campaign, the Keystone XL Pipeline was never about
4314 any single pipeline. It was about establishing a litmus
4315 test. Well, the opponents of carbon energy have established
4316 that test, and they know that they can rely on domestic --
4317 Democratic administrations to undermine our energy
4318 infrastructure.

4319 Deputy Secretary Menezes, before we go any further, it
4320 is important, I think, to talk about what the Promoting
4321 Cross-border Energy Infrastructure Act does not -- what it
4322 does not do, and we need to be perfectly clear. This bill
4323 will have zero effect on NEPA or shortcut environmental
4324 reviews. Is that your understanding?

4325 *Mr. Menezes. That is my understanding.

4326 *Mr. Armstrong. Thanks. And I am going to switch over
4327 to domestic pipelines for a second.

4328 Mr. McNamee, are political considerations playing an
4329 outsized role in FERC's permitting decisions?

4330 *Mr. McNamee. I am concerned that FERC has not always

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4331 been focused on the limits of the Natural Gas Act in making
4332 its determinations.

4333 *Mr. Armstrong. Have there been any policy changes in
4334 the last two years, or is it simply that the regime has
4335 changed?

4336 *Mr. McNamee. Two things have happened. One, the
4337 regime had changed from majority Republican to majority
4338 Democrat members. And second, there were proposals for new
4339 policy statements that would have allowed the Commission to
4340 deny natural gas pipelines based on the upstream and
4341 downstream natural gas combustion, which, in my opinion, when
4342 I was on FERC, FERC did not have the authority to make those
4343 decisions under the Natural Gas Act.

4344 *Mr. Armstrong. Well, what do you think the practical
4345 impact of that would be if they -- if prior to putting a
4346 pipeline in the ground, a company had to mitigate both the
4347 oil well and the SUV?

4348 *Mr. McNamee. Well, they may not even have an
4349 opportunity to mitigate it. The FERC, if those policies were
4350 enacted, the pipeline might not be approved at all because it
4351 would be declared too harmful. And so, even though it is in
4352 the public interest, it would provide service to customers,

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4353 and it could lower prices for customers that may not be
4354 approved at all.

4355 *Mr. Armstrong. As somebody who grew up in western
4356 North Dakota, I would say an oil well is like a five-star
4357 steak restaurant and a pipelines is like McDonald's. They
4358 both make money, but they make it in very different ways.

4359 Back to Mr. Menezes. In addition to raising costs and
4360 limiting growth, roadblocks that delay or prevent the
4361 development of energy infrastructure, particularly oil and
4362 gas, threaten the overall resilience of our electric grid, as
4363 well. Can you touch on why that is important, to support
4364 efficient deployment of midstream infrastructure?

4365 *Mr. Menezes. As we have been talking about today, we
4366 need to increase supply, but we also need to increase
4367 infrastructure to make sure that supply gets delivered to the
4368 American people. That will bring downward prices onto the
4369 commodity that they are purchasing.

4370 *Mr. Armstrong. And there is also global ramifications
4371 to an efficient cross-border process in North America. I
4372 mean, we import a ton of oil from Canada. They are our
4373 closest ally and our neighbor. Maybe I am a little biased,
4374 because they are my neighbor directly to the north.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4375 *Mr. Menezes. Well, I don't --

4376 *Mr. Armstrong. What are the ramifications --

4377 *Mr. Menezes. I mean, we have about eight refineries
4378 that are designed and built to take heavy crude, heavy crude
4379 from Canada. It was also for heavy crude from Venezuela
4380 until the shale revolution. So we have refineries that are
4381 designed to take that oil. It is from Canada, you know, our
4382 largest trading partner. So it only makes sense.

4383 Plus, we talked about earlier that would have been -- we
4384 import about 700,000 barrels per day from Russia. That
4385 830,000 from Keystone would have certainly offset that.

4386 *Mr. Armstrong. I always used to say anybody who has
4387 ever looked at the process to drill a well in Canada would
4388 understand it is significantly more stringent than
4389 potentially even drilling on our Federal land. When I would
4390 talk to my friends and allies on this issue, I would say,
4391 "What can we do to make -- change people's minds?"`

4392 They would say, "Call it something other than tar sands
4393 oil, because it just sounds dirty.'" It doesn't matter that
4394 it is sour crude that we need for marine diesel. I love my
4395 Bakken sweet crude, but it doesn't work for everything.

4396 So thank you, Mr. Chairman, and I yield back.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4397 *Mr. Duncan. I thank the gentleman. So I am assuming I
4398 am going to Ms. Kuster for five minutes.

4399 *Ms. Kuster. Great. Thank you, Mr. Chairman. Let me
4400 get straight to the point. Most of the legislation before us
4401 in committee today is merely a handout to the fossil fuel
4402 industry, poorly described as an attempt to strengthen our
4403 nation's energy security.

4404 So let me be clear. Furthering our nation's
4405 independence -- dependence on fossil fuels instead of
4406 diversifying our energy sources not only weakens our energy
4407 security, but it also harms American families by leaving them
4408 vulnerable to global energy price shocks.

4409 In the first legislative hearing of this subcommittee,
4410 the Republican majority has put forward partisan legislation
4411 which stands no chance of being enacted into law, rather than
4412 focus our time on meaningful bipartisan efforts to further
4413 American energy independence. These bills simply miss the
4414 mark. While I disapprove of these misguided proposals, I
4415 remain committed to working with my Republican colleagues to
4416 find opportunities to actually deliver affordable, reliable,
4417 and domestically produced energy to the American people.

4418 One of those opportunities is bolstering our baseload

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4419 energy resources, such as hydropower and nuclear. In New
4420 Hampshire, the Seabrook Nuclear Power Plant provides low-cost
4421 baseload energy by operating at full capacity nearly year-
4422 round. This past weekend you may have heard about record-
4423 breaking cold on top of Mount Washington in my district.

4424 Under some of this winter's coldest temperatures, Seabrook
4425 continued to deliver reliable baseload energy to the grid.

4426 To protect nuclear energy as a baseload energy resource
4427 nationwide, we must also secure the uranium these plants rely
4428 upon to operate.

4429 Mr. Menezes -- Menezes? Thank you.

4430 One of these legislative items before us today would
4431 prohibit the import of low-grade uranium produced in Russia.
4432 At a time when Putin's regime is using profits from energy
4433 exports to fund a gruesome war in Ukraine, I would say
4434 cutting off Russian imports is a sound policy. Can you speak
4435 to the importance of reducing our dependence on Russian
4436 uranium, from an energy security perspective?

4437 *Mr. Menezes. Well, your question touched on the key
4438 points. Russia simply is no longer a reliable partner for
4439 any critical energy infrastructure resources at all,
4440 including the enriched uranium which our civilian nuclear

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4441 fleet has become dependent on, because it can be cheaply
4442 produced in Russia and they export it at cheap prices to
4443 ensure that our civilian nuclear fleet that competes in these
4444 RTO markets that we talked about, they can't bear any cost
4445 increase on the cost of fuel.

4446 The bill not only prohibits it, but it phases it out,
4447 and it does provide for some waivers. So it is not as though
4448 we are going to be without the fuel. That should give us
4449 enough time, because there have been some other provisions of
4450 the bill to develop our own abilities for fuel fabrication
4451 and, you know, enrichment.

4452 It is not the easiest thing to do, but we need to
4453 reclaim our leadership and our own ability, frankly, to not
4454 only mine and mill, convert, but also for fuel fabrication.
4455 And it is important because, remember, nuclear is our
4456 cleanest emission-free source of energy in the United States.

4457 *Ms. Kuster. Thank you. Like many Americans, I remain
4458 concerned by the record profits that oil companies continue
4459 to rake in, while households across the country are
4460 struggling to pay their energy bills.

4461 Mr. Slocum, in your testimony you suggested that
4462 Congress should press FERC, which is responsible for

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4463 regulating natural gas markets, to protect American consumers
4464 from price manipulation that could increase natural gas
4465 prices and America's energy bills. What steps can FERC take
4466 to improve price transparency in natural gas markets?

4467 *Mr. Slocum. Yes. So FERC has jurisdiction over spot
4468 natural gas markets if there is evidence of market
4469 manipulation. But in the 2005 Energy Policy Act, because of
4470 widespread manipulation of the price indices, FERC requested
4471 and Congress inserted into the Natural Gas Act a provision
4472 that allows FERC to establish its own price transparency
4473 natural gas reporting system.

4474 And so, in comments in a rulemaking last year at FERC, I
4475 urged the Commission to undertake this never-used statutory
4476 authority, and what it would do would shine some badly needed
4477 transparency into pricing in natural gas spot markets.

4478 *Ms. Kuster. Thank you. Many of my constituents in New
4479 Hampshire rely on natural gas for electricity and home
4480 heating, and I am committed to ensuring that Congress and the
4481 Administration evaluate all available tools to ensure the
4482 prices consumers pay are just and reasonable.

4483 To my Republican colleagues across the aisle, please
4484 take seriously my offer to work together on common-sense

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4485 energy legislation, and put people over politics.

4486 Thank you, and I yield back.

4487 *Mr. Duncan. The gentlelady yields back, and the chair
4488 will now go to the gentleman from an energy-producing area --
4489 well, actually, nuclear energy -- that would be Mr. Allen
4490 from Georgia.

4491 *Mr. Allen. Thank you, Chairman Duncan and Chairman
4492 Johnson, for holding this joint subcommittee hearing today to
4493 discuss the importance of unleashing our domestic energy
4494 production, securing our electric infrastructure and domestic
4495 supply chains. This is critical in delivering lower energy
4496 costs to Americans and becoming energy dominant.

4497 I can't stress enough the importance of having an all-
4498 of-the-above energy strategy, which we have talked about over
4499 and over again here today, and ensuring our supply chains
4500 here are secure.

4501 Yesterday I hosted my first telephone town hall with
4502 thousands of constituents on the line for the 118th Congress.
4503 The most questions I got were about, "What are you going to
4504 do about energy, and the cost of energy? How can we become
4505 energy dominant again? I remember those days when we
4506 actually set the price of a barrel of oil. That was real

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4507 power, Mr. Congressman.'`

4508 My constituents and Americans across the nation are
4509 spending money they don't have on energy, should it be at the
4510 pump, or trying to heat and cool their homes. The key to
4511 affordability and reliability is a diverse energy portfolio
4512 and removing regulatory barriers that hinder access to our
4513 natural resources right here in the United States. The free
4514 market is key in setting the price for energy.

4515 Mr. McNamee, you mentioned in your testimony how
4516 subsidized renewables are distorting price formation and
4517 regional transmission organizations, which is having a
4518 negative impact on important energy sectors like nuclear and
4519 coal, and, in turn, the reliability of the grid. Commercial
4520 nuclear energy is critical to my district, as it is home to
4521 Plant Vogtle, and currently under construction are units 3
4522 and 4, which are scheduled to come online later this year.
4523 Nuclear energy is reliable, and affordable, and emission
4524 free.

4525 Are there ways we can ensure subsidized renewables are
4526 not undermining the market so that the coal and nuclear
4527 business do not become obsolete?

4528 And how does this degrade reliability?

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4529 *Mr. McNamee. Thank you, Congressman. The primary
4530 challenge in the so-called RTOs, which are in seven parts of
4531 the country, is that they tried to use market forces in order
4532 to achieve the cheapest energy resource for electricity.

4533 The problem is, once you have subsidized resources like
4534 renewables that have no fuel costs, that show up
4535 intermittently, they have tax credits, they undermine the way
4536 price formation works. And the price formation is for every,
4537 basically, five minutes of the day during the load curve,
4538 generators bid in to see if they can meet the load. And the
4539 last generator that is picked sets the price that everybody
4540 is paid. So that means if you are wind or solar, you are
4541 paid the same price as the natural gas producer or the
4542 nuclear producer.

4543 And what has happened is, when you have these
4544 intermittent resources coming on and off, they are taking up
4545 market share, they are driving a little bit of the marginal
4546 price of energy down, but they are undermining the ability of
4547 baseload, like, nuclear to be able to make the money to stay
4548 operating. And this has become a big crisis in a lot of
4549 parts of the country, where you see electricity prices
4550 spiking, but reliability going down.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4551 In Georgia, one of the things is it still has the
4552 traditional vertically regulated, and you mentioned that --
4553 planning the resources. That is exactly what utilities do.
4554 They do integrated resource plannings, they decide what units
4555 are needed to meet the power 24/7, 365 days a year, whether
4556 it is cold or whether it is hot.

4557 And they also -- the price of energy is averaged. So
4558 customers are getting the economic benefits of all the
4559 resources.

4560 *Mr. Allen. Right. And that might explain why we are -
4561 - have two battery plants that are scheduled to come online,
4562 as well in Georgia, one just announced, and one is under
4563 construction for batteries for the electric vehicles that are
4564 going to power the future, because we have the most
4565 efficient, most abundant supply of electricity in the
4566 country. Thank you for the answer to that question.

4567 Nuclear energy, as I said, is critical to our national
4568 security. So I would like to now enter into the record two
4569 letters, one from the Nuclear Energy Institute and another
4570 from the United States Nuclear Industry Council, which both
4571 expressed support for the committee's work to establish a
4572 secure nuclear energy fuel supply chain.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4573 *Mr. Duncan. Without objection, so ordered.

4574

4575

4576

4577 [The information follows:]

4578

4579 *****COMMITTEE INSERT*****

4580

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4581 *Mr. Allen. And now, Ms. Sweeney -- and we are not --
4582 we are going to run out of time, but we have talked about the
4583 permitting problem in the mineral supply chains. Can you
4584 submit in writing to me?

4585 [The information follows:]

4586

4587 *****COMMITTEE INSERT*****

4588

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4589 *Mr. Allen. What I am hearing is workforce problems.
4590 And maybe you can comment on another question later about the
4591 workforce problems we are having throughout the energy
4592 sector.

4593 Thank you, and I yield back.

4594 *Mr. Duncan. The gentleman yields back. The chair will
4595 now go to Ms. Castor for five minutes.

4596 *Ms. Castor. Thank you, Mr. Chairman.

4597 Fossil fuel prices and energy costs were the primary
4598 drivers of inflation last year, and higher gas prices after
4599 Putin's unprovoked invasion of Ukraine. And we had the Big
4600 Oil CEOs here at the committee to talk to them about price
4601 gouging. And we asked each one of them, were they interested
4602 in lowering costs, lowering prices at the pump? We are going
4603 through a crisis of a war with an ally. Inflation was
4604 hitting consumers hard. And they all said no.

4605 Now, just last week the profits became clear. Mr.
4606 Slocum, did you see the profits reported by the Big Oil
4607 companies?

4608 *Mr. Slocum. Yes, ma'am.

4609 *Ms. Castor. How would you characterize them?

4610 *Mr. Slocum. Extremely large. And that doesn't even

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4611 reflect all of their profitability, because they have been
4612 plowing billions into share buybacks. Chevron, for example,
4613 committing to \$75 billion.

4614 *Ms. Castor. But wait, they could have used that to
4615 lower the price at the pump, right?

4616 *Mr. Slocum. Correct.

4617 *Ms. Castor. Shell Oil made more in profit than they
4618 ever have before. Exxon and Chevron, their \$90 billion in
4619 profit was called epic. So this is what profiteering looks
4620 like, doesn't it?

4621 *Mr. Slocum. The proof is in the numbers. Yes, ma'am.

4622 *Ms. Castor. So I think they have everything they need.
4623 Why would we be bending over backwards to provide a wish list
4624 for the Big Oil companies, when they are making -- they are
4625 banking the biggest profits ever, and then they are not
4626 passing along these savings, they are doing stock buybacks?

4627 Is there anything in this wish list that is on this
4628 agenda today that lowers the cost for consumers?

4629 *Mr. Slocum. I don't see anything in these various
4630 bills that are going to reduce cost to consumers or protect
4631 consumers from the kind of price gouging that is going on.

4632 *Ms. Castor. Mr. Garcia, do you see anything?

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4633 You have helped shine the light on the litany of this
4634 wish list for polluters in Big Oil today. Is there anything
4635 in this package that would lower costs for consumers?

4636 *Mr. Garcia. I can't identify a single thing.

4637 *Ms. Castor. In fact, you have helped us go through
4638 some of these bills today. It is like the 1970s have called,
4639 and they want their energy policies back. This is 2023, and
4640 clean energy is cheaper energy. We, with the help of the
4641 Inflation Reduction Act and the Infrastructure Investment and
4642 Jobs Act and the CHIPS and Science Act, we are unleashing
4643 American innovation to lower costs for consumers, to create
4644 jobs, to build healthier, more resilient communities.

4645 Mr. Garcia, is there any reason that you think we should
4646 go backwards to the costly policies of the past, and --
4647 rather than go forward?

4648 *Mr. Garcia. None. I mean, quite the opposite, right?

4649 I mean, if we do that, there is going to be a lot of
4650 damage done, both at a climate level for everything that we
4651 are going to face as a country, as a planet, but also in
4652 small frontline communities next to these facilities that,
4653 unfortunately, bear the burdens of these -- largely would
4654 bear the burdens of these largely unregulated practices if

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4655 these loopholes go through.

4656 *Ms. Castor. I mean, that is one thing that we never
4657 really talk about when we have this wish list for polluters
4658 in Big Oil, the cost of the climate crisis.

4659 Back home in Florida, because our monopoly electric
4660 utilities have kept us -- we are the so-called Sunshine
4661 State, right? But we are reliant about 75 percent on fracked
4662 gas for our electricity. So people are paying higher
4663 electric bills as we have warmer days. That is not smart.
4664 That is not consumer friendly. We are paying higher property
4665 insurance.

4666 There was another story out this morning about
4667 displacement because of extreme events. There is a huge pull
4668 on the Federal budget because we are outlaying more and more
4669 to tackle droughts and floods and these extreme events. And
4670 then there is the long-lasting burden of pollution that you
4671 highlight.

4672 Again, isn't the future in clean energy? It is cheaper
4673 energy. It will help us lower costs across the board.

4674 *Mr. Garcia. Absolutely. I mean, what we are seeing is
4675 the attempt by dirty fuels and dirty industries to circumvent
4676 laws in order to stay afloat longer, when what we really need

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4677 to do is make sure that our investments are going to -- as
4678 you said, the future, making sure that those investments are
4679 happening quickly and directly into renewable industries that
4680 are also clean industries for our communities.

4681 *Ms. Castor. Thank you very much. I yield back.

4682 *Mr. Duncan. I thank gentlelady. The chair will now go
4683 to Mr. Balderson from Ohio.

4684 *Mr. Balderson. Thank you, Mr. Chairman. Thank you all
4685 for being here today. My first question is for Mr. Eshelman.

4686 Thank you for being here, Mr. Eshelman. In your
4687 testimony you note that IPAA's member companies are the
4688 innovative leaders that broke the code to usher in the shale
4689 oil and natural gas revolution in the United States.
4690 Chairman Johnson and I can certainly attest to this massive
4691 impact the shale revolution had in the Appalachia Ohio
4692 region, and the economic benefits we have seen in our
4693 communities.

4694 As you know, the shale revolution and fracking turned
4695 the U.S. into an energy superpower, and greatly enhanced our
4696 national security. But we must look forward. Natural gas
4697 and oil will continue to be essential to our energy portfolio
4698 for the foreseeable future.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4699 In addition to prohibiting the president from
4700 unilaterally banning fracking, Chairman Duncan's Protecting
4701 American Energy Production Act also expresses the sense of
4702 Congress that states should maintain primacy for the
4703 regulation of fracking for oil and natural gas production on
4704 state and private lands.

4705 Mr. Eshelman, why was this aspect of energy policy key
4706 to the shale revolution?

4707 *Mr. Eshelman. Well, hydraulic fracturing is a
4708 technology that has been around for a long time, but
4709 perfected over the past 10 years, which unleashed the shale
4710 revolution in the Utica, the Marcellus, and the Permian all
4711 around the country, and provided jobs and oil and gas to
4712 consumers. So it is a very important technology that, if we
4713 didn't use it, we would probably lose half of our oil and gas
4714 supply tomorrow.

4715 One of the other things I would mention is that there
4716 have been efforts in Congress to ban hydraulic fracturing, or
4717 have it regulated at the Federal level. That doesn't work.
4718 A one-size-fits-all regulation does not work for different
4719 parts of the country. So the states are doing it well. They
4720 are working with communities, and it should remain that way.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4721 *Mr. Balderson. Thank you. I will follow up with you,
4722 sir. You said it best. The IRA's methane tax will
4723 jeopardize the operations of many oil and natural gas
4724 producers, and divert their attention from what they do best:
4725 producing the cleanest and safest oil and natural gas in the
4726 world.

4727 As you noted, this tax was included in the Inflation
4728 Reduction Act, despite not being considered at a hearing, not
4729 receiving expert testimony, and without an economic analysis.
4730 If this isn't repealed, producers will start paying this tax
4731 next year.

4732 How will the natural gas tax impact rural producers,
4733 rural communities, and, ultimately, how will the tax impact
4734 our constituents who rely on natural gas each and every day?

4735 *Mr. Eshelman. Well, I think you hit on it. There was
4736 no congressional hearing on this tax. There was no testimony
4737 taken on it, no analysis done on it. So we really don't know
4738 the answer to that question. That is the problem with this
4739 tax.

4740 *Mr. Balderson. A follow-up for Mr. Menezes and Mr.
4741 McNamee: Do you think this tax will ultimately hurt rural
4742 communities?

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4743 *Mr. McNamee. Yes.

4744 *Mr. Menezes. We have to keep in mind that those that
4745 are benefiting from fracking, they are the small producers.
4746 The majors do not frack, okay? They are mom-and-pop
4747 operators here. These are the true patriots. These are the
4748 true Americans. They have produced the oil to where, for the
4749 first time in history, OPEC is forced to negotiate with the
4750 United States. That has never before happened since OPEC was
4751 in existence.

4752 And so, when you are looking at those provisions, the
4753 methane regs, those fees, it is going to be the small
4754 producers. The majors, they are not going to be impacted.
4755 Again, but they don't have the small producing that the IPAA
4756 folks have on the methane.

4757 And remember, the methane we talk about is a pollutant.
4758 It certainly, in great concentrations, can do great harm.
4759 However, it is a product. And so, with the improvement in
4760 all the detection devices, what we have seen already is the
4761 industry moving to detect, take action, and it is a product.
4762 And so, by making the investments, it is more product to
4763 actually sell. And so, talk about a circular economy, that
4764 is one, and they are taking advantage of it now.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4765 Also, EPA has a supplemental pending rule open for
4766 public comment now on methane regulations, which essentially
4767 does the same thing without the fee, but you have the full
4768 backing of all the penalties in the Clean Air Act if you
4769 violate those regulations once they become final.

4770 *Mr. Balderson. Okay. Thank you very much. We are
4771 down to 30 seconds. I want to ask one last question. Please
4772 be conscious of the time.

4773 Mr. McNamee and Mr. Menezes again, Chairman Johnson's
4774 Unlocking Our Domestic LNG Potential Act would streamline the
4775 approval process for American companies to export liquefied
4776 natural gas.

4777 Do you think -- during last week's hearing Under
4778 Secretary Paul Dabarr regarding the global environment
4779 benefits of the exporting U.S. natural gas to developing
4780 nations, many of which are reliant on coal from China [sic].

4781 If you all would respond with just written answers, I
4782 would appreciate it.

4783 [The information follows:]

4784

4785 *****COMMITTEE INSERT*****

4786

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4787 *Mr. Balderson. I yield back, Mr. Chairman.

4788 *Mr. McNamee. Exporting natural gas helps both people
4789 in foreign countries and domestically.

4790 *Mr. Balderson. Thank you.

4791 *Mr. Duncan. All right. I thank the gentleman. The
4792 chair will now go to Ms. Miller-Meeks for five minutes.

4793 *Mrs. Miller-Meeks. Thank you very much, Mr. Chairman.
4794 I thank all of our witnesses for having stamina to last
4795 through this hearing.

4796 Iowa is a little-known energy state. We have 50 percent
4797 of our energies from renewables. Over 50 percent of our
4798 electricity is from wind. And we are an exporter, a net
4799 exporter of energy that both reduces greenhouse gas emissions
4800 and cleaner burning engines as part of our liquid fuel
4801 portfolio. And it should be part of a liquid fuel portfolio
4802 in all of our energy needs. It offers, you know, affordable
4803 energy to allow us, as a country, to compete globally on an
4804 affordable level.

4805 Imagine when I went to COP 26 and COP 27 that I found
4806 out that energy demand is increasing. It is not decreasing.
4807 And I agree with the witness that we need increased
4808 electrification, but energy efficiency is only going to be

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4809 able to give us so much, and it is a very small amount. And
4810 to increase electrification we need electricity, which means
4811 we need more energy sources, and to build new energy sources
4812 and resources, not less.

4813 In Europe, as we have seen over the past year -- and I
4814 saw when I went to both COP 26 and COP 27 -- demand is going
4815 up. Energy efficiency, as tried in Germany and UK, has been
4816 reliant upon wind and solar as renewables, and have much
4817 higher electricity prices than we have in the United States.
4818 So it is not bringing down electricity prices.

4819 In Iowa, not only are we a source of energy, we also
4820 have the Ames National Laboratory located at Iowa State
4821 University just outside of my district, and it currently
4822 leads the Critical Materials Institute. CMI is an energy
4823 innovation hub of the U.S. Department of Energy. Its focus
4824 is innovation to assure supply chains for materials critical
4825 to clean energy technologies. CMI carries out scientific and
4826 engineering research that facilitates more diverse primary
4827 supply chains in addition to mining, which we wholeheartedly
4828 agree we need in this country, more efficient manufacturing,
4829 re-use and recycling, and development of new materials.

4830 Mr. Menezes, can you speak to the national significance

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4831 of diversifying supply, developing substitutes, and driving
4832 re-use and recovery of critical minerals with respect to
4833 securing our nation's global competitiveness?

4834 *Mr. Menezes. Well, we have talked about the critical
4835 minerals, you know, throughout the day. It is important that
4836 we figure out a way for us to have our own access to our
4837 critical minerals, you know, as we are dependent on 31 of 35,
4838 we import 14. So I think that is a -- that is one of the
4839 lessons learned.

4840 And it was really emphasized after COVID. So Congress,
4841 in 2020, did take action, you know, to do R&D for critical
4842 minerals. And so they were doing it. But after COVID we
4843 realized we really cannot depend even on other countries.
4844 While we have been talking about China, you know, other
4845 countries provide us other critical minerals. So the focus
4846 now is really to do this.

4847 And the Biden Administration likewise, you know,
4848 underscored that. And -- but we need to do more. And so
4849 that is why today's bill is so important, that we really need
4850 to make sure that the Department of Energy has the expertise
4851 to do it.

4852 You mentioned Ames. It is great. Ames is the place

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4853 where you go, where you get to see the actual elements that
4854 are on the elemental chart, except for the radioactive ones,
4855 of course. But you can just see, and they are all there in
4856 these little vials. And it is just an absolute great place
4857 to go and visit.

4858 *Mrs. Miller-Meeks. I wholeheartedly agree. And as you
4859 know, in December of 2022 the U.S. Department of Commerce
4860 found Chinese solar panel makers had circumvented the U.S.
4861 tariffs by doing minor processing in Southeast Asia -- and I
4862 think that was mentioned earlier -- including Cambodia,
4863 Malaysia, Thailand, and Vietnam before exporting to the U.S.
4864 New tariffs on U.S. imports from these countries, which
4865 account for about 80 percent of U.S. panel supplies, do not
4866 take effect until June of 2024 because of a 2-year waiver
4867 from President Biden.

4868 I have concerns about China taking advantage of the
4869 waivers for renewable technologies meant for other countries,
4870 especially when the alternative is American-made products.
4871 There is a similar issue with Chinese companies operating
4872 production facilities for the EV batteries, which we had
4873 talked about through the credits with the Inflation Reduction
4874 Act.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4875 Can you please speak to the risk that the waivers for
4876 critical minerals and renewable technologies in other
4877 countries pose to the U.S. national and economic security?

4878 *Mr. Menezes. Right. For the first time, then, if this
4879 bill is enacted, the Energy Department will actually have a
4880 role in advising the president and other agencies as to what
4881 emergency actions can take place to ensure that we can
4882 protect those vital sources. And that is why this is needed.

4883 Otherwise, the Department of Energy and its expertise
4884 will lose out to other agencies, who will have other equities
4885 to argue about and for. And so you want the Energy
4886 Department to be at that table to inform the president as to
4887 why certain actions need to be taken to protect our critical
4888 minerals and resources.

4889 *Mrs. Miller-Meeks. Thank you so much. I wish I could
4890 go through all of the witnesses, but I don't have time. I
4891 have some other questions which I will submit to the
4892 committee, and then ask you to respond in writing. Thank you
4893 very much.

4894 I yield back.

4895 *Mr. Duncan. I thank the gentlelady, and the chair will
4896 now go to the gentleman from the Republic of Texas, Mr.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4897 Pfluger, for five minutes.

4898 *Mr. Pfluger. Thank you, Mr. Chair, and I appreciate
4899 the opportunity in this hearing. I would like to thank all
4900 the witnesses.

4901 You know, I would hope that what has been said by my
4902 colleagues on the other side of the aisle is actually true,
4903 that we can work together. I am worried about not having
4904 electricity.

4905 There is a narrative here that Big Oil is making big
4906 profits. Does -- Mr. Slocum, I don't know if you know the
4907 price of oil on April 20th, 2020. I don't know if anybody on
4908 this panel can tell me what that was. I bet there is one or
4909 two. Negative 37.63. Do we remember that? And do we have
4910 hearings about the profits that we were not making at that
4911 time?

4912 Energy security is so important. It is important to our
4913 economy. It is important to our livelihoods. It is
4914 important to our military. You know, when we look at the
4915 concept of making sure we have affordable, reliable energy --
4916 Mr. Garcia, can you tell me what the reduction in methane
4917 emissions has been over the last 10 to 15 years here in the
4918 United States?

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4919 *Mr. Garcia. I don't have that data in front of me, but
4920 I am happy to provide --

4921 *Mr. Pfluger. Yes, it is 14 percent, 14 percent.

4922 Mr. Slocum, any idea where that ranks in the world?

4923 *Mr. Slocum. I don't know, but I don't know about that
4924 figure. There is --

4925 *Mr. Pfluger. That is from --

4926 *Mr. Slocum. It depends upon how it is being measured.

4927 *Mr. Pfluger. That is from DoE.

4928 *Mr. Slocum. Right. Because there has been
4929 discrepancies between actual emissions and recorded --

4930 *Mr. Pfluger. Okay.

4931 *Mr. Slocum. -- methane emissions.

4932 *Mr. Pfluger. The point that I would like to get to
4933 here is we lead the world in reduction of emissions, harmful
4934 emissions. We have producers that are doing this because it
4935 is not only efficient, but it makes sense in a market-based
4936 place. And we do leave this Earth better.

4937 And I would invite you to come to my district to see the
4938 wind and the solar and the problems that they actually have
4939 for the environment, since you have spoken so eloquently on
4940 environment, and see the ranchers and the farmers who operate

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4941 this land for generations -- seven in my case, my family --
4942 who leave the land better, and use the resources, and put
4943 back into it.

4944 Mr. Eshelman, you mentioned -- what percentage, can you
4945 remind us? What percentage of energy comes from small
4946 producers, from independent producers, not from "Big Oil" 's?

4947 *Mr. Eshelman. That is 91 percent of the wells.

4948 *Mr. Pfluger. Ninety-one percent. And
4949 disproportionately, how is the methane, the natural gas tax,
4950 how does it affect those people that don't have economies of
4951 scale, that are independent producers, that -- one or two
4952 people in their businesses?

4953 *Mr. Eshelman. That is what we are trying to
4954 understand. As I mentioned before, there has never been a
4955 hearing on this. There has never been a study on this.
4956 There has never been testimony on this tax. So we really
4957 don't know.

4958 But we are concerned with giving EPA more authority.
4959 And once you give an agency authority, they kind of grow with
4960 it. So that is --

4961 *Mr. Pfluger. You know, I figured out very quickly when
4962 the wind energy folks came to see me and they said, "Mr.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4963 Pfluger, we have a problem with the EPA. We can't get a
4964 permit to build a windmill in your district.'`

4965 I said, "Oh, well, welcome to the club.'`

4966 We have more wind energy, by the way, Mr. Garcia, in my
4967 district than the entire State of California. But they can't
4968 get a permit to do that.

4969 Mr. Slocum, is wind and solar -- do they provide
4970 baseload capacity?

4971 *Mr. Slocum. They do not. But the question is whether
4972 or not baseload capacity is always a requirement.

4973 *Mr. Pfluger. Yes.

4974 *Mr. Slocum. Especially -- you can balance off
4975 intermittence with --

4976 *Mr. Pfluger. That is fine, thank you. I think the
4977 fact is it doesn't, and it is not required in states like
4978 California, where they have intermittent electricity, which
4979 is unreliable. However, in most of the United States we want
4980 reliable electricity.

4981 We have these balls in the air. One of them is cost,
4982 one of them is reliability, one of them is geopolitical
4983 security. And the climate is certainly always going to be
4984 right there. We do it cheaper, more efficiently, and also

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

4985 more environmentally friendly.

4986 Mr. Garcia, you mentioned that -- I don't have the exact
4987 note, but that there is no boundary on air pollution. Is
4988 that -- does that summarize a previous comment?

4989 *Mr. Garcia. For the specific provisions that these --
4990 and loopholes that these bills would bring about, yes, there
4991 would be no --

4992 *Mr. Pfluger. No, you said air knows no borders. I
4993 found my note. Air knows no borders. I just quoted you
4994 on --

4995 *Mr. Garcia. Air, yes, the air --

4996 *Mr. Pfluger. Is that true?

4997 *Mr. Garcia. Absolutely, air doesn't know borders.

4998 *Mr. Pfluger. Okay, so what are the Chinese doing to
4999 curb? Do they have taxes on natural gas in China?

5000 *Mr. Garcia. My understanding is that the jurisdiction
5001 of this committee is about what the United States can do.

5002 *Mr. Pfluger. So my understanding of what you said is
5003 that air knows no borders. And I want to make the point
5004 that, if that is true, then the people in my district are
5005 being affected by Chinese air, just like they are in your
5006 home, just like they are everywhere throughout the United

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5007 States or throughout the rest of the world.

5008 So the competitive advantage that we are giving them,
5009 giving away, the most important resource we have at our
5010 fingertips, is also causing the actual harming of our
5011 climate. And it is coming from China. And we have to take
5012 actions here to compete and to continue to do it better.

5013 I have 15 more minutes of comments. However, the chair
5014 will not let me use that time, and I yield back.

5015 *Mr. Duncan. I thank the gentleman, and now we will go
5016 to Mr. Obernolte from California.

5017 [Pause.]

5018 *Mr. Duncan. Is your mike not on? Can you slide over
5019 one?

5020 *Mr. Obernolte. There we go. I swear I pushed the
5021 button.

5022 Mr. McNamee, in your testimony you were discussing the
5023 need to enhance cybersecurity in our natural gas pipelines.
5024 And that really resonated with me because we all lived
5025 through the cybersecurity hack of the Colonial Oil pipeline a
5026 year-and-a-half ago, which, as I am sure everyone in this
5027 room knows, disrupted the supply of gasoline to the entire
5028 southeast United States.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5029 So what can be done? What needs to be done to put those
5030 protections in place for natural gas pipelines?

5031 *Mr. McNamee. Well, the industry has generally been
5032 working to try and -- to harden their systems, including
5033 their electronic systems, but also there is the challenge of
5034 physical attacks.

5035 So I think the primary thing that needs to be done is to
5036 -- I like the reporting issues that want to be done for the
5037 bulk power system, but also for natural gas. And I think
5038 that, you know, we need to encourage natural gas pipelines,
5039 oil pipelines, the electric grid to all be focused on trying
5040 to find out what is the next thing that is going to happen
5041 and harden it.

5042 Because one of the problems with regulations is it tends
5043 to look backward at what has happened, and, of course, you
5044 need to harden for that. But the bad guys are way ahead, and
5045 so they kind of -- constantly be working for what is the next
5046 thing. And being aware of what the next thing is going to be
5047 helpful, and that is part of what I think that bill will help
5048 do.

5049 *Mr. Obernolte. Sure. Well, you know, I think that we
5050 are having to transition from seeing cybersecurity of

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5051 privately-held companies as a business issue to seeing it as
5052 a national security issue, whereas traditionally we just
5053 thought of national security being applicable to the
5054 Department of Defense and agencies of the government.

5055 Mr. Slocum, first of all, let me thank you very much for
5056 not reading your statement. You know, I think that hearings
5057 -- we communicate with each other a lot better when we are
5058 not just reading at each other. And I just want you to know
5059 that we noticed, that we appreciate it, and, you know, I
5060 think that is something we should do some more of.

5061 So you were talking in your testimony about objecting to
5062 removing the required finding of being in the national
5063 interest before liquid natural gas can be exported. And, you
5064 know, just -- we heard some other testimony from various
5065 witnesses, including Mr. McNamee, about the way that
5066 government action can create distortions in the markets for
5067 energy.

5068 And I am wondering why that wouldn't be the case here,
5069 because every time the government tries to put their finger
5070 on the scale to try and protect energy markets and manipulate
5071 energy prices, it seems like things can go awry, and
5072 particularly in this case, when you are creating, you know,

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5073 by the restriction of natural gas, of liquefied natural gas
5074 exports, you are creating an economic island that then can be
5075 vulnerable to things like arbitrage by people with just a
5076 profit incentive, and the consumer ends up losing anyway.

5077 So what -- why would that not create economic
5078 distortions that we need to avoid?

5079 *Mr. Slocum. Well, I think because natural gas has
5080 historically been a regulated commodity.

5081 So when it was enacted in 1938, this provision, it was
5082 recognized that natural gas was providing essential services
5083 to homes and businesses. And so, as a result, if you were
5084 going to export it or import it, there had to be public
5085 interest determinations on it because of its essential
5086 utility --

5087 *Mr. Obernolte. But should it be is the question. I
5088 mean, I think that is the question that the bill that we are
5089 we are debating is asking, is should it be. Does that
5090 actually have the intended effect?

5091 Because many times, as you know, governmental action
5092 does not.

5093 *Mr. Slocum. Well, I mean, right now, as I pointed out
5094 in my written testimony, the Department of Energy is not

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5095 really performing a meaningful public interest determination.
5096 There has never been a rejected application to export natural
5097 gas by the Department of Energy, right? So that -- so it
5098 seems like the legislation is proposing a solution in search
5099 of a problem, right, that the Department of Energy is not --
5100 there is no backlog of applications. It takes sometimes just
5101 months between the submission of the application of the
5102 Department of Energy and its approval.

5103 *Mr. Obernolte. Okay, that is an interesting different
5104 kind of line of argument than the one in your testimony. I
5105 think both are interesting. I would love to continue this
5106 discussion. I only have a few seconds left here.

5107 Mr. Garcia, I was going to ask you about this.
5108 Unfortunately, it is going to be a statement, and not an
5109 opportunity for you to respond, and I apologize for that.

5110 But, you know, we have been talking about this economic
5111 valuation between trying to value human prosperity and
5112 ranking that against protecting the environment. And I think
5113 everyone here on the dais would agree that we need to do
5114 both. But, you know, the problem is that we all represent
5115 constituents who are suffering.

5116 In California we pay twice as much for residential

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5117 electricity than neighboring states, three times for
5118 industrial, four times as much for commercial. My
5119 constituents pay twice as much for a gallon of gas to put in
5120 their car to commute to work. They don't have a choice to do
5121 that. And this is the problem. You know, we have to make
5122 those economic judgments. And I think that there is a way to
5123 effect a win-win.

5124 But I want to thank you all for your testimony. I found
5125 it a very interesting hearing.

5126 I yield back, Mr. Chair.

5127 *Mr. Duncan. I thank the gentleman. The chair will now
5128 go to Mr. Weber from Texas.

5129 *Mr. Weber. Thank you, Mr. Chairman. I am going to
5130 make a couple of comments.

5131 First, the -- one of the comments on the panel was
5132 earlier, before we went to vote -- was that bang for energy
5133 efficiency -- you get more bang for your buck than you do
5134 more power plants.

5135 And I would submit this for the record and for the panel
5136 that, you know, power plants, I don't know, 100 years ago
5137 there was X number. But American population has doubled,
5138 tripled, increased. And so we are getting more and more

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5139 people, and especially with an open border -- thank you,
5140 President Biden -- we are going to have a lot more people,
5141 and we are going to need a lot more power.

5142 Now, some of you all know I am from Texas, and we talked
5143 about Winter Storm Uri, where we went through that two
5144 Februarys ago, and Texas saw record cold. I am born and
5145 raised on the Gulf Coast of Texas, 20-mile radius, 69 years.
5146 I have never seen it be 18 degrees on the Galveston Island.

5147 So we lost some power. It was a perfect storm. Some of
5148 the industries that normally -- plants that normally shut
5149 down in the wintertime weren't necessarily ready for that
5150 kind of cold. The waterlines freeze. South Texas nuclear
5151 plant down in Matagorda County was one of them. I
5152 represented them as a Texas state rep. And so we lost --
5153 wind energy failed us. Wind turbines, they froze up, blades
5154 got iced up.

5155 So we are number one in wind energy. We are number two
5156 in solar panels. And you find out very quickly that, in an
5157 incident like that, you get a lot of cloudy skies. You don't
5158 have as much sun. Solar panels ice up. They got snow on
5159 them. And here is the bad news about solar panels. You know
5160 the sun goes down at night, and so they are not constantly

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5161 producing electricity.

5162 We actually met with ERCoT and PUC -- the ERCoT,
5163 Electric Reliability Council of Texas, and the PUC there in
5164 Texas, and they talked about their plan. There is a website
5165 called PowertoChoose.org, where you can choose your provider.
5166 A lot of the providers -- some of the providers advertise 100
5167 percent green energy. And what that was saying is only solar
5168 and wind power. They were able to provide -- because of the
5169 subsidies and whatnot -- cheaper rates from those who used
5170 natural gas, and some coal, and even nuclear.

5171 And so the PUC told us -- four of us Members of Congress
5172 met in Austin with them -- that they were going to put a rule
5173 into place that, if you are a power provider on that website,
5174 a retail electric provider -- we call them REPs, R-E-Ps --
5175 they had to increase -- they had to include, rather, a part
5176 of a base load that included some reliable, dependable,
5177 affordable -- and as your discussion with Mr. Pfluger was --
5178 that is natural gas.

5179 We have a lot of wind energy in Texas. I didn't know it
5180 was -- most of it was in his district, but I am mighty proud
5181 for that. A lot of gas pipelines, oil pipelines in his
5182 district, too.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5183 So I want to go back to Obernolte's discussion about the
5184 Colonial Pipeline system. The Keystone Pipeline comes into
5185 my district in Texas. It is the safest way to move product,
5186 period. Not truck, not rail or barge. It is the safest way.
5187 The President shut it down.

5188 Colonial Pipeline system, about two or three months
5189 after Winter Storm Uri, was hacked into and was shut down
5190 four or five days. The Colonial Pipeline system feeds the
5191 southeastern part of the United States. It carries 3.1
5192 million barrels of product today: gasoline, diesel, and jet
5193 fuel. The Keystone pipeline carries 830,000 barrels of
5194 product a day. It is literally one fourth -- more than one
5195 fourth the output of the entire -- the Colonial Pipeline
5196 system that feeds the entire southeastern part of the United
5197 States with a leg that goes north.

5198 So it is extremely important that we have a solid
5199 baseline -- baseload system that is going to be fossil fuels.
5200 Renewables are great. We like renewables. Make no mistake
5201 about that. I am tired of our friends across the aisle
5202 saying somehow we are in the oil companies' back pockets.
5203 That is just a mischaracterization. But what else do you
5204 expect? Did I say that out loud?

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5205 At any rate, renewables can -- they can -- it can be the
5206 supporting actor in this movie. It cannot be the leading
5207 actor in this movie. And what we are trying to do today is
5208 to make sure that we are building that up.

5209 Mr. Menezes, in your written testimony you outline H.R.
5210 150, Protecting American Energy Production Act, which I am an
5211 original cosponsor of, which would prohibit the president
5212 from declaring a moratorium on fracking, which has started in
5213 my district. You got 29 seconds. Tell us how good it is,
5214 fracking.

5215 *Mr. Menezes. What are we talking about, the virtues of
5216 hydraulic fracturing?

5217 I mean, certainly for domestic supply, for export to
5218 help our friends and allies all over the world get off of
5219 Russia, natural gas -- they have come to us asking.

5220 You will look at what is going on in the private sector.
5221 This is without government interaction. In fact, it is
5222 beyond the reach of the Federal Government. Contracts are
5223 being entered into by European off-takers and Asian off-
5224 takers, our friends and allies, for good old U.S. LNG. If
5225 the President thinks that he can declare an emergency and
5226 somehow put a moratorium on fracking, he is going to upset

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5227 the entire geopolitical energy markets.

5228 *Mr. Weber. I will say thank you for that.

5229 And Mr. Chairman, I yield back.

5230 *Mr. Johnson. [Presiding] Thank you. The gentleman
5231 yields back. The chair now recognizes the gentleman from
5232 Alabama, Mr. Palmer, for five minutes.

5233 *Mr. Palmer. Thank you, Mr. Chairman. I want to talk a
5234 little bit about where some of your funding comes from, where
5235 -- how it is used, and particularly about the \$27 billion
5236 slush fund that was put into the Inflation Reduction Act.
5237 You stuck in \$27 billion that basically is going to go to
5238 Wall Street firms to set up a climate bank. But it doesn't
5239 help the American people with their utility bills.

5240 It is about 20 million households that are behind on
5241 their utility bills. That is about one in six households.
5242 It is forcing people in some places to literally choose
5243 between keeping their homes adequately warmed and still be
5244 able to afford their groceries and their medicine. I think,
5245 if Europe is any indication, we are going to find out that
5246 there are several thousand people that will be classified as
5247 excess winter deaths. We have seen this in the United
5248 Kingdom, we have seen it in Europe. It has basically become

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5249 a conduit for seed money for this new climate bank. And
5250 because there was no clarity in it, you have got climate
5251 groups fighting over the money.

5252 I am just -- Secretary Menezes, will this \$27 billion
5253 slush fund lower the cost of heating for these American
5254 families?

5255 *Mr. Menezes. No, the provision is clear. It is to go
5256 to develop zero-emission technologies for states and
5257 municipalities --

5258 *Mr. Palmer. Will this slush fund provide natural gas
5259 for a town like Pembroke Township in Illinois that -- 85
5260 percent African American? They don't have any means to grow
5261 their economy, they are heating their homes with propane and
5262 and wood. Will it help them?

5263 *Mr. Menezes. Zero-emission technologies, non-profits,
5264 municipalities, and states.

5265 *Mr. Palmer. Will it do anything for the people in the
5266 northeastern part of the United States that are not using
5267 natural gas, they are using heating oil, and the cost has
5268 almost doubled in the last couple of years -- \$5 and
5269 something a gallon. Will it help them?

5270 *Mr. Menezes. Not that I am aware of.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5271 *Mr. Palmer. Yes, and it has nothing to do with natural
5272 gas in that area. It is all about heating oil.

5273 Will it help people who have been -- who bought into
5274 this stuff like Dharnai, India, where in 2014 Greenpeace went
5275 in and convinced them that they could supply power for the
5276 village through 100 percent renewables, and six years later
5277 it is basically an animal shed because they couldn't afford
5278 it, they couldn't -- it wouldn't power appliances like a
5279 refrigerator that most of us take for granted. They couldn't
5280 maintain the batteries. So now they are getting their power
5281 from fossil fuel. It wouldn't help in a situation like that,
5282 would it?

5283 *Mr. Menezes. I was not aware of that, but I would hope
5284 that is not the consequence of this fund.

5285 *Mr. Palmer. Yes, there is a really good paper on this
5286 from the Institute for Energy Research.

5287 My concern is, looking at China's influence and funding
5288 various groups that are pushing renewables, that in many
5289 respects -- and I mean this seriously -- it undermines our
5290 national security, this mad dash to renewables.

5291 I keep hearing some of my colleagues across the aisle
5292 talk about we don't need to be dependent on foreign sources

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5293 for oil and natural gas. Well, I got news for them. We
5294 don't have to be. The only reason that we might be is
5295 because we refuse to access what we have.

5296 I hear them basically ignore the fact that natural gas
5297 is largely responsible for the tremendous reduction in
5298 greenhouse emissions that we have already enjoyed. They
5299 ignore the technological advances, yet they want us to be
5300 dependent on China for the -- for wind turbines and for solar
5301 panels. Does that make sense?

5302 *Mr. Menezes. Not to me.

5303 *Mr. Palmer. It doesn't to me, either. It does concern
5304 me, though, because it becomes a national security issue at
5305 that point. China is already, in some critical minerals,
5306 holding back on shipping those, and some of those are
5307 critical for our national defense, not just our national
5308 energy grid.

5309 But having worked for two international companies,
5310 having a little bit of an understanding about this -- and
5311 there is another report from the Electric Power Research
5312 Institute -- we are not going to be at net zero by 2050. We
5313 don't -- the engineering doesn't support it. The technology
5314 doesn't support it.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5315 We could be a lot more on the renewable side, but if we
5316 were really smart about it, we would go to next-gen nuclear
5317 and power the world. We would be working in sub-Saharan
5318 Africa, South America, Latin America, and the Caribbean,
5319 building natural gas facilities so that those people could
5320 enjoy the same economic benefits that we do, rather than
5321 sitting back and watching China. They have already built 14
5322 coal-fired power plants outside of China, and they built,
5323 what, maybe one every two weeks now in China.

5324 So I just -- Mr. Chairman, I appreciate the opportunity
5325 to raise these issues about the slush fund that I think was
5326 put in that Inflation Reduction Act, and I yield back.

5327 *Mr. Johnson. The gentleman yields back. The chair now
5328 recognizes the gentleman from Idaho, Mr. Fulcher, for five
5329 minutes.

5330 *Mr. Fulcher. Thank you, Mr. Chairman. And coming up
5331 on the tail end of this, a lot of the subject has been
5332 covered already, so I am going to go -- I think I will
5333 address this to Mr. Menezes. It has to do with hydro.

5334 In our state, hydropower, 51 percent of our total
5335 in-state electricity usage, and it is great, at least for us.
5336 It is baseload, it is cheap, it is renewable. Comments on

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5337 hydro as a source, and if you agree that it is effective and
5338 efficient. How do we ensure that that is an ongoing
5339 predominant baseload source?

5340 *Mr. Menezes. Excellent question. Well, we should be
5341 allowed to continue to use the dams that are in operation to
5342 provide the hydropower, first of all. There is a big
5343 movement, of course, of dam removal, right? So a lot of
5344 communities are facing that. And so that is a real threat to
5345 the hydropower that we have today.

5346 The other thing is it is going to be impossible to build
5347 any sizable -- a new dam. So you are looking at incremental
5348 gain, incremental hydro. And so that is to make improvements
5349 in the existing hydro, perhaps some expansion. And on
5350 existing dams, perhaps you can put some electricity
5351 generating turbines there. But that is really the future on
5352 hydro that way.

5353 We do have other potential great technologies. I mean,
5354 we have tidal, we have run of river, we have a variety of
5355 other technologies in the using of hydropower. So I think
5356 the future is still bright on that, but it is going to be
5357 very difficult to maintain, the baseload that we have now.

5358 The other thing, of course, is pump storage hydro.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5359 *Mr. Fulcher. Okay.

5360 *Mr. Menezes. That is another good use of hydro power,
5361 that --

5362 *Mr. Fulcher. I have heard it said that the greatest
5363 battery in the world is water behind a dam, storage.

5364 *Mr. Menezes. Yes.

5365 *Mr. Fulcher. I am going to shift to Mr. McNamee, if I
5366 may, please.

5367 Another asset we have in my state of Idaho is Idaho
5368 National Lab. And a lot of research is being done, a lot of
5369 work with small modular reactors is being done there. Talk
5370 about that a little bit. I hear various experts talk about
5371 the benefit of -- the greatest benefit being able to
5372 decentralize the grid, for example. Of course, the no carbon
5373 emission is another factor. Others say it is great for
5374 redundant backup.

5375 What is -- in your view, what is the most appropriate
5376 use, the most appropriate role for small modular reactors as
5377 those come online?

5378 *Mr. McNamee. Well, the ones that you have mentioned
5379 are absolutely important.

5380 And another one is reliability. SMRs are really, I

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5381 think, going to transform the way we do the electric grid.
5382 And what is interesting is, because, you know, they are
5383 between 5 to 300 megawatts, you can build them in a
5384 manufacturing facility, you can put them on a rail or on a
5385 truck, and put them to where they need to be. The price is
5386 going to come down for nuclear. They can run 24/7. They are
5387 designed to be much safer than -- not that current nuclear
5388 isn't, but they are going to be safer, the way they operate.

5389 But what is really going to be amazing is, where we were
5390 talking earlier about having to build long transmission lines
5391 to get wind, let's say, from the Midwest to the coast,
5392 whatever, you can put SMRs on old coal plants and use the
5393 transmission. You are going to save billions of dollars in
5394 transmission. So SMR technology, it is -- we are about to be
5395 able to embrace it, and it is going to be a big change.

5396 *Mr. Fulcher. Great, thank you. Very helpful for me.

5397 Ms. Sweeney, you are not off the hook. I got a question
5398 for you. In your written testimony you talk about, I think,
5399 it is 80 percent, nearly 90 percent of global rare earth
5400 elements from China.

5401 *Ms. Sweeney. Yes.

5402 *Mr. Fulcher. Is that mainly because that is where

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5403 those earths are, or is that for other reasons?

5404 *Ms. Sweeney. No, the U.S. was the leading rare earths
5405 producer throughout, I think, the early 1970s. It is really
5406 because China focused on rare earth development, and they
5407 started, you know, printing money, and cornering the market,
5408 and then they were able to bring over anybody who wanted to
5409 be an end user of those products. They brought all the
5410 processing into China, and they were able to pretty much
5411 control that market, and still do.

5412 *Mr. Fulcher. And here we are. Right, thank you. That
5413 is what I suspected. But one last question for you, and I
5414 only have 40 seconds left, but -- and you did touch on this,
5415 but I would like you to touch on it again, please.

5416 Once again, in your written testimony you talked about
5417 the permitting process for mining projects. With the current
5418 Administration that we have got, what are some of the things
5419 that that Administration could do to make that permitting
5420 process better without going through the statutory process?

5421 *Ms. Sweeney. There are a lot of common-sense solutions
5422 out there. I mean, really, it is looking at how to use NEPA
5423 the way it was intended to be used.

5424 So essentially, there are -- agencies are supposed to

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5425 try to avoid duplication. They are supposed to tier off of
5426 each other's environmental assessments, use the same
5427 information. There are a lot of common-sense solutions that
5428 don't need any changes statutorily.

5429 *Mr. Fulcher. Thank you very much.

5430 Mr. Chairman, I yield back.

5431 *Mr. Johnson. The gentleman yields back. The chair is
5432 -- now recognizes the gentlelady from Michigan, Mrs. Dingell,
5433 for -- oh, I am sorry, Mrs. Dingell. Sorry about that. I
5434 got it out of order. I now recognize the gentleman from
5435 Texas, Mr. Crenshaw, for five minutes.

5436 *Mr. Crenshaw. Thank you, Mr. Chairman. Thank you all
5437 for being here.

5438 I want to quote the great Thomas Sowell that the first
5439 lesson of economics is scarcity. There is never enough of
5440 anything for all the people who want it. And the first
5441 lesson of politics is to ignore the first lesson of
5442 economics. And that seems to be the rule that I think
5443 radical environmentalism plays when it comes to understanding
5444 basic supply and demand, and how that affects prices.

5445 Now, we can engage in wishful thinking, and we can wish
5446 for a reality that is different than the one we live in,

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5447 where supply and demand aren't real forces, and that we can
5448 just make them up and demand the prices that we feel like
5449 having, and expect the supply to then be there when we need
5450 it. Of course, that is not reality. We can we can go write
5451 fiction novels about it, I suppose, if we would like. That
5452 might be fun.

5453 So I want to talk about supply and demand on something
5454 very specific, and that is our refineries, because this EPA
5455 rule has gotten a lot of attention, and our bill, in response
5456 to that EPA rule, has gotten a lot of attention today.

5457 It is worth noting, first, that eight refineries have
5458 shut down in the last five years. It is one of the great
5459 reasons for the bottlenecks in refinery production and, of
5460 course, the reason for prices going up and staying up. When
5461 demand post COVID shot up and recovered, the supply could not
5462 recover accordingly. Just the basics here.

5463 Now the EPA wants to make that supply harder. The EPA
5464 wants to target hydrofluoric acid using refineries. That
5465 would affect 41 of our 130 refineries. That is 50 percent of
5466 all the product refined.

5467 Mr. Garcia, you talked about this today. I mean, what
5468 is really the intent behind this? And you have said it, so I

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5469 am going to paraphrase you, which -- the intent is to get
5470 them to change to a sulfuric acid-type refinery. Is that
5471 correct?

5472 *Mr. Garcia. No, the intent is for them to actually
5473 take the time to explore alternatives that are going to make
5474 it safer.

5475 *Mr. Crenshaw. Well, there is only one alternative. So
5476 you want them to change, though, right? I mean, you want
5477 them to use the different ingredient for the refineries, is
5478 that correct?

5479 *Mr. Garcia. We have talked about innovation. And so
5480 the analysis actually leads to innovation. And so the idea
5481 is that, while there might be one today, there could be more
5482 in the future. But you have to do the analysis in order to
5483 discover what that innovation is going to look like.

5484 *Mr. Crenshaw. Would a risk analysis discover
5485 innovation? I have never heard of an innovation, a new
5486 technology, discovered by a risk analysis.

5487 *Mr. Garcia. If you are taking into account -- if you
5488 are exploring what alternatives are out there, then yes, it
5489 will.

5490 *Mr. Crenshaw. How?

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5491 *Mr. Garcia. Again, if you are exploring --

5492 *Mr. Crenshaw. Like, you are a --

5493 *Mr. Garcia. If you are looking at new science --

5494 *Mr. Crenshaw. Is there any idea?

5495 *Mr. Garcia. You are looking at new science. I mean,
5496 you are looking at new science, new developments in
5497 technology that come about. And so, as those new
5498 developments in technology come about --

5499 *Mr. Crenshaw. Okay, so we can write a fiction novel
5500 about it.

5501 *Mr. Garcia. -- into which you can actually implement
5502 them, into the refinery --

5503 *Mr. Crenshaw. I understand, I understand. There is no
5504 answer.

5505 *Mr. Garcia. -- that is how you get progress.

5506 *Mr. Crenshaw. There is no answer. Again, we could
5507 write a fiction novel about it. That would be fun. But this
5508 is reality. So in reality, there is one other alternative,
5509 which is the sulfuric acid use of -- type of refinery.

5510 Now, if we shut down the 41 refineries to transition to
5511 that, which I suppose is deemed safer for some reason, that
5512 would take 50 percent of our refining capacity offline.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5513 Mr. Menezes, what would that do to our economy and our
5514 gas prices?

5515 *Mr. Menezes. Fifty percent of our refined products
5516 offline? Well, we have a demand of about 20 million, 17
5517 million barrels per day, you know, for refined products. If
5518 we lost half of that, I can only imagine what it would do on
5519 all the economies that depend on trucks, on, you know,
5520 transportation, your constituents that need to drive.

5521 I am not even sure our national energy modeling system
5522 at DoE can model a 50 percent reduction --

5523 *Mr. Crenshaw. And we have gotten some numbers on this.
5524 It would take two to three years for each facility to change.
5525 It would take a minimum of \$200 million, or potentially \$800
5526 million, depending on the size. So we are talking billions
5527 and tens of billions of dollars in costs. For what benefit?
5528 I don't even know.

5529 And a guaranteed increase in prices. I mean, we are
5530 fighting for the disenfranchised here, for people who can't
5531 afford to fill up their tanks, and yet all but guaranteeing
5532 that they can't do so for almost no benefit. And that is the
5533 theme, that is the general theme of radical environmentalism.
5534 Great cost for almost no benefit. That is a problem.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5535 And so our bill that has been chastised quite a bit in
5536 this hearing is simply in response to that, and says, look,
5537 if the plant already exists, if the refining plant already
5538 exists or is in construction, it is exempt from this new
5539 rule. If it is being planned, then by all means, take into
5540 account this particular rule and risk assessment. That is
5541 just -- that is common sense environmentalism.

5542 And I urge this committee -- because we all want clean
5543 energy. Anybody who follows me knows that I am constantly
5544 battling for it. But we have to do so in a way that doesn't
5545 hurt people more than we want to help them.

5546 And I yield back.

5547 *Mr. Johnson. The gentleman yields back. And now the
5548 chair is honored to once again recognize the gentlelady from
5549 Michigan, Mrs. Dingell, for five minutes.

5550 *Mrs. Dingell. Thank you, Mr. Chairman, and thank you
5551 to all the witnesses who have to be ready to end this.

5552 And I do have to say I am worried about the number of
5553 pieces of this legislation, because I care deeply about
5554 making sure that we are taking care of everybody, and that
5555 they can afford the energy of the future. And yet it is many
5556 of our children that are suffering from asthma and many other

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5557 things, and that what we are talking about here is going to
5558 give handouts to oil and gas, and undermine our nation's
5559 environmental laws, and actually rescind programs that are
5560 doing something about greenhouse gas.

5561 But I want to get to two very specific issues today. I
5562 want to start with the draft legislation to repeal the
5563 Greenhouse Gas Reduction Fund and close by focusing on our
5564 critical minerals supply.

5565 The Greenhouse Gas Reduction Fund, which was established
5566 in the Inflation Reduction Act and based on original
5567 legislation I authored -- so yes, I care about it -- will
5568 invest \$27 billion to develop clean energy projects aimed at
5569 reducing greenhouse gas emissions. Over 40 percent of the
5570 funding will also target disadvantaged communities,
5571 communities that for far too long have carried the brunt of
5572 environmental pollution.

5573 For years I have been a champion of a clean energy
5574 accelerator similar to this fund, because of its potential to
5575 accelerate the clean energy transition. Therefore, I am
5576 disappointed to see my colleagues on the other side propose
5577 repealing this historic program, which the EPA has yet to
5578 even fully implement, and the benefits which have yet to be

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5579 fulfilled.

5580 I am going to start with Mr. Garcia. My first question
5581 is simple.

5582 How will repealing the Greenhouse Gas Reduction Fund
5583 affect our ability to meet our climate goals?

5584 *Mr. Garcia. Well, in a lot of the calculations that we
5585 are talking about in terms of economic investment across the
5586 country for energy production, no one is accounting the
5587 actual harm that is coming our way because we keep investing
5588 in dirty fuels.

5589 And so that is one thing that I have noticed about the
5590 proponents of these bills, and it is a larger narrative, is
5591 that they want to sweep all of these consequences under the
5592 table.

5593 You know, if you have hydrofluoric acid in a refinery,
5594 yes, it can blow up. I think that might hurt the economy,
5595 right?

5596 So the same thing happens when we are talking about
5597 investment. It is making sure that we are making investments
5598 for the right long-term outcomes. And so that is what the
5599 Greenhouse Gas Reduction Fund really does.

5600 Now, it is not a slush fund. People keep calling it a

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5601 slush fund. It is really not. Fifty-five percent of the
5602 overall program funding will be dedicated to projects in low-
5603 income and disadvantaged communities; 8 billion of the 20
5604 billion is earmarked for low-income and disadvantaged
5605 communities, plus a separate 7 billion program. And so that
5606 is something that we have to keep in mind.

5607 For -- since the last industrial revolution, communities
5608 of color and low income have bore the burden that all of
5609 these industries put on their shoulders. And so this is the
5610 least that we could do at this point, and it is something
5611 that we need to see fulfilled, and we need -- and it is
5612 something that won't cure the sins of the past, but will
5613 certainly help get us to better consequences in the long
5614 term.

5615 *Mrs. Dingell. Thank you. I had a couple more
5616 questions, but I am down to almost a minute.

5617 So this fund is specifically designed to provide funding
5618 for projects where investment is lacking, effectively filling
5619 in a funding gap, rather than duplicating Federal programs.

5620 Mr. Chairman, I am going to ask if I can submit some
5621 further questions on this, because I think it is really going
5622 to hurt frontline communities.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5623 [The information follows:]

5624

5625 *****COMMITTEE INSERT*****

5626

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5627 *Mrs. Dingell. And I would also like to request
5628 unanimous consent to submit a letter for the record from the
5629 environmental community expressing strong opposition to the
5630 legislation repealing the --

5631 *Mr. Johnson. Without objection, so ordered.

5632 [The information follows:]

5633

5634 *****COMMITTEE INSERT*****

5635

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5636 *Mrs. Dingell. Thank you. My remaining time is on
5637 critical minerals.

5638 Strengthening supply chains for electric vehicles and
5639 batteries is a top priority for me. We cannot and will not
5640 be dependent on China. And I want to keep my own state of
5641 Michigan as a leader in this sector.

5642 The Bipartisan Infrastructure Law made historic
5643 investments in battery manufacturing and recycling
5644 facilities, battery reprocessing, and critical minerals
5645 mining, and recycling research. These investments are a
5646 critical downpayment, but we all know that more work needs to
5647 be done to meet the demand for these critical minerals.

5648 Mr. Garcia, what policies should this committee be
5649 exploring to develop and strengthen our critical mineral
5650 supply chains in an equitable, sustainable way?

5651 And you may need to provide more on that for the record.

5652 *Mr. Garcia. Absolutely. I will say quickly that it
5653 has to look to strengthen and enforce the laws that are in
5654 the books right now in order to make sure that that
5655 extraction and that recycling happens in a way that protects
5656 communities first, but still yields the adequate production
5657 that is needed in order to get new kinds of transportation

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5658 methods, clean types of transportation methods on the roads.

5659 *Mrs. Dingell. Thank you.

5660 Mr. Chairman, I will yield back, and I do want to work
5661 with you in a bipartisan way, but I have some real concerns.
5662 Thank you.

5663 *Mr. Johnson. The gentlelady yields back. And now,
5664 seeing there are no further members wishing to ask questions,
5665 I would like to thank all of our witnesses once again for
5666 being here with us today.

5667 I ask unanimous consent to insert in the record the
5668 documents included on the staff hearing documents list.

5669 Without objection, that will be the order.

5670 [The information follows:]

5671

5672 *****COMMITTEE INSERT*****

5673

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

5674 *Mr. Johnson. And pursuant to committee rules, I remind
5675 members that they have 10 business days to submit additional
5676 questions for the record, and I ask that witnesses submit
5677 their response within 10 business days upon receipt of those
5678 questions.

5679 Without objection, the subcommittee stands adjourned.

5680 [Whereupon, at 3:18 p.m., the subcommittees were
5681 adjourned.]