

**Energy and Commerce Committee  
Subcommittee on Oversight and Investigations  
Hearing, “Microvast and More: Oversight of President Biden’s Energy  
Spending Spree”  
June 21, 2023**

Opening Statement of Full Committee Chair Cathy McMorris Rodgers

**UNACCOUNTABLE FEDERAL SPENDING**

Thank you, Chair Griffith.

As I’ve previously said, we should all be able to agree that our country must have a stable, secure supply chain. It is a matter of national security.

We’ve seen the consequences of an overreliance on supply chains from adversaries....

...its playing out in Europe, where Putin has weaponized Russia’s control over the continent’s natural gas supply.

That is our future if we continue to cede our energy and supply chain security to China.

Unfortunately, President Biden’s rush-to-green agenda puts China more firmly in control of our energy supply.

This weakens American energy and national security and wastes American taxpayer dollars, which should be going towards supporting American jobs and innovation.

Beginning in March of this year, we’ve requested that federal agencies, including the Department of Energy, provide monthly accounting of the funds they received under recent major spending legislation, such as the Infrastructure Investment and Jobs Act and the Inflation Reduction Act. To date, we’ve received only one response from DOE, and it was incomplete. This is unacceptable.

Furthermore, on March 29th of this year, this Subcommittee convened a hearing with three Inspectors General to discuss the risks associated with the Biden administration's massive spending spree.

According to the Energy Department's Inspector General, DOE received \$128 billion dollars in authorizations and appropriations and an estimated increased loan authority of more than \$350 billion dollars.

The Inspector General also testified that under the IIJA and IRA, \$83.6 billion dollars will be going into 71 new programs at the Department.

To understand how massive this spending plan is, it is helpful to point out that the Department of Energy's Fiscal Year 2022 budget was 44.3 billion dollars.

What I found most concerning is that the DOE Inspector General warned that new programs pushing money through untested processes and newly implemented internal controls are especially vulnerable.

### **NEW OFFICE ADMINISTERING NEW PROGRAMS**

According to the Energy Department estimates, the Office of Manufacturing and Energy Supply Chains, which has only existed since February 2022, will administer a 12 billion dollar portfolio of projects under the IIJA and the IRA.

I have serious concerns about how a brand-new office will have the procedures and the staff in place to distribute such a staggeringly large sum in a responsible way.

### **ABRUPT MICROVAST DECISION**

These concerns have only intensified in recent months.

Under one of the new programs, the Battery Manufacturing and Recycling Grants Program, the Department announced it had selected Microvast, Inc. to receive \$200 million dollars.

We now know Microvast performs the bulk of its battery production in China.

According to the company's own SEC filings, and I quote...

"The PRC government exerts substantial influence over the manner in which we must conduct our business activities and may intervene, at any time, and with no notice."

It's deeply troubling that a grant for hundreds of millions of American taxpayer dollars was approved for a company like Microvast.

That is why, last December, Chair Griffith and I wrote to Secretary of Energy Jennifer Granholm requesting more information on this grant, as well as the procedures and processes that led to the selection of Microvast.

While it's true that the Department recently decided not to move forward with the Microvast grant, it remains unclear how the grant was approved in the first place.

Time and again we've requested information and testimony on how this happened, and time and again the Department failed to be accountable and transparent.

This lack of transparency undermines the public's trust and raises doubts that the Energy Department is fit to safeguard taxpayer dollars.

Americans deserve to know what the Department is doing to screen applicants, scrutinize their foreign ties, and keep funding that is supposedly supporting domestic industry from enriching our global adversaries.

## **THE THREAT OF GREEN GIVEWAYS**

It is time for the Department of Energy to start being transparent with this committee and the American people...

...who deserve every assurance that their tax dollars are not being funneled to China.

We will continue to demand transparency and accountability from the administration to protect against wasteful spending that makes us more dependent on our adversaries.

Since day one of the 118th Congress, my colleagues and I have led to celebrate American innovation and our energy dominance to build a better, more secure future for those we serve.

Today's hearing is just another step towards that goal.

We are asking the tough questions to make sure the Biden administration's spending spree on rush-to-green programs is not weakening our manufacturing, supply chain, and national security.

Mr. Howell, I appreciate you joining us today, and I look forward to learning more about this new program office.