

**Opening Statement of the Honorable Fred Upton
Subcommittee on Energy and Power
“The Fiscal Year 2017 DOE Budget”
March 2, 2016**

(As Prepared for Delivery)

Secretary Moniz – welcome back. Let me first say how much I have appreciated your efforts as secretary to come before this committee and work with us on both sides of the aisle. You have never been one to shy away from coming up to the Hill and engaging us, even when we may disagree. I credit you and your staff and the work you have done, in particular with the Quadrennial Energy Review, which helped shape our bipartisan approach to energy legislation this Congress.

While some of the provisions we worked on together were enacted as part of an energy security title in the highway bill, I am still hopeful that similar legislation can, and will, get through the Senate so we can get conference negotiations underway. We are in the midst of an incredible new era of abundance, and it is important our policies reflect these 21st century realities.

As I mentioned, there are inevitably areas where we won't quite see eye to eye, and the president's budget is one of them. We should be promoting and embracing our resources to keep energy affordable for folks in Michigan and across the country. But the president's budget takes a different approach, working to sideline and assail various sources of energy no matter their abundance or importance on family budgets.

In particular, the proposed new 21st Century Clean Transportation System is a prime example. This program, to be funded by a new tax that would raise gasoline prices, would subject our transportation system to a host of costly new climate hoops that put climate concerns first and affordability last.

This and other Washington-based programs in the budget miss a critical point – America's energy success is not due to the decisions of bureaucrats in Washington but to energy entrepreneurs across the country. DOE is at its best when it facilitates free markets, opens up competition, and allows innovators to innovate, not when it tries to micromanage them. Yet the budget has the potential to ratchet up the level of centralized control.

Our domestic abundance of coal, oil, and natural gas, along with nuclear, hydro, and renewables, puts us in charge of our energy destiny and makes a future of affordable and reliable energy an achievable one for this nation. The biggest threat to this bright future is no longer OPEC or any other outside menace. It is misguided policies that seek to pick winners and losers, and unfortunately we see much of that continue in this proposed budget.

One area in which I am interested in learning more about is the administration's recent commitments to double government wide research and development over the next 5 years, as part of Mission Innovation. Continued breakthroughs in the way we produce, transmit, and consume energy are needed in order to meet 21st century threats, be it from cyber, severe weather, or physical attacks on infrastructure. Many in the private sector are leaping at the challenge, including Bill Gates and some of our leading innovators and entrepreneurs as part of the Breakthrough Coalition, and the recent announcements and financial commitments appear to be very promising.

Congress, however, will need more information before responding to the budget requests on how limited DOE research dollars will work to augment the commitments made by the private sector. In this challenging budget environment, we will need to ensure there is no duplication, and that transparency, competitiveness, and impacts on consumer cost and reliability are front and center, and that the technologies and pathways considered are truly resource neutral.

As always, I know you and your staff will be ready to assist and work with us, and I look forward to your testimony.

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