

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Ranking Member Frank Pallone, Jr.

***Hearing on "Growing the Domestic Energy Sector Supply Chain and Manufacturing Base:
Are Federal Efforts Working?"***

May 23, 2023

Today, the Subcommittee is examining federal efforts to grow the domestic energy sector supply chain and manufacturing base.

Last Congress, Democrats acted and delivered for the American people by passing the landmark Inflation Reduction Act and the Bipartisan Infrastructure Law. Together, these laws make unprecedented investments that bolster the energy sector and finally make it possible to combat the worsening climate crisis and revitalize American manufacturing and competitiveness. Thanks to these two laws, we are finally investing in America's future by bringing good-paying jobs back to the United States and unleashing American manufacturing and innovation.

Revitalizing the domestic energy supply chain is a core part of these efforts. It's critical because our nation has fallen behind in producing the critical minerals needed for the clean energy transition. The Inflation Reduction Act invests in building domestic supply chains for critical minerals for renewable energy. These investments will also ensure that the critical minerals we use are produced with high environmental standards and protections for workers that our foreign competitors lack or often ignore.

The Inflation Reduction Act and Bipartisan Infrastructure Law make investments that restore the competitive edge to American manufacturers and innovators so that we can not only catch up to, but surpass countries like China on renewable energy, manufacturing, and technology.

The Department of Energy (DOE) is leading the charge on these efforts. By leveraging decades of research and development, commercialization, and investment experience, DOE is well positioned to make targeted investments to revitalize communities and rebuild domestic manufacturing. As one example, DOE's recent loan to Syrah Technologies supports domestic mineral processing in Louisiana that is critical to manufacturing lithium-ion batteries, which are critical components in electric vehicles and energy storage. These types of investments are going to be essential in our efforts to lead the world in the clean energy transition.

But our unprecedented investments won't have the greatest impact without proper controls in place. That is why Democrats included statutory oversight provisions in both laws to ensure these programs are in the best position to succeed.

Just yesterday it was reported that the Department of Energy ended negotiations with Microvast, a battery manufacturer that had applied for federal money and had been scrutinized for ties to China. While we do not know the details behind this decision, it shows that the DOE is taking its stewardship of taxpayer money very seriously. In fact, to conduct even more rigorous vetting of applicants, last year DOE established a Research, Technology, and Security Issues group specifically tasked with assessing risks of loan and award applicants, including those with foreign ties. This group uses not only DOE expertise but also draws on the expertise of other agencies, including the Committee on Foreign Investment in the United States (or CFIUS), to thoroughly vet applicants for federal backing.

You would think that Republicans would be applauding DOE's efforts. For years, my Republican colleagues have bemoaned the state of American manufacturing and warned that China was pulling ahead. Yet, not one Republican member of this Committee supported either the Inflation Reduction Act or the Bipartisan Infrastructure Law. In fact, my Republican colleagues spent last Congress opposing these bills at every turn and are now attempting to undermine them however they can.

And today, they are resigned to cheap political stunts. The fact that no DOE official is testifying today before the Committee is not DOE's fault, it's the Republican majority's fault. The DOE letter that Ranking Member Castor referenced outlines the back-and-forth communication on this hearing. It's clear Republicans were planning to hold this hearing in June and were working with DOE to get that scheduled, when all of sudden the date changed earlier this month to today. Republicans did not give DOE the customary 14-day notice. It's a shame that DOE wasn't given adequate notice and instead we're left with a rushed hearing on an important topic.

Unfortunately, it looks like these cheap stunts are all Republicans have left. They talk about wanting to out-compete China, but they all opposed the very laws that are going to help us do just that.

I hope we can have a real hearing in the near future where we can hear from DOE about the important safeguards they are already putting in place to protect the taxpayers' investments and rebuild our economy for a clean future.