

**Statement of Ranking Member Paul D. Tonko  
Committee on Science and Technology  
Subcommittee on Investigations and Oversight  
Hearing  
A Review of the Advanced Research Projects Agency – Energy  
January 24, 2012**

Thank you, Mr. Chairman for holding this hearing today.

The Advanced Research Projects Agency-Energy, ARPA-E, was designed to be nimble, creative and aggressive in funding promising ideas that could transform the way we obtain and use energy. Nothing in the law said that ARPA-E could only fund companies that did not have private sector funding or that it could not fund companies that had funding from other agencies. Our expectation was that ARPA-E could apply the successful DARPA model to the energy sector and enable promising ideas to move expediently towards proof-of-concept or demonstration.

ARPA-E was to take on a scope of work that the private sector could not take on by itself and to accelerate the timeline of innovation in a way other agencies or venture capital could not do alone. Nothing in the GAO report that tackled this question suggests ARPA-E is doing anything but what the Congress and the President envisioned when ARPA-E was established in 2007.

Time-to-market with an invention matters. Everyone knows who Alexander Graham Bell was, and that he was awarded the first patent for a telephone. Very few know who Elisha Gray was—he was second to file at the patent office for a very similar device. ARPA-E is supposed to make sure that the Alexander Graham Bell's in our new and more competitive globalized world are American inventors and American companies.

The response to this new organization has been enormous. DOE has received over 5000 concept papers in the three years of its existence. Companies and academic institutions that I interact with are very excited about this new model for funding energy research. ARPA-E is funding innovative companies in my district, like SuperPower, in partnership with the University of Houston and others, to research materials and superconductivity applications with the potential to provide essential improvements in our energy infrastructure.

Given the importance of energy to every sector of our economy and to all our citizens, I believe we not only can afford this program – we cannot afford to lose it. Other national governments are investing in the energy technologies of the future – clean energy technologies, especially renewable energy technologies. The Chinese government invested \$34.6 billion in clean energy in 2009, while the United States invested \$18.6 billion. Perhaps, others are willing to accept second place in the race to develop new energy technologies. I am not.

Finally, Mr. Chairman, I have to comment on the staff report the majority will enter into the record today. You and Chairman Hall have a well-documented opposition to ARPA-E. You asked GAO to examine how ARPA-E might be skirting the law requiring that DOE insure they are not duplicating funding of the private sector. We will hear from the GAO about their findings today, but their bottom line was that DOE has been working to insure that they fund projects on a scale and timeline that the private sector alone would not fund.

Mr. Chairman, it appears that when GAO's report did not give the majority the findings you hoped for, the majority staff wrote the report it wished to receive. The majority staff went through GAO's work papers and cherry-picked some examples to portray the law as something that it is not. These are hallmarks of a partisan hit piece, not a thoughtful, thorough report. Just as one example, the staff report points to several examples of companies that received private sector funding or funding from other Federal programs. However, the report does not validate whether the funding is duplicative with ARPA-E funding or not. The report settles for assertion and hand-waving where only facts should matter.

I will not oppose a motion to put the majority's report in the record, despite my misgivings about the process, so long as it is understood that Members on this side may decide to insert into the record our own evaluation of that work product and this program.

I am pleased to note that we will receive testimony on two reports today, one from GAO and one from the DOE Inspector General. I am going to put far more faith in their work products and findings—which are largely positive and productive—than the partisan claims in the majority's report.

I thank the witnesses for appearing before us this afternoon. I look forward to your testimony.