

## **OPENING STATEMENT**

Ranking Member Don Beyer, Subcommittee on Oversight  
House Committee on Science, Space & Technology

*“Department of Energy Oversight: The DOE Loan Guarantee Program”*  
Joint Subcommittee Hearing, Subcommittees on Energy & Oversight

March 3, 2016

Thank you Chairman Weber and Chairman Loudermilk for holding this hearing today on the DOE Loan Program.

Fundamentally, I believe the federal government has a crucial role to play in fostering scientific innovation and the development of advanced technologies. Throughout the past century, the U.S. government has backed and bankrolled a host of technical discoveries from global positioning satellites (GPS), semiconductors, nuclear power, and a vast array of medical and healthcare related devices. Economist Mariana Mazzucato points out that one dozen of the key technologies that make the iPhone possible, from microprocessors to touch screens to lithium-ion batteries were developed with the investment and support of federal agencies from the National Science Foundation to the Department of Defense and Department of Energy (DOE).

I believe the DOE Loan Program helps to advance the commercialization of new and emerging clean energy technologies. It encourages private investment in these key areas that would have been absent without federal support. Just like in the private sector, however, not every venture proves viable and not every investment is an automatic success. But not every failure is reason to dismember a program or withdraw from federal support of innovation that has been an established norm in this country for well over a century.

Some of my friends in the Majority may not like to acknowledge this fact, but investments the federal government has chosen to make in key technologies has helped to spawn new industries, including the information revolution, and solidified America’s place as the global hub of scientific innovation, revolutionary discoveries and advanced technological development. I believe our government should also strive to be a leader in developing clean energy technologies as well. The DOE Loan Programs help us do that.

Ensuring, however, that federal dollars in these enterprises are well invested, thoughtfully managed and efficiently distributed is proper and appropriate. I look forward to hearing from Mr. McCall from DOE about how the DOE Loan Program is doing that today, and from our other witnesses, including Mr. Frank Rusco from the Government Accountability Office (GAO) about how they believe the program can improve to do that better in the future.

The Majority has expressed particular interest in three projects related to a company named Abengoa that received funding from the DOE Loan Program. The particular interest in these loans is understandable because Abengoa, based in Spain, has recently begun insolvency proceedings. Fortunately, the \$132 million loan for an Abengoa related bioenergy project,

backed by a DOE loan guarantee, has been repaid in full and the other two projects, named Solano and Mojave, are currently operating and repaying principal and interest on these DOE loan guarantees as scheduled.

I look forward to Mr. McCall explaining how federal dollars have been protected by the structure of these loans and I hope that he can help clear up some of the misinformation in the media about the specific Abengoa projects supported by the DOE Loan Program.

I would point out that these three Abengoa related loan guarantees combined totaled almost \$2.8 billion dollars while the DOE provided guarantees for nearly three times as much funding, \$8.3 billion, for construction of the new Vogtle nuclear plant in Georgia. And I would remind our Majority that the U.S. government has provided more than \$470 billion in subsidies to the oil and gas industry over the past 100 years that they continue to receive today despite the extensive maturity of that industry.

Lastly, I would also like to express a particularly warm welcome to Mr. Gregory Kats. Mr. Kats is uniquely placed to provide a broad view of the DOE Loan Program and the critical need for this sort of federal investment. I believe he can help place the quote “failures” of the program in perspective educating us on the “success” rate of the private sector when it comes to investing in new energy technologies. Mr. Kats is a former DOE official and is now a venture capitalist and has been on the Board of Directors of two companies who have applied for DOE loans. I look forward to his description of the rigors of the DOE Loan program from his perspective in the private arena investing in clean energy technologies and companies that can help move our country and our advanced energy technologies forward.

Thank you. I yield back.