

OPENING STATEMENT

Ranking Member Eddie Bernice Johnson (D-TX)
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

Good morning. Thank you Chairman Weber and Chairman Loudermilk for holding this hearing, and thank you to the panel of distinguished witnesses for being here.

We are gathered this morning to discuss the Department of Energy’s Loan Guarantee Program. This program provides loan guarantees for projects across various energy sectors including renewables, nuclear, and fossil fuels. Such support is critical because private lenders are often unwilling to take on the risks associated with financing truly innovative projects in the early stages.

Additionally, the program has been instrumental in creating thousands of American jobs in high tech industries such as wind energy, solar manufacturing, and bioenergy. For example, loans from the Advanced Technology Vehicles Manufacturing program have supported the production of more than 4 million fuel-efficient cars and more than 35,000 jobs across eight states.

Not only does the loan program provide critical investment in cutting-edge energy solutions, but it does so in a fiscally responsible manner. While the Majority has launched yet another investigation designed to paint the loan program as wasteful, this couldn’t be further from the truth. As you will hear later from Mr. McCall, director of the Loan Program Office, the careful structures of the DOE’s loan guarantees have provided and will continue to provide strong protections for taxpayer funds.

Even initial critics now view the loan guarantee program as a success, with losses equaling only 2.27% of the Office’s entire portfolio - a rate that is lower than many venture capitalists achieve. While there will undoubtedly be instances when an individual project does not meet its goal, the DOE’s portfolio remains strong and healthy overall.

In closing, I want to emphasize that the DOE loan guarantee program is critical for the United States to compete on the world stage and meet the energy challenges we face in the 21st century. Germany, China, India, and others have implemented robust energy loan and loan guarantee programs. Our utilization of innovative and financially sound programs like the DOE loan guarantee program will ensure that the U.S. remains a world energy leader while fostering greater economic growth.

Again, I thank each of you for joining us today, and with that I yield back the balance of my time.