

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy and Power
Hearing on “The American Energy Initiative: A Focus on
H.R. 4255, the ‘Accountability in Grants Act of 2012’”
September 11, 2012
(As Prepared for Delivery)

Today, we will be discussing H.R. 4255, the “Accountability in Grants Act of 2012,” which prohibits EPA from awarding grants to foreign countries under the Clean Air Act.

Over the past 18 months, this committee has held numerous hearings on various actions taken by President Obama's EPA, and the one recurring theme throughout our oversight is that the agency has strayed away from its core mission. In fact, EPA is pursuing a wide-ranging agenda that is neither specified nor required under the Clean Air Act. One example is the agency's war on coal. EPA has no statutory authority to set America's energy policy, yet the agency has embarked on a multi-pronged agenda to regulate coal use out of existence. We will continue to push back hard against the Obama administration's anti-coal efforts to protect jobs and ensure Americans continue to have access to affordable electricity.

But today, we will address another one of the agency's questionable activities – the sending of millions of dollars in grants overseas, particularly those grants awarded under Section 103 of the Clean Air Act. There is nothing in the Clean Air Act directing the EPA to send tax dollars abroad, and the American people would not be pleased to know we are subsidizing foreign projects at a time when millions of Americans are out of work and the national debt just eclipsed \$16 trillion.

While the practice of awarding such grants to foreign recipients did not begin with the Obama EPA, it is under this administration that foreign grant spending has nearly doubled. The agency doled out nearly \$12 million dollars in foreign grants in 2009, nearly \$22 million in 2010, and \$28 million in 2011. This is a disturbing trend that won't stop unless we do something about it.

This is not merely an issue of money. In fact, many of these foreign grants raise questions for reasons that go well beyond the dollars and cents.

Some of these grants go to countries like China, Russia and Brazil who rank among the largest foreign holders of U.S. treasury securities. In the case of China, we are talking about a country that holds more than a trillion dollars in U.S. debt. So we have the odd situation of borrowing money from a country and then giving some of it back in grants.

Several grants go to foreign countries to help their industries deal with various pollution issues. But many of these foreign energy producers and manufacturers are in direct competition with their American counterparts. The fact that the very same EPA that is strangling our domestic industries with regulatory red tape is also sending checks that may assist foreign competitors raises questions as well.

In addition, many of these grants seem downright outlandish. The Obama administration's answer to soaring unemployment and skyrocketing debt? \$450,000 for the “Breathe Easy, Jakarta” initiative. This kind of spending must come to an end.

The Accountability in Grants Act would prohibit any more American tax dollars from being used under Section 103 of the Clean Air Act for purposes outside the U.S. In doing so, this bill will save taxpayer dollars and force the Obama administration to focus on its actual responsibilities here at home.

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