

Opening Statement of the Honorable Cliff Stearns
Subcommittee on Oversight and Investigations
Hearing on "Budget and Spending Concerns at DOE"
April 18, 2012

(As prepared for delivery)

We convene this hearing, the third in our series of oversight hearings on the federal budget. Today we will examine the adequacy of the Department of Energy's implementation of the president's promise to conduct a "line-by-line" review of the federal budget. At this time of financial distress, the goal of this pledge must be to eliminate unnecessary, duplicative, or wasteful government programs, to cut costs, and do more with less. This hearing aims to determine the results of DOE's efforts to cut spending and to help DOE find more spending cuts and savings.

Over the past year and a half, this subcommittee has conducted rigorous oversight of programs administered by DOE, including those that received a boost in funding under the Recovery Act. From the Solyndra debacle and the Loan Guarantee Program to DOE's role in the Section 1603 program, this subcommittee has been seeking transparency and accountability in DOE's Recovery Act spending.

The American people feel the pain at the pump, as I'm sure many members are hearing directly from their constituents. The average national price of a gallon of regular gasoline is nearly \$4. Compounding this pain, DOE, the custodian of literally billions of dollars in Recovery Act funding, has all too often taken its eye off job creation, drawn instead to high-risk ventures with known questions over commercial viability. Rather than gambling in the casino of risky green energy investments, DOE should be using taxpayer dollars prudently to help get Americans back to work while assuring them reliable access to affordable energy.

The president's Fiscal Year 2013 Budget requests \$27.2 billion for DOE – an \$856 million, or 3.2 percent increase, over the Fiscal Year 2012 enacted level. To put this in context, this is up from a departmental budget of about \$17 billion in Fiscal Year 2000, just over a decade ago, and reflects an increase of around 60 percent. This, of course, does not include the \$35 billion that DOE has received under the Recovery Act in recent years.

DOE, at present, is an agency of nearly 15,000 federal employees and 100,000 contractors. An Inspector General's report on Management Challenges from late last year discusses options to achieve operational efficiency and cost savings at DOE. While DOE has undertaken a number of new management initiatives intended to increase operational efficiencies, much more needs to be done.

Some of the Recovery Act's most costly programs are DOE-administered programs. However, criminal investigations, poor performance, and reported waste have been the hallmarks of the Loan Guarantee Program, Advanced Research Projects Agency – Energy, the Weatherization Assistance Program and the Advanced Technology Vehicles Manufacturing loan program, according to the IG and GAO. This committee, alongside the IG and GAO, will continue to work at keeping these programs functioning as Congress intended, while operating at not one penny above what is required to fulfill their core missions.

This committee must remain deeply and regularly engaged with the agencies within its jurisdiction, including DOE, as they define their priorities, identify their needs, and set their goals for the year ahead.

Today, we will look at the actual results of the DOE's efforts to meet the president's pledge to comb through the federal budget and cut spending. The committee has learned, for example, that DOE chose not to heed the president's April 2009 order to cabinet secretaries to identify a combined \$100 million in budget cuts by July 2009. GAO has also recently identified 700 renewable energy initiatives across the federal government, 92 of which are housed at DOE. At a time when the president is requesting an increase in funding for DOE's renewable energy programs, can anyone at DOE certify that there is no redundancy among these 92 initiatives?

To learn more about DOE's efforts, we will take testimony today from the Director of the Office of Budget at DOE, Chris Johns; the Inspector General of DOE, Gregory Friedman; and Director of Natural Resources and Environment at GAO, Frank Rusco. These individuals, and their staffs, have conducted rigorous oversight and audits of EPA for many years. I welcome the witnesses.

This subcommittee, and the committee as a whole, have no more crucial task than to work with agencies such as DOE to ensure that they have the tools they need to realize the aims for which they have been authorized to expend finite federal resources.

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