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Opening Statement
Full Committee Hearing: 21st Century Communities: Capitalizing on Opportunities in the Clean Energy Economy
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Thank you, Mr. Chairman.

Today, I expect we will hear calls for Green New Deal-type policies. Our discussion needs to include the costs of these policies, including lost American jobs, slow economic growth, increase energy costs, and waste billions of taxpayer dollars.

Our discussion should also include the remarkable progress we've made in reducing carbon emissions – ironically enough, using fossil fuels. Let me explain.

U.S. carbon emissions have been falling for years. In 2019, U.S. carbon emissions hit their lowest level since 1992 and their lowest per capita level since 1950, and the U.S. led the world in reducing energy-related CO2 emissions. These declines have been enabled by America's recent energy renaissance made possible by technology and free markets.

The natural gas boom—in places like Pennsylvania—has helped gas partially replace coal as the fuel for America's power plants. This has been the primary driver of the declines in carbon emissions. We made this progress creating jobs, not destroying them.

Nonetheless, some of my colleagues seem determined to impose Green New Deal policies that will cost us jobs on a net basis and stifle the very developments that have allowed us to reduce emissions. They often describe the destruction caused by these policies as an "opportunity" to create new green energy jobs. But they fail to acknowledge the costs they're imposing in lost jobs and higher energy prices.

I'm reminded of French economist Frederic Bastiat's famous 1850s parable of the "broken window." In the parable, someone breaks a shopkeeper's window, so he must hire a window maker to replace it. Some people think the broken window is a good thing because it "created" a job for the window maker. But Bastiat points out the fallacy in this thinking. As he puts it, "destruction is not profit."

The shopkeeper had to spend money and time to replace his window. If the window had never been broken, that money and time would've gone to more productive uses—like hiring a worker to expand the shopkeeper's business. Some of my colleagues seem to have forgotten this basic economic principle.

Just as breaking a shopkeeper's window doesn't somehow create economic gain, neither does destroying traditional sources of energy and replacing it with so-called green energy create economic gain for two reasons: it would only create new green jobs by destroying traditional energy jobs. In addition, the end result is that society pays more for energy, which lowers our standard of living. And the consequences of this destruction aren't just academic.

The Biden administration has already imposed policies that are destroying traditional energy jobs. For example, it has terminated construction of the Keystone XL pipeline, and banned new oil and gas leases on federal lands.

These actions alone will destroy tens of thousands of jobs for Americans. Today, we will hear from one of them—Neal Crabtree—a union welder who lost his job when Keystone was shut down.

I'm also deeply concerned about the Biden administration's apparent efforts to coerce banks to stop lending to fossil energy companies. This week all the Republicans on this Committee sent a letter to John Kerry warning the administration to stop abusing government power in this way.

Mr. Kerry has said the very purpose of President Biden's expected global warming executive order is to "change the allocation of capital" – in other words, to redirect capital from traditional energy companies to companies deemed to be sufficiently "green."

This effort disturbingly resembles the Obama administration's notorious "Operation Choke Point" scandal, in which regulators attempted to coerce banks into denying services to legal yet politically-disfavored businesses.

It's neither practical nor desirable to immediately cease fossil fuel production. Fossil fuels represent approximately 80 percent of U.S. energy production and consumption. Abusing government power to try to achieve that objective will distort capital allocation, raise energy costs for consumers, and slow economic growth.

Finally, Green New Deal jobs programs have a history of failure. Yet, President Biden's infrastructure plan would double down on these failed policies of the past. Consider one example: his plan would establish a $27 billion "National Climate Bank" to provide financing for so-called green investments.

We know that when the government substitutes its judgment for that of the market, it picks winners and losers based on political favoritism, not business fundamentals. Just look at the 2009 Obama-Biden spending bill. That bill included over $80 billion in spending, loan guarantees, and tax credits for green energy projects. What were the results of this massive government program? Waste, fraud, and abuse.

Who can forget the infamous case of the solar panel company Solyndra? It went bankrupt and defaulted on a $535 million loan guaranteed by federal taxpayers. Solyndra's ability to secure a loan guarantee may have resulted from its political connections—not a track record of success. And the Department of Energy's Inspector General found that Solyndra engaged in a "pattern of false and misleading assertions and statements."

Nevertheless, taxpayers had to bailout Solyndra for over half a billion dollars. This is what happens when the government picks winners and losers based on political considerations.

As one of today's witnesses—David Kreutzer—will testify the Biden administration is repeating these mistakes.

The climate is changing. And we should be having a vigorous debate about what to do about that. But that debate should honestly acknowledge that if we shift from low-cost fossil energy to high-cost energy, like wind and solar, there will be costs. Jobs will be destroyed and energy prices will go up.

We should weigh these costs against the potentials benefits of a shift, and we should do so in an open, transparent, and accountable way—not through sweeping executive actions and backdoor pressure campaigns to coerce banks to implement the administration's preferred policies.