

## **Opening Statement**

**Select Committee on Energy Independence and Global Warming**

***The Clean Energy Recovery: Creating Jobs, Building New Industries  
and Saving Money***

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You never have to admit you're wrong if you always argue that things could be worse. The unemployment rate is hovering around 10 percent and the economy has lost 3.3 million jobs since Congress passed the \$862 billion stimulus bill, but the majority has still convened today's hearing to celebrate the bill as a success. No matter how sluggish our economy gets, they can always pretend that things are better than they could have been.

I am still hopeful that last year's \$862 billion stimulus bill will help people get back to work, but this is mostly wishful thinking. Evidence already shows that this massive government program is unlikely to produce any significant growth in the workforce. There are good intentions behind some of these so-called "green jobs" projects, but we

also need accountability. The stimulus program was a failure, and we need an honest accounting as to why.

Spending government money can create jobs, but most of these jobs are entirely dependent upon the government subsidies—take away the subsidy and the job goes too. Based on per unit of energy output, wind and solar energy projects receive 50 times more subsidies than coal. The subsidies required to create these “green jobs” result in the loss of economically-sustainable jobs in other industries.

Experiences abroad have already documented this fact. Spain spent \$1.6 billion to subsidize its solar industry. A study from a Spanish University, however, found that for every job this money created, it cost the economy 2.2 jobs in other industries. The same study also found that 9 of every 10 jobs created by the subsidies were temporary.

The Obama Administration immediately attacked this study, but critics must account for the fact that, since implementing the subsidies, the unemployment rate in Spain has climbed to nearly 20%. I know the playbook is to argue that “things would have been worse without the subsidies,” but when 1 in 5 people are unemployed, how much worse can it get?

The Administration was so frightened by the Spanish statistics that it took what Department of Energy employees described as an “unprecedented” step of issuing a direct rebuttal. DOE contracted with the National Renewable Energy Laboratory to produce a response to the Spanish economic study. Documents obtained through a FOIA request by the Competitive Enterprise Institute made clear that the Administration’s rebuttal was written in conjunction with wind lobbyists and other advocacy groups. This blatant conflict of interest not only undermines the integrity of NREL’s attack, but also exposes the agenda of the report’s sponsors.

Unfortunately for us, the stimulus bill might actually be of some help to Spain. The Investigative Reporting Workshop, a project of the School of Communication at American University, found that a majority of the program’s grants went to foreign-owned companies, and that a majority of the turbines purchased with the money were built by foreign manufacturers. The workshop found that:

Of the \$1.05 billion in clean-energy grants handed out by the government since Sept. 1, 84 percent – a total of \$849 million – has gone to foreign wind companies. Spanish utility company,

Iberdrola S.A., alone has collected \$545 million through its American subsidiary.

In response to a letter from Democratic Senators criticizing the stimulus program, Secretary Chu wrote that “All of the wind turbine installation jobs are created here in America.” So we’re spending U.S. taxpayer money to create long-term manufacturing jobs abroad and consoling ourselves because we’re also creating a few short-term construction jobs at home.

The job creation benefits of the stimulus package were further undermined by the Democrat’s political alliance with unions. The Government Accounting Office recently found that the pro-union Davis-Bacon language in the stimulus bill meant Energy Department officials had to spend valuable time determining the prevailing wages for these so-called green jobs. This bureaucratic exercise cost valuable time during a period where many Americans needed the work. In the case of weatherization, the Energy Department has spent only 8 percent of the nearly \$5 billion budgeted to improve energy efficiency in homes across the country. Indeed, a study by the Heritage Foundation shows that Davis-Bacon rules require government contractors to pay wages that

average 22 percent above the market rate and suspending Davis-Bacon rules would let the government hire 160,000 additional workers.

I'm happy that Brian Johnson of Americans for Tax Reform is here to tell us more. He'll testify that Davis-Bacon rules reduced the job creating benefits that the stimulus bill sought to create.

I also want to welcome Mary Ann Wright of Johnson Controls, who are based in my district, and thank her company for their work on cutting edge battery power. I believe the only way we can confront climate change is through technological breakthroughs. I am in fact the lead author and original sponsor of the Hybrid Truck Act, which has twice passed the House of Representatives.

I hope this hearing proves to be the beginning of legitimate oversight rather than an attempt to spin ineffective policies.

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