

Crapo Statement at Finance Committee Markup
May 26, 2021

Washington, D.C.--U.S. Senator Mike Crapo (R-Idaho), Ranking Member of the U.S. Senate Finance Committee, delivered the following remarks at an open executive session to consider "The Clean Energy for America Act."

The text of Ranking Member Crapo's remarks, as prepared, is below.

"Thank you, Mr. Chairman, for holding this markup on something we can all agree needs reform--our energy tax laws.

"Senator Wyden and I agree, and I think there is bipartisan support for modifying energy tax provisions in the Code.

"Senator Wyden and I also agree, and there is broad bipartisan support, for the concept of a technology-neutral approach for investments in our clean energy sectors.

"There is also bipartisan agreement that Congress should not continue to pick energy tax winners and losers through the annual tax extenders process.

"When considering both my Energy Sector Innovation Credit Act (or ESIC) and Senator Wyden's Clean Energy for America Act, there at least appears to be consensus that energy tax credits should be market-based.

"ESIC proposes a credit phasedown system based on market penetration, systematically reducing credits as technologies increase their market share.

"My proposal is tech-neutral, not prohibiting any technology from qualifying, so long as it is not over a certain level of market penetration.

"Most, if not all, of the members on my side of the dais cannot support a bill that eliminates all provisions related to fossil fuels and essentially prevents bipartisan technologies, like carbon capture, from qualifying.

"Energy incentives have the potential to spur economic growth and create jobs, if executed properly.

"The oil and natural gas industries employ over 10 million Americans, paying on average seven times the federal minimum wage. "I am willing to work on constructive proposals to modernize and innovate our nation's energy production, but not at the expense of millions of good-paying American jobs.

“Furthermore, I cannot support attaching labor requirements to energy tax policy. “Linking labor policy to energy-related tax credits is unprecedented, and I have concerns not only about the policy, but also about the dangerous precedent it sets for amending the tax code.

“Finally, in order to maximize taxpayer dollars, we have to take a close look at those technologies that are market mature and end their government subsidization.

“Our tax code should encourage technology-wide clean energy innovation, helping to bring breakthrough power generation to deployment until new technologies can compete independently in the market.

“My technology-inclusive bipartisan energy tax proposal, ESIC, would accomplish this by working with experts at the Department of Energy, national labs, and other stakeholders to target tax credits for innovative clean energy technologies.

“As these technologies become mature, the credits systematically decrease to ensure taxpayer dollars do not subsidize cost-competitive technologies.

“I thank Senator Whitehouse for leading this proposal with me in the Senate, and we will be introducing it sometime in the near future.

“In addition, Mr. Chairman, Senate Republicans are currently negotiating an infrastructure package with the White House.

“Infrastructure has always been an area where we have had broad bipartisan agreement.

“Our goal in those negotiations is to make a deal on the things we can agree on and continue to work on the rest.

“Mr. Chairman, we have a shared goal to bolster effective, clean energy investment and strengthen U.S. energy independence.

“However, I expect a robust debate today about how this proposal could result in job losses and negatively impact states for members on both sides of the aisle; the likely effect on gas prices at the pump for consumers; concerns about adding Davis Bacon labor and prevailing wage requirements to the tax code; and the need to assess whether certain energy tax credits continue to be necessary, or whether they have served their intended purpose of incentivizing growth and investment.

“Going forward, we should work together to get a deal on the things we can agree on, and keep working on the rest.”