

**Opening Statement of Chairwoman Debbie Stabenow (D-Mich)**

**Senate Finance Committee Subcommittee on Energy, Natural Resources and  
Infrastructure**

**“Powering Our Future: Principles of Energy Tax Reform”**

**July 31, 2013**

*As prepared for delivery*

Last month, Chairman Baucus and Ranking Member Hatch invited all senators to provide their ideas on what a reformed tax code should look like. I know the Chairman and Ranking Member and their staffs will be carefully reviewing those ideas.

Starting from the views of each member, we need to build a consensus in Congress, and around the country, on what our tax system should look like. The purpose of today’s hearing is to see if there are principles for energy tax reform where we can build consensus.

In general, I believe that we should seek to streamline our nation’s tax code to grow our economy while making the system fairer and simpler for our families and businesses. Tax reform will only be successful, however, if it furthers our effort to make America more competitive in the global economy. And competitiveness needs to be defined in a way that not only includes business success but the economic success of individual Americans as well.

A recent study by the Harvard Business School makes the point exceptionally well:

“The United States is a competitive location to the extent that firms in the U.S. can succeed in the global marketplace while raising the living standards of the average American.”

That is why a top priority of tax reform needs to be the elimination of current barriers in our tax code that make it difficult to innovate and make things in this country, and thus, create and sustain a strong middle class.

We need a “do it all” approach when it comes to energy production. This is not a new idea, and it has garnered support from both sides. But we can’t have a true “do it all” approach if we only support one technology with 100-year-old tax credits while ignoring emerging clean energy technologies. Part of our strategy must be supporting innovative new clean energy industries and jobs in America.

The global demand on fossil fuels is increasing, too, with rapidly growing middle classes in countries like Brazil, China and India using much more energy than in previous decades. China put 16.8 million vehicles on the road in 2010 alone. Prices will continue to go up and the world will increasingly look for alternatives.

Other countries know this— and that's why they're investing heavily to develop new clean energy technologies. China is spending over \$178 million per day on clean energy technologies.

New clean energy industries not only mitigate the impact of climate change – they represent the potential for tremendous job creation here at home. They also give consumers more options and provide more market competition in energy.

Other countries know that the race is on to be the global leader in these new technologies, and that the country that controls new energy production will be the Saudi Arabia of the 21st Century.

This is one of the most important economic and national security issues of our time. We can't afford to trade dependence on foreign oil for dependence on advanced batteries, wind, solar, hydrogen, advanced biofuels or other forms of energy.

This discussion is also very much about jobs. There are 8,000 parts in a wind turbine, for example, and we can make every one of them here. During 2012, wind energy became the number one source of new U.S. electricity generating capacity, providing 42% of all new generating capacity and supporting 75,000 jobs nationwide. The solar industry employs 119,000 people – up 13% from 2011 – representing one of the fastest growth rates for any industry. Solar prices have declined by 60 percent since 2011.

We must engage in the global race to lead the world in these new technologies, or risk falling further behind other countries. It's our responsibility to create tax policies that help our companies thrive. We need to provide American businesses the long term certainty they need so they will invest in creating these new technologies and jobs and give consumers real energy choices in order to bring prices down.

We need to seize the opportunity before it's too late. And tax reform is that opportunity.