



**Opening Statement: QER Hearing
Chairman Lisa Murkowski
April 28, 2015**

The hearing will come to order. We are here this morning to review the first installment of the Quadrennial Energy Review. We call it the QER around here.

We are pleased to have Secretary Moniz back before the committee. This is your second time so far this year. We greatly appreciate not only the public engagement but the time that I know you give each of us as you come to either discuss issues in our offices or through your frequent phone calls. I appreciate that engagement and that reach out and I think it is very helpful. Secretary Moniz oversaw the development of this report at the Department of Energy and I think many of us have had the opportunity to have a little bit of discussion on this report but this morning is our opportunity as a committee to review it.

In the United States, we take it for granted that when we flip a switch the lights will turn on, that our devices charge up when we plug them into the wall, that when we pull off on the side of the road to fill up at a gas station when we're on a family trip that everything works. We live in a country that has abundant resources and innovative technologies that make our way of life – and our standard of living – the envy of many around the world.

We should be proud of the tremendous progress that has been made, but also recognize that nothing is guaranteed to stay this way. And that is particularly true when it comes to our energy infrastructure, which I think we will all acknowledge is facing serious challenges across the country right now.

We regularly focus on opportunities to improve energy infrastructure in this Committee. Already this year, we have held hearings on innovation related to the electric grid, increased oil production, our opportunities in the Arctic, and the importance of pipeline infrastructure. I think today's hearing is a good next step here.

The QER looks at our nation's energy infrastructure at a critical time. Many of our systems are aging and in urgent need of modernization. We've seen dramatic increases of course in energy production. Oil and gas are at record levels, the market penetration of variable power generation is on the rise, and the stress placed on our systems has increased faster than it can be addressed.

The QER makes a number of recommendations to alleviate these current deficiencies. In many cases, the solution is new spending – adding up to potentially billions of dollars. But I think it's important to note that the vast majority of the nation's infrastructure is privately owned and sustained and improved by private investment. At the same time, I understand that advancing our

energy infrastructure will require some federal funding even within our constrained budgets. But federal spending is not all that matters. So do regulations – particularly those that hold back projects and private investments. We have to keep that in mind as we seek to find a better balance.

As I go out and talk to folks in Alaska or just really anywhere in the country, so many of the business interests when they're talking about infrastructure and where we are, they say what we really need is some level of certainty. We want some level of certainty so that we can go ahead and make these substantial investments.

As we are here to discuss infrastructure, I do think that it is relevant to point out that the Keystone XL has now been delayed for over 2,400 days. We have in my state a critically important piece of infrastructure, the Trans-Alaska Pipeline System. It is something that I worry about and recognize that without ensuring that pipeline has the resources; it is a piece of infrastructure that could face declining health and strength. It is something that I worry about. It is one thing to write a report outlining our infrastructure challenges, but another to set out to proactively solve them every day.

Any modernization of energy policy should, in my view, revisit the de facto ban on oil exports that we have imposed 40 years ago. I think the QER is too light in that regard. I was however pleased to see it recognizes the unique issues that impact the Arctic, and the valuable role the United States can play as the chair of the Arctic Council.

I was with Secretary Kerry on Friday as we were up in Iqaluit and Nunavut but again understanding our role as an Arctic Nation there I think is key and I appreciate the focus it has been given.

We know we have significant infrastructure challenges. And we know that we are going to have to work together to solve them and that goes for the members of this committee as well as we work on a broad energy bill, noting that infrastructure is one of our key titles within that bill. And it goes for Congress and the administration, as well – working together here.

We can use the QER as a reference piece or a template to weigh ideas and discover potential solutions for our energy bill. And we've discussed that with the Secretary. And Secretary with you as the face and the focus behind the effort, I do think we got an opportunity here to make considerable progress on infrastructure issues as we move forward with that and I thank you for leadership on that I'll look forward to you outlining the terms of the report this morning.

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