

CROLEY, SMITH, AND KIAAINA NOMINATIONS

HEARING
BEFORE THE
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
ONE HUNDRED THIRTEENTH CONGRESS
FIRST SESSION

ON

THE NOMINATIONS OF DR. STEVEN P. CROLEY TO BE GENERAL COUNSEL OF THE DEPARTMENT OF ENERGY, MR. CHRISTOPHER A. SMITH TO BE ASSISTANT SECRETARY OF ENERGY (FOSSIL ENERGY), AND MS. ESTHER P. KIAAINA TO BE ASSISTANT SECRETARY OF THE INTERIOR FOR INSULAR AREAS

NOVEMBER 14, 2013



Printed for the use of the
Committee on Energy and Natural Resources

U.S. GOVERNMENT PRINTING OFFICE

86-167 PDF

WASHINGTON : 2013

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON ENERGY AND NATURAL RESOURCES

RON WYDEN, Oregon, *Chairman*

TIM JOHNSON, South Dakota	LISA MURKOWSKI, Alaska
MARY L. LANDRIEU, Louisiana	JOHN BARRASSO, Wyoming
MARIA CANTWELL, Washington	JAMES E. RISCH, Idaho
BERNARD SANDERS, Vermont	MIKE LEE, Utah
DEBBIE STABENOW, Michigan	DEAN HELLER, Nevada
MARK UDALL, Colorado	JEFF FLAKE, Arizona
AL FRANKEN, Minnesota	TIM SCOTT, South Carolina
JOE MANCHIN, III, West Virginia	LAMAR ALEXANDER, Tennessee
BRIAN SCHATZ, Hawaii	ROB PORTMAN, Ohio
MARTIN HEINRICH, New Mexico	JOHN HOEVEN, North Dakota
TAMMY BALDWIN, Wisconsin	

JOSHUA SHEINKMAN, *Staff Director*

SAM E. FOWLER, *Chief Counsel*

KAREN K. BILLUPS, *Republican Staff Director*

PATRICK J. MCCORMICK III, *Republican Chief Counsel*

CONTENTS

STATEMENTS

	Page
Croley, Steven P., Nominee to be General Counsel, Department of Energy	8
Hirono, Hon. Mazie K., U.S. Senator From Hawaii	2
Kiaaina, Esther P., Nominee to be Assistant Secretary for Insular Areas, Department of the Interior	13
Landrieu, Hon. Mary, U.S. Senator From Louisiana	16
Murkowski, Hon. Lisa, U.S. Senator From Alaska	5
Schatz, Hon. Brian, U.S. Senator From Hawaii	4
Smith, Christopher, Nominee to be Assistant Secretary for Fossil Energy, Department of Energy	10
Stabenow, Debbie, U.S. Senator From Michigan	7
Wyden, Hon. Ron, U.S. Senator From Oregon	1

APPENDIXES

APPENDIX I

Responses to additional questions	39
---	----

APPENDIX II

Additional material submitted for the record	48
--	----

CROLEY, SMITH, AND KIAAINA NOMINATIONS

THURSDAY, NOVEMBER 14, 2013,

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 9:39 a.m. in room SD-366, Dirksen Senate Office Building, Hon. Ron Wyden, chairman, presiding.

OPENING STATEMENT OF HON. RON WYDEN, U.S. SENATOR FROM OREGON

The CHAIRMAN. The committee will come to order.

The committee is going to work this morning on 2 matters.

We're going to conduct a short business meeting to consider 3 military land withdrawal bills needed to reserve public land for 6 military bases. As soon as we have a quorum for action, we'll proceed to address each of those matters. None of them are controversial. We'll move expeditiously.

Until we have that quorum, we're going to begin this morning with a hearing to consider 3 nominations.

Dr. Steven Croley, to be the General Counsel of the Department of Energy.

Mr. Christopher Smith, to be an Assistant Secretary of Energy for Fossil Energy.

Ms. Esther Kiaaina, I hope I'm not doing too much violence to that.

Senator SCHATZ. Mr. Chairman, Kia'aina.

The CHAIRMAN. Kia'aina. Alright. That is the fourth possible pronunciation I've been given in the last half an hour. We're delighted to have you.

You'll be an excellent nominee. I'll just put it that way.

Alright, let us then, we have some introductions that are going to begin this morning.

Why don't we begin with Senator Hirono? I know you have a tight time schedule.

Senator Schatz, would you like to make some introductory comments as well?

Senator SCHATZ. I defer to Senator Hirono and then we can go through the regular order.

The CHAIRMAN. Very good.

Senator Hirono.

**STATEMENT OF HON. MAZIE HIRONO, U.S. SENATOR
FROM HAWAII**

Senator HIRONO. Thank you very much, Senator Schatz.

Chairman Wyden and members of the committee and of course, my colleague from Hawaii, Senator Schatz, thank you very much for the opportunity to be here this morning to introduce a very well qualified nominee and a person I'm honored to call a friend, Esther Kiaaina.

The CHAIRMAN. Kiaaina.

Senator HIRONO. Esther has dedicated herself to public service, especially on behalf of the people of Hawaii and the Pacific. It is because of her work, her knowledge of the area, the issues and the people that her nomination to serve as Assistant Secretary for In-sular Affairs is so appropriate.

Regarded in Hawaii for her extensive knowledge of native Hawaiian issues, Esther is also respected for her knowledge of the entire region from Guam to the freely associated States.

Hawaii's relationship with our fellow Pacific Island territories and nations is strong. Many citizens of the freely associated states, the Republic of Palau, the Republic of the Marshall Islands, the Federated States of Micronesia reside in Hawaii through their respective Nation's compact with the United States. As Hawaii has always done, we welcome this new influx of cultures and people.

That is not to say that there have not been some growing pains. But legislation, like the Compact Impact Reimbursement Act which Esther helped craft has helped ease some of the strain.

Esther also spent time working for the people of Guam serving as the Chief of Staff for then Congressman Robert Underwood. Here again Esther's knowledge about the culture of Guam, its people and its issues were apparent. Navigating the complexities of cultural sensitivities while working with the Federal bureaucracy on an issue such as land ownership is no easy feat. But Esther's understanding of Guam helped to shepherd through both the Guam Excess Land Act and later the Guam Land Reform Act.

The former resulted in the returning of 3,200 acres of land from the Federal Government to the territory and the later guarantees the government of Guam the right of first refusal to any Federal excess lands in the territory.

It may be easy to downplay this understanding of other islands, cultures and people as an intrinsic part of anyone from Hawaii. Geographically we are a chain of islands, after all. Certainly there are some parallels. But I believe and I'm confident that the committee will come to see that Esther possesses an in-depth knowledge and passion for this region and its people that makes her uniquely well qualified and suited for this position.

Thank you again for your latitude and allowing me to speak on her nomination. I'm confident that the committee will find that Esther truly is the best nominee for guiding our relationship with the territories and the independent nations of the Pacific.

Aloha to you, Mr. Chairman and this committee.

The CHAIRMAN. Thank you so much, Senator.

I noticed you've called our nominee Esther. I was debating whether to call her Esther or the nominee, but I believe now I can say, Ms. Kiaaina is very lucky to have you in her corner.

Senator HIRONO. As well as Senator Schatz.

The CHAIRMAN. Senator Schatz as well.

We'll excuse you at this time.

Senator HIRONO. Thank you.

The CHAIRMAN. Alright.

So let us proceed then with the hearing with respect to our nominees. We are still short of a quorum. So let me explain the rules of the committee to each of the nominees.

The rules of the committee which apply to all nominees require that they be sworn in connection with their testimony.

So please rise and raise your right hand.

Do you solemnly swear the testimony you're about to give to the Senate Committee on Energy and Natural Resources shall be the truth, the whole truth and nothing but the truth, so help you God?

[A Chorus of I do.]

The CHAIRMAN. You all can be seated.

Yes, before you begin your statement let me ask 3 questions addressed to each nominee before this committee.

First, will you be available to appear before the committee and other congressional committees to represent departmental positions and respond to issues of concern to the Congress?

[A Chorus of I will.]

The CHAIRMAN. Are you aware of any personal holdings, investments or interests that could constitute a conflict of interest or create the appearance of such a conflict should you be confirmed and assume the office to which you've been nominated by the President?

[A Chorus of no.]

The CHAIRMAN. Are you involved or do you have any assets held in a blind trust?

[A Chorus of no.]

The CHAIRMAN. Alright.

Let me invite the nominees to introduce their family members. Then before you all make your opening statements I want to recognize our colleague from Hawaii. But please if all of you will introduce your family members. That's a tradition that we're proud of here at this committee.

Why don't we begin with you on that, Dr. Croley.

Mr. CROLEY. Thank you, Mr. Chairman. I'd like to introduce my wife, who is here—from Detroit. I'd also like to acknowledge my children: Jack, Anna, Harry and Matt, who are not here physically, but are with us virtually.

The CHAIRMAN. Very good.

Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

First of all I'd like to introduce and thank my wife, Patricia, who is here with us today. I'd also like to introduce my 2 children, Andrew and Amanda, 7 and 9, who are also joining us.

I'd like to introduce my mother-in-law, Ms. Yoshea Hardening, who is visiting with us.

I'd also like to introduce, Ms. Talia DeSantacompos, who is living with our family for a year. So that's my support network.

The CHAIRMAN. Very good. We're glad that they are all here.

Let us then have any introductions from Ms. Kiaaina.

Ms. KIAAINA. Mr. Chairman, regrettably my mother, for health reasons, was unable to be here as well as for my siblings, who help to take care of her. But I'm heartened to have a lot of friends from Hawaii, the Pacific and Washington, DC here today to support me. I do know that my family is watching via the Internet.

[Laughter.]

Ms. KIAAINA. So I wanted to say, hello and good morning at 4:30 in the morning Hawaii Time.

The CHAIRMAN. Very good.

Let's recognize Senator Schatz and then I want to recognize my friend and colleague, the Ranking Minority Member, Senator Murkowski.

**STATEMENT OF HON. BRIAN SCHATZ, U.S. SENATOR
FROM HAWAII**

Senator SCHATZ. Thank you, Mr. Chairman.

It gives me great pleasure and pride to introduce a highly qualified nominee for Assistant Secretary for Insular Affairs and my friend, Esther Kiaaina. I'd like to welcome Esther and thank her for appearing before the committee. I cannot think of a better candidate for this position.

Esther brings not only a deep knowledge of the territories and freely associated states to Insular Affairs, but also practical, on the ground experience. She knows the places, the people and the issues.

All of the United States territories and freely associated states, but perhaps especially those in the Pacific, have a unique strategic importance to our country. I'm confident that Esther's leadership will help to deepen and improve the connection between these special places and the rest of the country. I'm glad to see Congressional leadership from throughout the Pacific region here to support Ms. Kiaaina's nomination.

With nearly 2 decades worth of experience on Capitol Hill as a Chief of Staff to former U.S. Representative Case and Robert Underwood and as Legislative Assistant to former Senator Daniel Akaka. Esther was instrumental in the passage of legislative initiatives impacting native Hawaiians, U.S. territories and the freely associated states. As Senator Hirono noted these include the Compact Impact Reimbursement Act and several bills, especially important to Guam, such as the Guam Land Return Act.

Esther currently, skillfully, serves as the First Deputy Director of the Hawaii Department of Land and Natural Resources where she oversees the management of 1.3 million acres of public lands and near shore ocean resources in the State of Hawaii. In our State Esther has worked to protect watersheds and threatened and endangered species, control invasive species, preserve land and oceans and strengthen public/private and enforcement partnerships.

Esther graduated from the Kamehameha Schools in Honolulu, earned her BA in Political Science and International Relations from USC and a JD from the George Washington University Law School. She also attended the Johns Hopkins University's School of Advanced International Studies.

All of us in Hawaii are very, very proud of her.

If confirmed, I know she will use her experience and expertise to lead the Department of Interior's efforts to coordinate Federal policy for Guam, the Commonwealth of the Northern Mariana Islands and the U.S. Virgin Islands and American Samoa. She would also have the responsibility to administer and to oversee Federal assistance to the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau.

I'm deeply thankful for Esther's service and look forward to her confirmation. She is the most qualified candidate for this position. She will be one of the highest ranking native Hawaiian women in the Administration as well as one of the highest ranking people from Hawaii in this Administration.

Once confirmed Esther will hold a top leadership position on policy and one of the largest agencies in the executive branch.

I look forward to today's hearing. As this position has gone unfilled for more than 1 year, I expect and hope for an expeditious and efficient confirmation process.

Thank you, Mr. Chairman and thank you Ms. Kiaaina.

The CHAIRMAN. Thank you, Senator Schatz.

Suffice it to say, Ms. Kiaaina, you know that Senator Schatz is doing important work. So he'll be an important partner for you. He chairs our Water and Power Subcommittee doing important legislation, the Hawaii homes legislation. So I know he's looking forward to having you in this position, as am I.

So let us now hear from Senator Murkowski for her opening statement.

For colleagues who have just come in, we're, even by Senate standards, a little hectic this morning. When we have a quorum we're going to have a short business meeting to handle 3 pieces of legislation which are non-controversial. Until we have a quorum we're going to proceed with our nominations.

At this point let's hear from Senator Murkowski.

**STATEMENT OF HON. LISA MURKOWSKI, U.S. SENATOR
FROM ALASKA**

Senator MURKOWSKI. Thank you, Mr. Chairman. I apologize to the committee for my tardy arrival this morning. But thank you for joining us this morning to each of the nominees that are before us.

Before I make comments as to our nominees, I want to briefly make a statement about the legislation that will take up, hopefully, when we get a quorum here.

But I am pleased that we have been able to schedule a markup to consider several military withdrawal bills. These withdrawals of our public lands are critical to support military readiness and can only be accomplished through Congressional action. I'm pleased that this committee will have done its work on these withdrawals effectively and efficiently.

We know that the National Defense Authorization bill is going to be coming to the Floor soon, hopefully very, very soon. This work product can be included within that. Many of these land withdrawals are expiring next year. So it's important that we act expeditiously as a committee. So I appreciate your willingness to do this, Mr. Chairman.

I would like to add my welcome to each of our nominees here this morning. I'd also like to acknowledge the presence here this morning of Congressman Sablan as well as Congresswoman Bordallo, always nice to have you before the committee here.

Mr. Croley, you are a noted legal scholar, counselor. You've had an opportunity that has been afforded very few lawyers. That is the fact that you've provided counsel to the President in the White House.

It is my hope that you will bring that experience to bear as you move to become the Senior Legal Officer of the Department of Energy and the leader of many, many lawyers in the General Counsel's office there. It's no secret that I'm of the view that adherence to the rule of law, close attention to the requirements of the applicable statutes and good practical, legal advice are absolutely necessary in all of our agencies. DOE is certainly no exception there.

So whether the subject is Loan Guarantee Program or perhaps the licensing of a repository for spent nuclear fuel, solid, legal advice, well within the main stream, I think, serves the Department well. So I'm eager to hear about your plans and aspirations for refinement in that regard.

Mr. Smith, welcome back to the committee to you. I have appreciated your preparation, your candor in prior appearances before the committee. No doubt those good habits matured at West Point and grew even stronger during your career in the private sector and in government.

I'm counting on you for your perspective. I hope that you will be a vigorous advocate for affordable and reliable energy from sources that are far too often, perhaps maligned. I think you have a challenging position at this time especially now when many want to count out energy from hydrocarbons just as we are unlocking their abundance and improving their environmental performance. I think dramatically.

So, I'm expecting you to call the issues within your portfolio as the evidence dictates and to stand up and be counted within DOE, across government and beyond.

Finally, Ms. Kia—now I'm going to say it because I can.

[Laughter.]

Senator MURKOWSKI. Kiaaina. Key Ianna.

Ms. KIAAINA. Yes.

Senator MURKOWSKI. Key Ianna. I had to think about it. All the vowels.

Senator FRANKEN. If the Ranking Member hadn't been late, you would have known that.

[Laughter.]

Senator MURKOWSKI. I understand that. That's why I insisted on doing it myself rather than asking for help because I know that it was a subject of discussion.

[Laughter.]

Senator MURKOWSKI. We will never forget your name, Esther.

[Laughter.]

The CHAIRMAN. Sticking up for Senator Murkowski, I've been trying and I was here on time.

[Laughter.]

Senator MURKOWSKI. Kiaaina. Ms. Kiaaina. Welcome back to the Senate where you have served for many years on the staff of our distinguished former colleague, Senator Akaka. We miss him. Thank you for your years of service with him.

As I believe you know our committee has a long, long tradition of meeting our responsibilities with respect to our insular affairs in a non-partisan way. We look forward to continuing that time tested approach on your watch. I'll be listening carefully as you outline your qualifications and your priorities.

But it's important to hear from our colleague on the committee, Senator Schatz. I passed Senator Hirono in the hallway and she said she had just come from this hearing to testify on your behalf. So I know you have good, strong support from friends and family and supporters back home. So welcome to you, aloha.

With that, Mr. Chairman, thank you.

The CHAIRMAN. As we search for a quorum let's have Senator Stabenow make an introduction of Mr. Smith. Then perhaps—

Senator STABENOW. Actually Dr. Croley.

The CHAIRMAN. Oh, Dr. Croley, excuse my manners.

Senator STABENOW. Yes. Yes. Yes.

The CHAIRMAN. Hopefully the other 2 will appear.

**STATEMENT OF HON. DEBBIE STABENOW, U.S. SENATOR
FROM MICHIGAN**

Senator STABENOW. Good morning. Yes and welcome to everyone. But I have to pull my—talk about our wonderful nominee for General Counsel, Department of Energy from Michigan. Actually Dr. Croley was born and raised in Dewitt, Michigan which is just a few miles north of where I live. So it's great to see you.

Mr. CROLEY. Thank you.

Senator STABENOW. As well as all the nominees.

But Mr. Chairman, Dr. Croley is a graduate of the University of Michigan and Yale Law School, earned his PhD in politics from Princeton University. I have to say it's a very historic moment because I have 2 degrees from the rival institution of Michigan State University. I'm still willing to be here today introducing, a University of Michigan graduate.

[Laughter.]

Senator STABENOW. So very proud.

Mr. CROLEY. Thank you.

Senator STABENOW. He earned his prestigious clerkship on the U.S. Court of Appeals for the DC Circuit before returning home to Michigan in 1993 to become a law professor at the University of Michigan. He served 4 years as a Special Assistant U.S. Attorney for the Eastern District of Michigan before coming to work for the executive branch in 2010. Started working on regulatory issues for the White House Domestic Policy Counsel and became a Senior Counsel to the President. He's currently at the White House Counsel's Office as Deputy Assistant to the President and Deputy Counsel to the President.

Mr. Chairman, he is recognized for his distinguished scholarship and deep knowledge of regulatory and administrative law by the American Bar Association. I do have to also say he is a very smart man, who married a very smart woman, who is now Associate Jus-

tice of the Michigan Supreme Court. So this is a very talented family and very respected family.

I strongly support Dr. Croley's nomination and confirmation as well as our other 2 nominees.

So thank you for letting me say hello from Michigan.

Mr. CROLEY. Thank you very much.

The CHAIRMAN. Very good. I saw a little bit of the Michigan/Michigan State back and forth a week ago when I was with Senator Stabenow. So you're lucky to have her in your corner.

So let's at this point recognize each of you to make your opening statements. When we do have a quorum which you could probably tell we are feverishly working to produce, we'll vote on the business matters and then come back to your nominations.

But we'll make your prepared statements a part of the record in their entirety.

Why don't we just begin with you, Dr. Croley.

TESTIMONY OF STEVEN P. CROLEY, NOMINEE TO BE GENERAL COUNSEL, DEPARTMENT OF ENERGY

Mr. CROLEY. Thank you. Chairman Wyden, Ranking Member Murkowski, distinguished members of the committee, thank you all very much for the opportunity to appear before you here today. It is a great honor.

First I would like to thank President Obama for nominating me to serve as General Counsel of the U.S. Department of Energy. If confirmed I would work very hard to justify the confidence he has placed in me for that role.

I would like also to thank Secretary Moniz for his confidence too in asking me to serve as his counsel. I would be privileged to advise him and his team as they work to ensure the Nation's energy supply, to support our economic growth and safeguard our national security.

I would also like to thank my wife, Bridget, who is here this morning, my children Jack, Anna, Harry and Matt, my parents Harold and Martha and my friends and colleagues for their love, their support and their good example. Without the encouragement of my family I would not be here today.

Mr. Chairman, as you know the General Counsel is the principle legal officer of the Energy Department. The General Counsel provides legal advice and counsel to the Secretary and his colleagues, represents the Department before other Federal agencies and works with the Department of Justice to represent the Energy Department in the Federal courts. Fundamentally, the General Counsel is responsible for ensuring that the Department operates in full compliance with the law.

Of course, the General Counsel does not do these things alone. The Department has a dedicated and knowledgeable staff of attorneys. If confirmed I would look forward to working with them, learning from them and drawing on their deep expertise.

As Senator Stabenow mentioned, I grew up in a small town in mid-Michigan and attended college at the University of Michigan. After graduation I attended the Yale Law School. Following a judicial clerkship I graduated from the Graduate School at Princeton University.

In 1993 I returned to my home State to join the faculty at the University of Michigan Law School. I was subsequently promoted to professor and later named the Harry Burns Hutchins Collegiate Professor of Law.

From 2003 to 2006 I served as the Law School's Associate Dean for Academic Affairs.

In 2010 I was elected in the American Law Institute.

I did not attend law school in order to become a scholar, however, I always aspired to serve others and serve the public.

After earning tenure in 1998 I began representing individual clients in various civil and criminal matters in State and Federal court.

In 2006 I became a Special Assistant U.S. Attorney in the Eastern District of Michigan.

Until 2010 I represented the United States in a wide variety of affirmative and defensive civil litigation. It is an experience that gave me invaluable insight into our Federal courts. It was a great privilege to represent the interests of the United States in court.

In 2010 I joined the Domestic Policy Council at the White House where I served as Special Assistant to the President for Justice and Regulatory Policy.

In 2011 I joined the Office of White House Counsel as Senior Counsel to the President.

In 2012 I was named Deputy Counsel to the President.

As Deputy White House Counsel I managed a team of lawyers to work on the full range of domestic legal issues. I have also worked closely with the Department of Justice and the Office of Management and Budget. Energy issues have been one of my own areas of interest. My experience as Deputy White House Counsel would serve me well in assisting Secretary Moniz and other clients at the Department of Energy.

Having said all that no one does his or her best work alone, at least I did not. I am a strong believer in team work. If confirmed I would depend not only on my colleagues at the Energy Department, but also seek opportunities to work closely with this committee. I would strive to prove myself collegial, pragmatic and tireless to you and your staffs.

Mr. Chairman, thank you again for the opportunity to appear before you. I look forward to answering any questions.

[The prepared statement of Mr. Croley follows:]

PREPARED STATEMENT OF STEVEN P. CROLEY, NOMINEE TO BE GENERAL COUNSEL,
DEPARTMENT OF ENERGY

Chairman Wyden, Ranking Member Murkowski, distinguished Members of the Committee, thank you all very much for the opportunity to appear before you today. It is a great honor.

First, I would like to thank President Obama for nominating me to serve as General Counsel of the U.S. Department of Energy. If confirmed, I would work very hard to justify the confidence he has placed in me to serve in that role.

I also want to thank Secretary Moniz, for his confidence too, in asking me to serve as his counsel. I would be privileged to advise him and his team as they work to ensure the Nation's energy supply, support our economic growth, and safeguard our national security.

I would also like to thank my wife, Bridget, my children, Jack, Anna, Harry, and Matt, my parents Harold and Martha, and my friends and colleagues for their love, support, and good example. Without the encouragement of my family, I would not be here today.

Mr. Chairman, as you know, the General Counsel is the principal legal officer of the Energy Department. The General Counsel provides legal advice and counsel to the Secretary and his colleagues, represents the Department before other Federal agencies, and works with the Department of Justice to represent the Energy Department in the federal courts. Fundamentally, the General Counsel is responsible for ensuring that the Department operates in full compliance with the law. Of course, the General Counsel does not do all of this alone; the Department has a dedicated and knowledgeable staff of attorneys. If confirmed, I would look forward to working with them, learning from them, and drawing on their deep expertise.

I grew up in a small town in mid-Michigan, and attended college at the University of Michigan. After graduation, I attended the Yale Law School. Then, following a judicial clerkship with the Honorable Stephen F. Williams on the U.S. Court of Appeals for the District of Columbia Circuit, I attended graduate school at Princeton University, where I earned a Ph.D. in Politics. In 1993, I returned to my home State to join the faculty at the University of Michigan Law School. I was subsequently promoted to Professor, and later named the Harry Burns Hutchins Collegiate Professor of Law. From 2003 to 2006, I served as the Law School's Associate Dean for Academic Affairs. In 2010, I was elected into the American Law Institute. In 2004, I received the American Bar Association's award for Distinguished Scholarship in Administrative Law.

I did not attend law school in order to become a scholar, however. I always aspired to serve others, and serve the public. After earning tenure in 1998, I began representing individual clients in various civil and criminal matters in state and federal court. In 2006, I became a Special Assistant U.S. Attorney in the Eastern District of Michigan. Until 2010, I represented the United States in affirmative and defensive civil litigation. Handling discovery, dispositive motions, trials, and appeals in civil fraud cases, constitutional cases, environmental matters, forfeiture claims, immigration cases, and tort claims, among others, I gained invaluable litigation experience. It was a great privilege to represent the interests of the United States in court.

In 2010, I joined the Domestic Policy Council at the White House, where I served as Special Assistant to the President for Justice and Regulatory Policy. In 2011, I joined the Office of White House Counsel as a Senior Counsel to the President. In 2012, I was named Deputy Counsel to the President. As Deputy White House Counsel, I have managed a team of lawyers who work on the full range of domestic legal issues. I have also worked closely with the Department of Justice and the Office of Management and Budget. Energy issues have been one of my own areas of focus. My experience as Deputy White House Counsel would serve me well in assisting Secretary Moniz and other clients at the Department of Energy.

Yet, no one does his or her best work alone; at least I do not. I am a strong believer in teamwork. If confirmed, I would not only depend on my colleagues at the Department, but also seek opportunities to work closely with this committee. I would strive to prove myself collegial, pragmatic, and tireless to you and your staffs.

Mr. Chairman, thank you again for the opportunity to appear before you. I look forward to answering any questions you may have.

The CHAIRMAN. Dr. Croley, thank you.
Mr. Smith.

TESTIMONY OF CHRISTOPHER SMITH, NOMINEE TO BE ASSISTANT SECRETARY FOR FOSSIL ENERGY, DEPARTMENT OF ENERGY

Mr. SMITH. Thank you, Chairman.

Chairman Wyden, Ranking Member Murkowski and members of the committee, I appreciate this opportunity to appear before you here today as President Obama's nominee for Assistant Secretary for Fossil Energy at the United States Department of Energy.

I would like to begin my statement by expressing my gratitude to the President for the confidence that he has demonstrated in me in this nomination. I'm honored. Should I be confirmed I will do my best to meet that confidence.

I would also like to thank Secretary Ernie Moniz for his support and for his leadership of the Department of Energy.

I also thank my wife, Patricia and my children, Andrew and Amanda. Their support and encouragement make it possible for me to spend the long hours and do the hard work that's required to serve the American people.

Finally, Mr. Chairman, I want to recognize my parents, Raymond Clyde Smith, Jr., originally of Anderson, Texas and Sue Ann Smith, originally of Belton, Texas, who are both here with us this morning. I am sitting here today because of their example and support throughout my life.

Mr. Chairman, growing up in Fort Worth, Texas, the son of a veteran, I was taught early on the importance of duty and service to my country. That led me to seek an appointment to the United States Military Academy at West Point where I studied engineering management and mechanical engineering. Upon graduating from West Point I had the privilege of serving as an army combat engineer in the second infantry division and the 25th infantry division.

I began my post military career in finance holding positions with Citibank and with JP Morgan in New York City and in London.

Working in England afforded me the opportunity to study at Cambridge University where I received a Master of Business Administration degree.

Subsequently I worked with Chevron where I was engaged in business development and natural gas marketing. During this time I lived for 3 years in Bogota, Columbia where I initiated negotiations on the first ever gas pipeline between Columbia and Venezuela.

In 2009, after 11 years in the oil and gas industry, I was asked to serve as Deputy Assistant Secretary for oil and natural gas in the Department of Energy's Office of Fossil Energy. In this position I led the Department's oil and gas programs including research and development, policy analysis and liquefied natural gas import and export licensing.

This truly has been an eventful period in our Nation's history with respect to domestic oil and gas development. In 2010 when the Deep Water Horizon oil spill occurred off the coast of Louisiana in the Gulf of Mexico I was appointed as the designated Federal official for the Commission that President Obama established to investigate the root causes of that spill. In addition I led the multi-agency effort to coordinate research on the sustainable development of shale gas and tight oil resources.

In February of this year, I was named Principle Deputy Assistant Secretary for Fossil Energy. Since then I have also served as the Acting Assistant Secretary managing the Office of Fossil Energy's programs and day to day operations.

Mr. Chairman, we live in an exciting time. The development of our Nation's energy resources is reaping benefits that were not imagined just a few short years ago. We have before us an opportunity to invest, to innovate, to create jobs and to support energy security all the while addressing climate change and reducing greenhouse gas emissions. Accomplishing this will require us to harness all of our sources of domestic energy. The Office of Fossil Energy has played and will continue to play an important role in meeting that challenge.

I believe that my background, experience and commitment have prepared me to lead the Office of Fossil Energy during this particularly critical time. I welcome the opportunity to continue my service to the Nation as Assistant Secretary.

If confirmed I pledge to work closely with this committee and others in Congress to ensure that our Nation's abundant energy resources are developed in a way that is sustainable and will strengthen our economy.

Mr. Chairman, I thank you again for the opportunity to appear before you here today. I look forward to answering any questions that you or the committee may have.

Thank you.

[The prepared statement of Mr. Smith follows:]

PREPARED STATEMENT OF CHRISTOPHER SMITH, NOMINEE TO BE ASSISTANT SECRETARY FOR FOSSIL ENERGY, DEPARTMENT OF ENERGY

Chairman Wyden, Ranking Member Murkowski, members of the Committee: I appreciate the opportunity to appear before you today as President Obama's nominee for Assistant Secretary for Fossil Energy at the United States Department of Energy.

I would like to begin my statement by expressing my gratitude to the President for the confidence in me that he has demonstrated in this nomination. I am honored, and—should I be confirmed—I will do my best to meet that confidence.

I would also like to thank Secretary Moniz for his support and for his leadership of the Department of Energy.

I also thank my wife, Patricia, and my children, Andrew and Amanda. Their support and encouragement make it possible for me to spend the long hours and do the hard work required to serve the American people.

And finally, Mr. Chairman, I want to recognize my parents, Mr. Raymond Clyde Smith Jr, originally of Anderson, Texas, and Mrs. Sue Ann Smith, originally of Belton Texas, who both are here this morning. I am sitting here today because of their example and support throughout my life.

Mr. Chairman, growing up in Fort Worth, Texas, the son of a veteran, I was taught early on the importance of duty and service to my country. That commitment to service and duty led me to seek an appointment to the United States Military Academy at West Point, where I studied engineering management and mechanical engineering. Upon graduating from West Point, I had the privilege of serving as an Army combat engineer in the 2nd Infantry Division and the 25th Infantry Division.

I began my post-military career in finance, holding positions with Citibank and J.P. Morgan in New York City and London. Working in England afforded me the opportunity to study at Cambridge University, where I received a Master of Business Administration degree. Subsequently, I accepted a position with Texaco (which was later acquired by Chevron), where I was engaged in business development and natural gas marketing. During this time, I worked for three years in Latin America, where I initiated negotiations on the first-ever gas pipeline between Colombia and Venezuela.

In 2009, after 11 years in the oil and gas industry, I was asked to serve as Deputy Assistant Secretary for Oil and Natural Gas in the Department of Energy's Office of Fossil Energy. In this position, I was responsible for administering domestic and international oil and gas programs, including research and development, policy analysis, and liquefied natural gas import and export licensing.

This has been an eventful period with respect to domestic oil and gas development. In 2010, when the Deepwater Horizon oil spill occurred off the coast of Louisiana in the Gulf of Mexico, I was appointed as the Designated Federal Official for the commission that President Obama established to investigate the root causes of the spill. In addition, I led the multi-agency effort to coordinate research on the sustainable development of shale gas and tight oil resources.

In February of this year, I was named Principal Deputy Assistant Secretary for Fossil Energy. Since then, I have also served as acting Assistant Secretary, managing the Office of Fossil Energy's programs and day-to-day operations.

Mr. Chairman, we live in an exciting time. The development of our nation's energy resources is reaping benefits that were not imagined a few short years ago. We

have before us an opportunity to invest, to innovate, to create jobs and support energy security, all the while addressing climate change by reducing greenhouse gas emissions. Accomplishing this will require us to harness all of our sources of domestic energy. The Office of Fossil Energy has played—and will continue to play—an important role in meeting that challenge.

I believe my background, experience and commitment have prepared me to lead the Office of Fossil Energy during this particularly critical time, and I welcome the opportunity to continue my service to the nation as Assistant Secretary. If confirmed I pledge to work closely with this committee and others in the Congress to ensure that our nation's abundant energy resources are developed in a way that is sustainable and that will strengthen our economy.

Mr. Chairman, thank you again for the opportunity to appear before you today. I look forward to answering any questions you and the committee may have.

The CHAIRMAN. Thank you very much, Mr. Smith.

We're calling some audibles here of colleagues in terms of how we might have a quorum because we are now told that the noon vote we were contemplating doing on the nominees off the Floor. But it sounds like it's going to be a voice vote. So I think if colleagues can stay another 5 minutes which should allow us to hear from Ms. Kiaaina, then we could have a decision one way or another about how to proceed.

So let's hear from our nominee and then for colleagues who have been gracious enough to come and are juggling in 5 minutes we'll announce how we're going to have our vote on our business meeting.

Please.

TESTIMONY OF ESTHER P. KIAAINA, NOMINEE TO BE ASSISTANT SECRETARY FOR INSULAR AREAS, DEPARTMENT OF THE INTERIOR

Ms. KIAAINA. Aloha Mai Kakou, Chairman Wyden, Ranking Member Murkowski and committee members. It is an honor to be before your committee as President Obama's nominee for Assistant Secretary of Insular Affairs at the Department of the Interior.

My name is Esther Puakele Kiaaina from Nanakuli, Oahu. While my parents are originally from Hawaii I was born at the U.S. Naval Hospital on the island of Guam as my father worked for the U.S. Navy in a civilian capacity. My initial years were spent in the village of Asan where I lived right across from Asan Beach which was the location where the Third Marine Division landed during the liberation of Guam from enemy forces during World War II.

My family and I then moved to the village of Mangilao near the University of Guam. I am a proud graduate of San Vicente elementary and junior high school. These formative years were some of the best years of my life.

I still remember with fondness and gratitude the guidance and support of the School of Sisters of Notre Dame, who helped to shape my views of the world. These nuns were Sister Mary Bernard, Sister Mary Joseph, Sister Mary Juan, Sister Fidelis and Sister Rosine. Si Yu'us Ma'ase sisters for all that you have done for me.

They led me to believe that the world was full of opportunities and allowed me to dream through our lessons on U.S. history of visiting Washington, DC 1 day to learn about what our founding fathers fought for and why democracy was so important to our Nation and the world.

Apart from learning about Chamorro culture while growing up on Guam, my family always had close ties to the Micronesian community as my parents owned and operated a business that was one of the larger employees of the Micronesian communities, especially the Chuukese. Trying to eke out a living for themselves or their families we felt our employee's challenges and we felt their dreams and aspirations. I could not have envisioned the opportunity of being here today to be considered for a post that will oversee the coordination of Federal policy and financial assistance toward the U.S. territories and freely associated states and to give back to a region that has been so good to me and my family.

Of course, I would not be here without the values of respect and hard work of my parents and their sacrifice to send me to Hawaii for high school, college in California and Japan and graduate and law school in Washington, DC.

I was also fortunate to have a successful career on Capitol Hill starting off as volunteer intern for Senator Daniel Inouye then working my way up to Legislative Assistant for Senator Daniel Akaka and Chief of Staff for Congressman Robert Underwood and Ed Case. During my Congressional career I worked specifically on issues for the U.S. territories and freely associated states and worked with the Senate Energy and Natural Resources and the House Resources Committees.

Laws or programs that I worked on included the Guam Land Return Act, the Compact Impact Reimbursement Act, the Brown Tree Snake Control and Eradication Act, the Guam War Claims Review Commission Act, the Guam Foreign Investment Equity Act, the inclusion of the territories in the new markets tax initiative, the inclusion of Pacific Islanders, including citizens of the freely associated states in the Gates Millennium Scholarship program and the establishment of Asian and Pacific Islander higher education serving institutions.

My current job as a First Deputy for Hawaii's Department of Land and Natural Resources has also afforded me an opportunity to better understand Hawaii's role in working with the insular areas on collaborative efforts on issues such as climate change, invasive species and coral reef protection. Most recently we were pleased to sign on to the Majuro Declaration which aims to intensify efforts to prepare for and adapt to the intensifying impacts of climate change.

I believe I have a good understanding of the continuing need to strengthen bilateral, Federal relationships with each jurisdiction, promote economic development, increase government efficiency and transparency, foster sound natural resources management practices, advance alternative energy goals and improve quality of life issues.

Finally, I have appreciated the opportunity to meet with the members of this committee and their staff while I've been in town and enjoyed discussing issues impacting these jurisdictions including but not limited to economic development, climate change, energy costs, immigration and compact impacts and authorizing the financial agreement with Palau. Should I be confirmed as Assistant Secretary for Insular Affairs I commit to working to advance these issues in concert with island leaders, the Congressional Commit-

tees of jurisdiction, Interior's leadership team and other Federal agencies.

I appreciate this opportunity to share my statement.

Mahalo Nui Loa.

I look forward to answering any questions.

[The prepared statement of Ms. Kiaaina follows:]

PREPARED STATEMENT OF ESTHER P. KIAAINA, NOMINEE TO BE ASSISTANT
SECRETARY FOR INSULAR AREAS, DEPARTMENT OF THE INTERIOR

Chairman Wyden, Ranking Member Murkowski, and Committee Members. It is an honor to be before your committee as President Obama's nominee for Assistant Secretary of Insular Areas at the Department of the Interior.

I regret that my mother, due to health reasons, is unable to be with me today, as well as my siblings who help to take care of her. I know they are here in spirit. I am heartened to have my extended family of friends from Hawaii, the Pacific, and Washington, D.C., here to support me today.

My name is Esther Puakela Kia'aina from Nanakuli, Oahu. While my parents are originally from Hawaii, I was born at the U.S. Naval Hospital on the island of Guam as my father worked for the U.S. Navy in a civilian capacity. My initial years were spent in the village of Asan, where I lived right across from Asan Beach, which was the location where the 3rd Marine Division landed during the liberation of Guam from enemy forces during World War II.

My family and I then moved to the village of Mangilao near the University of Guam. I am a proud graduate of San Vicente Elementary and Junior High School. Those formative years were some of the best years of my life. I still remember with fondness and gratitude the guidance and support of the Franciscan nuns who helped to shape my views of the world. These nuns were Sister Mary Bernard, Sister Mary Joseph, Sister Mary Juan, Sister Fidelis, and Sister Rosine. Si Yu'us Ma'ase sisters for all that you have done for me.

They led me to believe that the world was full of opportunities and allowed me to dream—through our lessons on U.S. history—of visiting Washington, D.C. one day to learn about what our founding fathers fought for and why democracy was so important to our nation and the world.

Apart from learning about Chamorro culture while growing up on Guam, my family always had close ties to the Micronesian community as my parents owned and operated a business that was one of the larger employers for the Micronesian communities, especially the Chuukese. Trying to eke out a living for themselves or their families, we felt our employee's challenges and we felt their dreams and aspirations.

I could not have envisioned the opportunity of being here today to be considered for a post that will oversee the coordination of federal policy and financial assistance toward the U.S. territories and freely associated states, and to give back to a region that has been so good to me and my family.

Of course, I would not be here without the values of respect and hard work of my parents and their sacrifice to send me to Hawaii for high school, college in California and Japan, and graduate and law school in Washington, D.C.

I was also fortunate to have a successful career on Capitol Hill, starting off as a volunteer intern for Senator Daniel Inouye, then working my way up to Legislative Assistant for Senator Daniel Akaka, and Chief of Staff for Congressmen Robert Underwood and Ed Case.

During my Congressional career, I worked specifically on issues for the U.S. Territories and Freely Associated States and worked with the Senate Energy and Natural Resources and the House Resources Committees.

Laws or programs that I worked on included the: the Guam Land Return Act, the Compact-Impact Reimbursement Act, the Brown Tree Snake Control and Eradication Act, the Guam War Claims Review Commission Act, the Guam Foreign Investment Equity Act, the inclusion of the territories in the New Markets Tax Initiative, the inclusion of Pacific Islanders, including citizens of the Freely Associated States, in the Gates Millennium Scholarship Program, and the establishment of Asian and Pacific Islander Higher Education Serving Institutions.

My current job as the First Deputy for Hawaii's Department of Land and Natural Resources has also afforded me an opportunity to better understand Hawaii's role in working with the insular areas on collaborative efforts on issues such as climate change, invasive species, and coral reef protection. Most recently, we were pleased to sign on to the Majuro Declaration, which aims to intensify efforts to prepare for, and adapt to, the intensifying impacts of climate change.

I believe I have a good understanding of the continuing need to strengthen bilateral federal relationships with each jurisdiction, promote economic development, increase government efficiency and transparency, foster sound natural resources management practices, advance alternative energy goals, and improve quality of life issues.

Finally, I have appreciated the opportunity to meet with the Members of this committee and their staff while I've been in town, and enjoyed discussing issues impacting the U.S. territories, and the freely associated states, including, but not limited to economic development, climate change, energy costs, immigration and compact impacts, and authorizing the financial agreement with Palau.

Should I be confirmed as Assistant Secretary for Insular Areas, I commit to working to advance these issues in concert with island leaders, the Congressional committees of jurisdiction, Interior's leadership team, and other federal agencies.

I appreciate this opportunity to share my statement.

The CHAIRMAN. Thank you very much, Ms. Kiaaina.

I've now been advised by Senator Schatz that we've got it right.

So Senator Landrieu would like to make a couple of quick comments. We're one short for purposes of a quorum. With a little luck we're going to vote momentarily.

So, Senator Landrieu.

**STATEMENT OF HON. MARY LANDRIEU, U.S. SENATOR
FROM LOUISIANA**

Senator LANDRIEU. Thank you, Mr. Chairman. I just want to give my full support for these 3 nominees and they are highly qualified. I know they'll bring great leadership for our country and already have.

I just wanted to put one comment briefly in the record and a full statement regarding Mr. Smith. His background and his understanding of the really importance and promise of exports of liquefied natural gas that help us to create jobs and economic opportunity here at home in the United States and the great promise of supporting this ongoing real and exciting manufacturing renaissance that's happening in America.

In addition the benefit of influencing geopolitical politics as America becomes not only more self sufficient with our own energy, but an exporter of energy to other places to countries that are—share our values and that are friendly with us.

So I thank you for your support. It's very important to our country. I look forward to working with you.

The CHAIRMAN. Thank you, Senator Landrieu.

Colleagues are being exceptionally patient. We think Senator Manchin is on his way. We'll get a quorum.

Let me start with you if I might, Mr. Smith.

As you know you and I have talked about the idea that on natural gas which is an American advantage. This is a red, white and blue advantage for our country. We've got it. The world wants it.

This is an opportunity to keep prices stable for our businesses and our consumers. It's got a link to renewables because natural gas has a chance to bring those renewables into base load power. If we do it right we can have it all. We can have a sweet spot.

Now to do it we've really got to understand a couple of key kinds of issues. The first of which is I think we're going to need accurate data in order to really measure the full impact of these export applications. Now you all have been using something called the

NERA study put together by the Department of Energy in its 2011 Energy Outlook.

That study was out of date at the time it was put out. Those analyses that have been used by NERA are now two and a half years old. At what point in time do you believe that the NERA study is going to be out of date and not an adequate basis for making judgments about export permits? Is it going to be 3 years, 4 years, 5 years? At what point do you believe that study is out of date?

Mr. SMITH. Thank you very much for that question, Senator Wyden.

I understand your interest in this area. Certainly having had the opportunity to appear before this committee in the past we've had very good and I think, insightful guidance in terms of our process in moving forward.

In terms of the studies and the data that we're using we have a full commitment to ensure that at all times we're using appropriate and relevant data to make our decisions. You referenced the NERA study which was commissioned by the Department of Energy that was delivered to DOE as part of the orders that we've considered thus far.

The NERA study, I think it's important to realize is, it's one of many inputs that we use. It's one of many pieces of data that we're using on an ongoing basis.

So as Secretary Moniz committed when he was going through his process and has spoken to publicly on a number of occasions, it's our commitment to make sure that on an ongoing basis we're constantly monitoring the market. We're always looking at incoming data and that at all times, as we go forward, we're using relevant, real time data to make sure that we're making good prudence.

The CHAIRMAN. One other question for you and then I'm going to yield to colleagues.

This has great implications for Oregonians, particularly on the Oregon coast. But it's also become a national issue. You and I have talked about it.

As you know in Southwestern Oregon in Coos Bay my constituents are very excited about the prospect of Jordan Cove LNG export facility being built. What the community leaders have heard about, however, is something that's being discussed nationally as well. That is the idea that there would be a pause in the approval process, perhaps occurring before Jordan Cove is considered, perhaps at another time.

You have been quoted recently as saying in effect that a pause isn't necessary at this time. So as you can gather my constituents are very interested in this issue. I think other parts of the country are very interested in it as well.

So if you could set the record clear on this. Is the Department of Energy planning to pause its approval process in the next 6 months?

Mr. SMITH. Thank you very much for that question, Senator.

So our process is to make sure that we continue to move forward expeditiously on a case by case basis to make sure that each one of these applications gets appropriate consideration. This is actually linked to the last question that you asked around use of data.

On an ongoing basis we're constantly looking at all the market signals, all the data that we have at our disposal, to ensure that we're making good, real time determinations.

So at this point our process is to continue to move forward. We want to make sure we're using relevant information for each of these cases. Our intent is to look at each of these applications fairly with full consideration on a case by case basis.

The CHAIRMAN. I'm going to give the rest of my time to my colleagues. All of them are on a short schedule. Just know and I saw it in Michigan when I was with Senator Stabenow, I think there's an opportunity here for us to find the sweet spot where we can give a big lift to American industries where we have a pricing advantage, help our consumers, help renewables and be able to export.

But No. 1 we're going to have to have good data, good and current data.

Second on matters that are discussed in the media like whether or not there's going to be a pause and under what circumstance. We're going to need some more clarity on that.

So I look forward to working with you.

Senator Murkowski.

Senator MURKOWSKI. Just to finish up that question. If—I hear you saying, Mr. Smith, that you're going to be looking at this case by case, not necessarily putting a pause. Will there be an effort to again commission another macroeconomic study, impact study, then on the affect of LNG exports.

Mr. SMITH. Thank you for the question, Senator.

At all times we're always looking at what we're learning from the market.

Senator MURKOWSKI. Right.

Mr. SMITH. What we're learning from market signals.

So should it be determined that there's been a fundamental new data, new change in the market that would necessitate us doing an additional study and that that would be necessary for us to make sure that we're doing—making prudent decisions consistent with our obligations under the statute, the Department stands ready to do whatever we need to do.

Senator MURKOWSKI. But you haven't determined at this point in time that you've got to take that pause and conduct a macroeconomic impact study?

Mr. SMITH. We don't have, currently, a set plan at a certain date to commission a study. But, however, as I mentioned, we're evaluating that on an ongoing basis.

Senator MURKOWSKI. Were you able to, during the shutdown, were you still able to process the applications or move through, even during the shutdown? Were you affected by that at all?

Mr. SMITH. Senator, as you know the shutdown was a, you know, was a distraction. It impacted the entire department because we wanted to make sure that we're moving forward.

Senator MURKOWSKI. Right.

Mr. SMITH. Consistent with the anti deficiency act and all other statutes that we have to be cognizant of. So that was—that impacted our ability to move forward.

But we have constantly been pushing forward. We're doing our best to move forward expeditiously.

Senator MURKOWSKI. OK.

Let me ask you a question, Dr. Croley.

It was, I guess it was just last week that DOE's Inspector General issued this report stating that the Department has not fully disclosed known concerns during an audit of ECotality. So we've just started to look into this matter.

But I want to ask if you are confirmed as General Counsel and to the extent that you will be asked, will you be fully transparent with the IG's office and fully responsive to all of its concerns, not only relating to ECotality, but any other inquiries that may come your way with regards to an audit?

Mr. CROLEY. Yes, thank you, Senator.

If confirmed I would look forward to a very transparent and cooperative relationship with the Department's Inspector General.

Senator MURKOWSKI. We would also expect then that you would keep this committee informed upon our request as the matter proceeds.

Mr. CROLEY. Yes.

Senator MURKOWSKI. You're good with that. Thank you.

One more question to you and this relates to the Loan Guarantee Program. I don't intend to re-litigate all of the issues that are there. But contained in the 2005 Energy Policy Act regarding subordination of debt there's been a lot of discussion and debate about the provision that states the obligation shall be subject to the condition that the obligation is not subordinate to any other financing.

The whole issue of subordination of debt was of great discussion. I guess I would ask if you felt that that was ambiguous language in any way.

I think we want to—I am very concerned as we focus on the Loan Guarantee Program. I'm a believer that there is an important role for the Federal Government here. I want to make sure that our Loan Guarantee Program is right.

So if there's some ambiguity within this language I'd like to know whether or not we need to clear it up in any way.

Can you comment on that?

The CHAIRMAN. Could we do this?

Senator Murkowski is asking a very important question. Something I'm interested in. With her indulgence if we could do our short business meeting now and then come back to—

Senator MURKOWSKI. Gives you time to think about it.

[Laughter.]

The CHAIRMAN. I want it understood that she's asking an extremely important question. I care a great deal about as well.

[RECESS]

The CHAIRMAN. I thank all of my colleagues for their exceptional indulgence and courtesy. I hope that some can participate in what I think will be an important discussion to follow.

We now go to having Dr. Croley respond to Senator Murkowski's important question that we held up so that we could get the vote out. I do thank colleagues.

Senator Murkowski.

Senator MURKOWSKI. Dr. Croley, you've not had a little bit of time to think about the issue of subordination of debt.

Mr. CROLEY. Senator, you've raised the stakes.

[Laughter.]

Mr. CROLEY. I understand the issue that you are talking about, first of all, Senator. I understand. I think I appreciate the importance of that issue.

I myself have not studied the details of the statutory language. I don't want to be reckless and commit to some view when I haven't studied those details. But certainly the language that you referenced, it seems fairly clear.

It's my understanding that the department is not currently subordinating any debt. It's my understanding that the Department has no plans to subordinate any debt.

If confirmed, I would be happy to work actively with your staff and take a close, hard look at that issue. Again, I understand here that protecting taxpayer interests have to be paramount in our loan program.

Senator MURKOWSKI. Thank you for that general statement. Again, we do want to ensure that within the language of the statutes that there is no ambiguity. If we think that we're putting into law clear and unequivocal reading that would clearly state that there will be no subordination debt we anticipate that it will be viewed that way.

So if you do, after consideration of this language, think that there is some need to address this in some way, I would certainly be appreciated if you could get back to us.

Mr. CROLEY. You can count on it.

Senator MURKOWSKI. Then a question to you, Ms. Kiaaina. This relates to the Palau offset.

We have been, the chairman and I, have been working with some in the Administration to find a path forward in terms of an offset for the 2010 agreement that extends the financial assistance to Palau under the compact of free association.

Two questions here.

First, if you will commit to working with the committee as we try to find areas of offset.

Probably from a broader perspective, how important do you feel this agreement is that we honor the compact of free association with Palau?

Ms. KIAAINA. Thank you so much for your question, Senator.

Let me answer your second question first with regard to the overall agreement. The Administration through the Secretaries of Interior, Defense and State have indicated strong support for this bilateral, financial agreement. So it is a priority.

Should I be confirmed I commit to working with this committee to find viable offsets. I think that we all know that with the new budgetary rules of finding an offset for financing packages is very critical. So I do commit to working with the committees of jurisdiction and to navigate within the Administration to work collaboratively on a viable offset.

Senator MURKOWSKI. Thank you.

I know that this is an issue that I think the chairman and I share concerns. It's important that we honor our compacts. As we deal with budget issues we appreciate the difficulties. But we're also very aware that not only is it important to honor the contract, but a recognition that others are looking to the United States to

see how we are ensuring that that compact is addressed and fully honored.

So it's something that we'd like to work with you on. I appreciate your willingness.

Ms. KIAAINA. Absolutely, Senator.

Senator MURKOWSKI. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Let's go to Senator Schatz. Senator Schatz and Senator Heinrich and Cantwell all have been waiting a long time.

So, no questions? Neither of you?

Alright.

Senator Cantwell.

Senator CANTWELL. Thank you, Mr. Chairman.

I certainly want to applaud the nominees and congratulate you on your nomination.

If I could to you, Dr. Croley.

Obviously the Bonneville Power Administration is a very important part of the Pacific Northwest. I want to make sure that I get your response as counsel there to some important issues.

First, will you respect the regional control of BPA as Congress has repeatedly affirmed?

Mr. CROLEY. Yes.

Senator CANTWELL. OK.

Will you take an expansionist view of DOE's statutory authority regarding BPA?

Mr. CROLEY. Senator, I recognize the importance of BPA and its special status within the department. I wouldn't take an expansionist view. I would be faithful to the statute and to the understanding between BPA and to the department.

Senator CANTWELL. Thank you.

Do you agree that BPA Administrator needs to be a direct supervisor of BPA's General Counsel to keep authority and responsibility and alignment?

Mr. CROLEY. My understanding is that the administrator is the supervisor of the general counsel. That the Department's General Counsel stands ready to provide assistance and support but certainly not to micromanage the BPA General Counsel or to manage day to day affairs of that Counsel's office.

Senator CANTWELL. OK.

I see a little daylight in that answer. I just want to be clear that this is a regional organization. I don't know, Mr. Chairman, maybe we need to go to the TVA approach. But this is, the Northwest, the Pacific Northwest, is not going to tolerate any attack on BPA's regional authority.

So the issue has arisen obviously because of some of the practice hirings and investigation that after 6 months they'll be a review of these efforts. Do you agree that restoring BPA's traditional autonomy unless there are very specific concerns raised is important part of the process?

Mr. CROLEY. Yes, Senator.

Senator CANTWELL. Good.

Mr. CROLEY. My understanding is that there will be a tentative review at some point. I'm not exactly sure when that is. I think 6

months or something along those lines. At that time it will be appropriate to figure out how the department can be supportive.

But I want to emphasize, in case I was in artful. I fully appreciate BPA's autonomy. It's my understanding the department has no interest in affecting adversely that autonomy but rather simply to provide a kind of support, to the extent that's necessary and to the extent that may be necessary in the future and it may not be.

Senator CANTWELL. I don't know if I agreed with all of that statement because various attempts, whether they're purposely or just in artfully DOE sometimes tries to propose ideas like regional transmission organizations that would artificially raise the rates of utility payers in the Northwest. Our answer is always no or the Administration is coming and try to take the money to offset the budget deficit and the Pacific Northwest answer is no.

Anyway, so it's—I don't know, I think it comes with the territory or for this committee or being a member of the Pacific Northwest, so you just have to continue to fight off new people who come and think that BPA is something other than a regional organization.

But I thank you for those answers. I'm sorry that I don't have any easy questions for you because now I'd like to turn to DOE policy as it—and the ability to separate defense waste from civilian waste.

So, one I want to work with the chairman and the secretary to separate defense from civilian waste. We are on a trajectory where we're going to have defense waste ready to go somewhere. We don't want to have that be nowhere because we haven't come up with a solution.

So will you commit to working with me and DOE and the Chairman on separating defense from civilian waste?

Mr. CROLEY. Senator, I would be happy, if confirmed, to work with you on that issue and any other issue.

My own understanding about that which is somewhat limited is that there's a study ongoing that Secretary Moniz has initiated. My understanding is that that study is not complete. But certainly on the legal side I would eagerly work with you and him and the chairman on that.

Senator CANTWELL. Do you see any legal barriers that would prohibit us from looking at something like, you know, salt as a possibility or looking at something? Are there any legal barriers that you know of?

Mr. CROLEY. Not that I know of, Senator, though I haven't studied that issue in detail.

Senator CANTWELL. OK.

Alright, I thank the Chairman. Thank you so much.

The CHAIRMAN. Dr. Croley, let me just reaffirm the extraordinarily important points that Senator Cantwell has made. I think you know she has been our go-to person in the region on energy policy issues. I want to echo her points.

I think you're probably aware that last week the entire Northwest delegation, 23 members, Senators and House members, sent a letter to you all, to Dr. Moniz, trying to make it clear that we feel very strongly that this problem of discriminating against veterans is absolutely indefensible. That it cannot be used as a Trojan horse to, in effect, micromanage Bonneville from Washington, DC.

I talked to Dr. Moniz about this. He reassured me that the agency was not going to be part of any effort to micromanage Bonneville from Washington, DC, from the Forrestal Building, and that we would be getting a letter in writing this week. So the Northwest Congressional Delegation looks forward to having that written confirmation to us with respect to the delegation letter that was sent last week.

On the second point that Senator Cantwell made, with respect to defense and civilian waste. You all are doing a study is what you said to Senator Cantwell. My message to the Department is speed it up because we are very interested in getting this issue resolved. Colleagues are talking about how to proceed on this issue.

So please take back to the Department we're glad you're doing the study, but we really need your foot to the pedal and speed it up because Senator Cantwell and I and our constituents are very committed to getting this right and addressing the separation question which we back.

So I thank Senator Cantwell for very important points as usual. Senator Schatz was here before Senator Portman.

OK, Senator Portman.

Thank you, Senator Schatz.

Senator PORTMAN. Thank you, Senator Schatz.

Thank you, Mr. Chairman.

Mr. Smith, good to have you before the committee though you're likely to be before the committee many times in the future. I know you're taking on an important job. If you're confirmed as Assistant Secretary of Fossil Energy you're going to have a lot responsibilities that are important to my State of Ohio.

We're a big coal State, natural gas State now, oil State. We also have a lot manufacturers who care a lot about these issues.

One is carbon capture and sequestration technologies. You will be responsible for overseeing that for the Administration, if you're confirmed. If this carbon capture and sequestration technology can be proven to be commercially viable it could dramatically reduce future carbon dioxide emissions, as you know, from coal and natural gas power plants and large industrial users.

I have long been concerned by the Administration's inability to demonstrate that it's got an effective plan in place to develop this technology. I introduced draft legislation last year and actually had an amendment passed in this committee last year which would have required DOE to conduct an annual assessment of existing Federal programs supporting CCS that included a detailed description of where your existing programs are, an assessment of which programs have been successful to date in advancing the technology, an assessment of the estimated timeframe and the cost needed to get the technology to the commercial level.

Again, it was reported out of this committee. But it wasn't signed into law. I think it is more important now than ever for policy-makers here on the Hill to have this, best available data, available on CCS given that EPA has now mandated that CCS be installed on all of our new coal fired power plants. We have a lot of them in Ohio.

They're already under siege. In fact we're shutting down about a dozen of them right now in our State largely because of EPA regulations.

So my question to you is if you are confirmed would you be willing to provide this committee a detailed report on DOE's existing CCS programs that includes an assessment of the success of any new programs, assessment of the estimated timeframe, estimated cost to get this important CCS technology to commercial viability?

Mr. SMITH. Thank you for that question, Senator.

I certainly, very personally, understand the importance of the development of this technology for the entire United States, for the whole Nation and particularly for the State of Ohio. Certainly if I am confirmed by this committee and go into the role as Assistant Secretary I'd be happy to work with the committee to bring full transparency to our technology programs.

That's something we're proud of. We've invested over \$6 billion over the course of last several years in developing carbon capture and sequestration, lower the cost and make sure that we're putting into place all the understanding of the risks and the procedures necessary to store CO₂ in geologic formations and through enhanced oil recovery.

So I'd be happy to work with you.

Senator PORTMAN. Thank you.

I guess, Mr. Smith, what I'm looking for is not just full transparency on what's been done, but your projections as to what the timeframe is and what the cost is going forward to bring it, again, so that it—to the commercially viability stage. Would you be willing to do that as well?

Mr. SMITH. Indeed, Senator. I would be happy to work with you.

Senator PORTMAN. We'd appreciate that.

To Mr. Croley and Mr. Smith, as you may know I've introduced bipartisan legislation here on permitting. Senator McCaskill, Enzi, Donnelly, Barrasso and I introduced a bill that streamlines the process of Federal permitting. It actually establishes a Federal chief permitting officer to oversee permitting processes, designates a lead agency every time to coordinate because one of the problems we have is the left hand doesn't know what the right hand is doing sometimes and ensure timely and concurrent reviews.

As you know some energy projects might have over 30 Federal permits, we are told and also the implementation of an online dashboard so that the public can hold agencies accountable for meeting the deadlines that are set on permitting.

There's a study that's done every year. I think it's by the IMF. It has to do with the ease of doing business.

The United States just keeps falling further behind in terms of permitting. We're now number 17 in the world in terms of permitting. It's affecting a lot of great projects, including energy projects in my State of Ohio, a hydropower plant for instance on the Ohio River.

The permitting makes it impossible to move forward sometimes because investors aren't willing to make a commitment without any certainty on the permitting.

So my question to you is what permitting reforms do you believe are necessary in the energy area including, Mr. Smith, in the CCS

area? What reforms are you willing to support to ensure that projects receive thorough review but are not needlessly delayed due to bureaucratic red tape. Again, regulations that are not concurrent, permitting requirements that are not concurrent, but instead unnecessarily delayed projects?

Mr. CROLEY. Sure, Senator. Thank you for the question.

I—it's something that, if confirmed, I would love to work with you and your staff on. I know that permitting and streamlining permitting in particular is something that the Administration has focused on as well across the government. I would be eager to educate myself with respect to the specific legislation that you're talking about.

But certainly the underlying problem of unnecessary or overlapping or excessively complex permitting is something in principle that we should work on. Again, I would defer to the policymakers at the Energy Department, but I would stand ready to work with you on those legal issues. I recognize the problem that you're identifying.

Senator PORTMAN. I think DOE plays a big role here. You're not the biggest permitting agency, but you are an agency that has the policy responsibility. We're happy to get you the details of not just our legislation, but some of the background to it, some of the research we've done. Also the statements of the AFLCIO building trades folks and the chamber of commerce.

I mean it's an issue where you really have a lot of people coming together realizing that we can't be competitive until we deal with this.

Mr. Smith, any comments?

Mr. SMITH. I just concur with Dr. Croley's observations there. We don't have a direct regulatory role, but we certainly have to work with our other Federal agencies and work with Congress. So if confirmed into this role as Assistant Secretary, I'd be—I'd look forward to working with our other agencies and working with this committee to ensure that we're working together in a way that's efficient.

Senator PORTMAN. Thank you, Mr. Chairman.

Thank you, Gentlemen.

The CHAIRMAN. Thank you, Senator Portman.

Senator Franken has been shuttling back and forth between Committees. Let's recognize him.

Senator FRANKEN. Thank you, Mr. Chairman.

Thank all the witnesses.

Mr. Smith, although the technology to do carbon capture and sequestration with coal fired power plants has been shown to work there are major challenges to scaling up these processes and making them commercially viable.

One of the economic challenges that have prevented coal power plants from adopting carbon capture and sequestration and how would you work as Assistant Secretary to address them?

Mr. SMITH. Thank you, Senator, for that question.

Certainly the challenge of capturing CO₂ out of our coal fired power fleet, out of our entire power fleet, is very important for us and that's where we're focusing our efforts.

At the Department of Energy we've got 2 major goals in terms of carbon capture and sequestration.

The first is moving forward technology to reduce the cost of capture.

The second is to move forward with the understanding of issues around long term storage either in saline aquifers or through beneficial uses such as enhanced oil recovery.

So if I'm confirmed as Assistant Secretary I'd commit to working with this committee and working within DOE to continue to move along those 2 lines and get more large scale demonstrations put in place and advance the deployment of the technology.

Senator FRANKEN. It seems to me this is an extremely important issue because we see—for us to do the research and development and the scaling up of this capture and sequestration. You see that China and India are burning coal. The world has a lot of coal.

It's going to be burnt, a lot of it. If we—Ms. Kiaaina talked about global warming in her climate change in her testimony. It seems like this is a very important technology that we have to do all the research and—that we have to do a lot of the research and development on. The funding of that is an issue.

One possible model for funding research in this area is the way we fund ultra deep water drilling research. This program is funded through rents, royalties and bonuses from Federal offshore oil and gas leases. Can you talk about the success of that program and whether this model could be used in other sectors such as CCS?

Mr. SMITH. Thank you very much for the question, Senator.

First of all we fully appreciate the challenge before us in terms of development of these technologies and we've made historic investments over the course of the last few years in terms of carbon capture and sequestration development, research and development.

Section 999 of the Energy Policy Act of 2005 created a royalty trust fund that was—that came from producers who produce on public lands. That goes from the Department of the Interior to the Department of Energy and we've used that to sponsor research and development on onshore oil and gas development and ultra deep water. We've got a program for to assist small producers.

So that's one mechanism that the Department has used to fund the important research and development projects that need to be undertaken. If confirmed into this role I'd look forward to working with this committee and working with Congress in general to devise ways to efficiently fund the technologies that need to be developed.

Senator FRANKEN. I just think this is an incredibly important area as we've discussed in this committee what the exploration of natural gas has done and how that came out of research from the Department of Energy and financing from the Department of Energy.

I want to turn to from carbon capture to carbon conversion. You—some have demonstrations of turning carbon dioxide to use it as a feed stock for algae, to grow algae which can be used as a biofuel in turn.

Another application is turning it into a solid, calcium carbonate, and then using it in cement production.

The challenge we face is this is still expensive. Can you tell me what will you do to support the commercialization of technologies to capture carbon and convert it for beneficial use?

Mr. SMITH. Thank you very much for the question, Senator.

The most direct and I think the most relevant utilization of CO₂ right now is using it for enhanced oil recovery. So you take CO₂ you use it in depleted oil fields and it allows you to recover oil that would not have been recovered otherwise which allows you to reduce our Nation's dependence on imports. In fact just in the month of October for the first time the United States is importing—is producing more oil than it imports. That's for the first time since, I think, 1995.

So EOR helps us take steps in that direction where it's positive for energy security.

We also have programs within the National Energy Technology Laboratory. They are looking at a catalyst to take CO₂ and turn it into other beneficial uses. A challenge with CO₂ is it's a very stable molecule. It wants to stay as CO₂ essentially.

So the other challenge that we have is that there are just tremendous, huge quantities of CO₂ that need to be captured and stored.

So we're looking at technologies that would be able to make some beneficial use of some portion of that CO₂ that would also create revenues that might offset some of the other costs that are incurred.

So if confirmed into this position I'd look forward to continuing to push those programs and find good solutions.

Senator FRANKEN. Mr. Chairman, would it be OK if I asked one more question—

The CHAIRMAN. Of course. I'm sure my colleagues are fine with that.

Senator FRANKEN. I think I've been a stellar member today. I was here early.

The CHAIRMAN. Not just today, but all the time. I think particular—

Senator FRANKEN. I wasn't fishing for that, but—

The CHAIRMAN. I think the point Senator Franken is making with respect to the nature of what government can do in the research field and what's it's done in the past is a very valid one. I appreciate him making it.

Senator FRANKEN. Thank you.

Look, we have this real problem. Ms. Kiaaina, you referred to it in your testimony which is about climate change. So part of what you look at is the—and what you've been involved with is the Pacific and the South Pacific. I was wondering about the issues of coral reef protection.

I'm really concerned what climate change is doing to our ecosystems.

For example, you know, warmer air and ocean surface temperatures are impacting—they're impacting storms. They're impacting the acidity of the ocean, I know is increased. It's altering the coral reef communities and our production of fish and of crustaceans. So we're seeing these bleaching events.

Can you talk about the impacts? How these impacts affect corals and the many organisms that use coral reefs as habitat?

Ms. KIAAINA. Thank you, Senator, for that question.

In my current capacity at the Department of Land and Natural Resources we like to utilize traditional practices by native Hawaiians whereby the manner of how we steward our natural resources takes into account our practices from the mountain to the sea. It's called the Maku'u Ahupua'a or Ahupua'a system. So clearly while there are a lot of environmental issues that could be traced to the degradation of our coral reefs. A lot also has to do with the practices of what is happening in our forests above.

So we do like to take a comprehensive approach. While we do have specialists in our division of aquatic resources that—who spend countless hours looking into the research of why our coral reefs have declined. We also insure that we're looking toward—one of our priorities at the moment is protection of our watersheds because we believe that our watersheds is not only important to securing safe drinking water, but it's important because it does impact with the reforestation of native species, removal of ungulates and removal of invasive species that actually could have a bearing on climate change and also to help safeguard the resources.

So by the time it affects, it goes down to the sea, it is not as bad. Most recently we had a molasses spill, remarkably in Honolulu harbor that was very devastating. Most devastating was to our coral reefs as well as to all of the fish habitat that live there. That's something that we're working with the shipping company who is responsible for that to ensure that it doesn't happen again.

So I would say that apart from necessary research that we have to undertake to help to preserve our coral reefs we also have to have the strongest environmental compliance laws on the books both within the State of Hawaii as well as the Federal Government. I am pleased to report that Hawaii does have one of the strictest compliance environmental laws in the Nation. So very often we have enforcement mechanisms to deal with these kinds of issues at the State level, but we welcome working with our Federal partners to ensure that we do everything possible to protect and safeguard our environment.

Senator FRANKEN. I'm sorry, but I guess I was talking about more of a macro look at this in terms of our, what the planet. What's going on with the planet in terms of the acidification of the oceans and how that is affecting the coral reefs?

I've completely used up my time and others, so.

Ms. KIAAINA. Sure, Senator. I just would like to say I guess I would say that we believe that everything is interrelated.

Senator FRANKEN. Of course.

Ms. KIAAINA. That we are in an environment where what we do in Hawaii is interrelated to the environment in the whole Pacific and globally. For some of these critical issues that you have raised, we cannot do it on our own or within a region. It has to be done comprehensively with other countries in the world.

Senator FRANKEN. Thank you.

Thank you, Mr. Chairman, for your indulgence.

Thank you, Senator Barrasso, for your patience.

The CHAIRMAN. Senator Barrasso.

Senator BARRASSO. Thank you very much, Mr. Chairman.

Mr. Chairman, last Friday President Obama gave a speech about American exports. The President stated that one of the things that we should be focused on is helping more businesses sell more products to the rest of the world. He explained that exports are one of the brightest spots in the economy and that every \$1 billion in exports supports nearly 5 thousand jobs.

These are great things to say. But they belie the actions of this Administration. Mr. Chairman, while I'm here to congratulate all the 3 nominees, I have a couple questions related specifically for the Department of Energy because I look at liquefied natural gas exports as a concern.

Currently countries from around the world want to buy LNG from the United States. These countries are imploring this Administration to act on the export applications that are currently pending for LNG. Over the last two and a half years the Department of Energy has acted on only 4 applications to export LNG to countries which do not have free trade agreements with the U.S.

Meanwhile the current Department of Energy is sitting on 20 pending applications. Global demand is limited. The time to act is now.

So, Mr. Smith, my question is help us understand, if you're on the committee, the delay in processing these applications. Is the delay coming from inside or outside of the Department of Energy? Is it coming from the White House?

I'm just trying to figure out where the bottleneck is.

Mr. SMITH. Thank you very much for that question, Senator.

First of all, we certainly share your interest in the topic and with the possibility of the promise, the opportunity to create jobs and to do positive things for our economy.

In terms of moving forward on LNG export applications, as you mentioned, we've evaluated—we've made orders on 4 applications thus far. All 4 applications that we've issued orders on we've approved.

As Secretary Moniz has stated when he came before this committee, our job is to move forward as expeditiously as possible, but while also showing the care that's mandated by the statute, by the Natural Gas Act. So it's our intention to continue to move expeditiously to evaluate each of these applications on a case by case basis.

If confirmed into this role I'd look forward to working with you and with this committee.

Senator BARRASSO. That's encouraging because like I asked the question if confirmed what steps will you take to reduce some of these delays so that expeditiously means faster than it's currently going?

Mr. SMITH. Yes, well, thanks for that question, Senator.

Certainly I would not characterize our process as having been delayed. If I look at the requirements that are upon us under statute, in fact, that we are moving into an unprecedented area, it's incumbent on the Department of Energy to make sure that we're considering all stakeholders. Certainly there are some stakeholders who would want us to move faster and there's some stakeholders who'd want us not to export LNG at all.

So it's our job to make sure that we're making good, prudent decisions that are consistent with the public interest and that withstands scrutiny. We'd look forward to moving forward in that way.

Senator BARRASSO. On Tuesday I sent the Secretary, Secretary Moniz, a letter in support of the Jordan Cove LNG export terminal. Unlike any other proposed export facility the Jordan Cove would really provide Rocky Mountain States, as well as the Indian tribes, access to international markets.

Jordan Cove would enable states like Colorado, Wyoming, the Indian tribes such as the Ute Indian tribe to sell natural gas to customers in Asia, who are very interested in buying this. Rocky Mountain States and Indian tribes depend heavily on natural gas production to fund basic government services like K through 12 education, roads, bridges, water/sewer systems, all related to the revenue from this LNG.

Natural gas production also provides income to many of the families in our states. Puts food on the table. Keeps the heat on. Pays for, you know, the necessities, clothing, impacts the quality of life.

The Nation's supply of natural gas is expected to exceed our domestic demand. So companies are already canceling natural gas projects. They're generating fewer jobs in our communities and less revenue to local and State governments. The communities are going to need access to international markets if they're going to continue to thrive.

So this is why I think the DOE must expeditiously and we're back on that word, review and act on LNG export applications.

So I just ask, you know, if you appreciate the importance of these exports to communities that produce natural gas such as the Rocky Mountain States and on our Indian reservations for the tribes.

Mr. SMITH. I certainly do, Senator.

Senator BARRASSO. I'd like to discuss a little bit on carbon capture and sequestration technology. I know Senator Franken was discussing that as well with you previously.

In September EPA issued a proposed rule governing greenhouse gas emissions for new power plants. The EPA's rule affectively requires new coal fired power plants to deploy carbon capture and sequestration technology. However, the technology isn't currently and may never be commercially and economically viable.

Last month your predecessor, Charles McConnell, testified about carbon capture and storage technology before the House of Representatives. His statement was, the cost of current CO₂ capture technology is much too high, he said, to be commercially viable.

He explained that technology exists for separation and capture of CO₂ at the plant, but it increases the cost of generating electricity, he said, by about 80 percent. Of course, those are costs the consumers then would have to bear.

Finally he noted that affordable solutions may be decades away with the current level of funding.

So the question is given the State of this technology is it reasonable for the EPA to effectively require this technology for all new coal fired power plants?

Mr. SMITH. Thank you for the question, Senator.

We're clearly not the regulatory agency.

Senator BARRASSO. Yes.

Mr. SMITH. I've not seen the transcript of anything my predecessor might have said so I can't comment in detail on what we might have commented on or on the regulatory process which is the responsibility of the Environmental Protection Agency.

What I will say is that these basic technologies aren't new. The North Dakota/Great Plains Project has been capturing CO₂ for over a decade. There are 12 large commercial scale projects that are in development or are operating around the world.

The Administration has committed over \$6 billion over the last several years on carbon capture and sequestration. We've seen development projects in operation and being built currently in real times. So my job, if confirmed into this role, would be to continue to push the technologies, continue to lower the cost of capture and continue to realize the importance of this particular technology to ensure that coal is part of the clean energy economy of the future.

Senator BARRASSO. I appreciate that because I look at this to be Assistant Secretary of Fossil Energy for the Department of Energy. It does seem the Administration, if it's concerned as you point out in the importance of this, about investment. I just wonder why the Administration has dramatically reduced its annual budget request for programs that actually develop this technology.

I know you weren't the person that put the budget into place or made that request. But I'm just wondering about the commitment of the Administration based on its budgeting requests when what you're stating is something that heads a little bit in the other direction.

Mr. SMITH. Thanks, Senator.

But—I mean over the start of the Administration we've committed \$6 billion which has been a historic investment in CCS R and D and demonstrations. The Department has just released an \$8 billion loan guarantee program that could be used through the suite of opportunities for fossil energy including carbon capture and sequestration. We're continuing to work with our partners in industry and in academia to push this technology forward.

So these challenges are difficult. They're challenging. They require us to work with industry and with academia. If confirmed in this role I'd commit to working with you and with Congress and with other agencies to make sure that we are pushing to achieve the milestones that we need to meet.

Senator BARRASSO. Thank you.

Again, congratulations to each and every one of you and thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Barrasso.

Just by way of engaging briefly on this natural gas issue because I think you know I'm very interested in working closely with you and Senator Murkowski. Because it's my view that, you know, we Americans, especially we, Westerners, we're always interested in trying to have it all. You know, we want to be able to have the advantage for our consumers and our businesses.

We've got it. The world wants it. I mean, this is advantage America. It's been my view that if we tee this up right we can have all of those benefits including benefits for renewables because natural gas is a clear connection to solar and wind for purposes of getting those renewables into base load power.

I think part of what we're starting to see emerge is the challenge of dealing with specific areas of the country. You know, when I was in Alaska and Senator Murkowski and I were talking about the interest in Cooks Inlet in terms of exporting natural gas. If they don't get to export natural gas, unless I'm missing something, it's stranded.

I mean, nobody is going to get hurt in the lower 48. The only people that would get hurt would be, in effect, you know, Alaskans.

On the Jordan Cove issue we have a different kind of challenge. Of course, I'm very interested in my constituents in a part of the State that's just been clobbered over the years economically with changes in natural resource policies. Having the opportunity to be considered—one of the advantages for Jordan Cove beyond the fact that it's just the only West Coast one in consideration is the company has said the facility will export primarily Canadian liquefied natural gas. That's what's on their web site. That's what they've been talking about.

So that presents again, an opportunity that you're not going to be displacing gas that would be going to hard hit companies or trying to get an advantage in tough global markets.

So my sense is we're all going to be working on this in a joint way. I think Mr. Smith was helpful today on the pause issue because you know there's been a lot of discussion where people on all sides of this issue have just been trying to figure out what the Administration's position was on the pause issue. Mr. Smith clarified that essentially we were going to stay in the case by case kind of approach which is what Dr. Moniz had assured me of.

So I thank my colleagues for wanting to work on this in a collegial and bipartisan way. Sometimes the more you learn about natural gas exports, sometimes the less you think you know because it is a complicated issue. My sense is if we do it right we can have it all.

If the Senator from Wyoming wants to comment that's fine.

Senator BARRASSO. I appreciate your efforts, Mr. Chairman. You've been terrific in working to accomplish this. I think over the life of the project, of the one that we've just discussed, over the length of the project it would be about an equal amount from the Rockies as well as from Canada.

Of course we have great concerns for the communities and the quality of life of the people that work there. These are excellent jobs, great benefits and contribute to places where in many other ways they're not able to economically develop all the other resources. It's often a long distance if they try to manufacture and transport manufactured products and so that these are opportunities for communities that may have limited opportunities.

So I appreciate your efforts. Thank you, Mr. Chairman.

The CHAIRMAN. We are going to pursue this together. Senator Murkowski and I probably devoted more time to kicking around the various iterations as this debate on natural gas is going to continue. I think so far the Administration has kept its pledge and sort of, grudgingly, all sides seem to have been able to live with it. They're going case by case. They're looking at the cumulative effects.

We're going to continue the discussion.

Let me turn briefly to another topic that you and I talked about in the office, Mr. Smith. That's the question of crude exports. I'd like to ask you the question because, as you know, and we discussed, there is considerable amounts of discussion about whether the Congress ought to be having a debate about lifting or relaxing the ban on crude exports.

I'm going to ask you this question recognizing that from a purely legal standpoint, the authority here lies with the Department of Commerce. But I think it's very clear that when you're talking about position in fossil energy and the Department of Energy, your views are going to be solicited on this matter. People are going to be talking about this in the Administration.

I think it would very helpful for purposes of just getting your sense of what factors the Congress should focus on in this debate about exports? What I said and indicated to you when we talked about it in the office, to me the debate really rivets on the impact of lifting the ban on consumers. That's what is really my bottom line.

I mean, what we've talked about, Senator Murkowski and I, from the very beginning, is we were going to make sure that consumers were front and center in this whole debate about the future of energy policy. I know this is a challenging issue. I would just be interested in your giving us your take because you're going to be in the fossil energy business when confirmed.

What are the factors or potential pitfalls and benefits you think we ought to be looking at?

Mr. SMITH. Thank you, Senator, for that question.

As we discussed when I had the opportunity to speak with you in your office, this is an exciting time for domestic energy production across the board.

Back in 2011 the President set the ambitious goal of reducing imports by a third over the next decade. Indeed we've already made tremendous progress on that. Here in the month of October for the first time since 1995 domestic production is exceeding imports. We're expecting to get up to 7.5 million barrels per day of production.

So, just the fact that we're discussing this dilemma, this opportunity, to export oil really shows that we've moved from a period of scarcity to potentially a period of more abundance. So in terms of problems to have, it's a pretty good problem to have.

As you pointed out the statutory requirement for ruling on these lies with the Department of Commerce not with the Department of Energy, but if confirmed I'd commit to working with this committee and working with the Department of Commerce to make sure that we're making smart decisions that are consistent with the public interest.

The CHAIRMAN. That was a careful answer. I think I'll let it be at this point. You and I are going to have some more discussions about that because you have expertise and you've got passion in the field. You're going to be consulted.

So on notice, when confirmed, because as you know I'm going to be supporting you. I believe you're going to win support in this committee. I certainly hope so. You and I are going to have some more conversations.

Mr. SMITH. Thank you, Senator.

The CHAIRMAN. On this topic.

Let me turn to you, Mr. Croley, for my remaining time on this round and talk to you a bit about whistle blowers.

The Department of Energy has had, for quite some time, policies to protect both agency and contractor employees who raise safety or operational issues. My own view is that these have come to look very ineffective.

Just last month a Hanford whistle blower, whose concerns were the subject of an entire investigation in the safety culture at Hanford by Peter Winokur and the Defense Nuclear Facility Safety Board, that whistle blower was fired.

The decision came just days after the Secretary and Deputy Secretary Poneman issued a Department side memo pledging to maintain a strong safety culture and listen to dissenting opinions.

So I think I indicated to you in the office, I'm pretty much a lawyer in name only. I ran the legal aid office for senior citizens. Yet, I still understand that the Department and the contractors have a right to defend themselves against lawsuits. But the Department spends millions of dollars on cases challenging whistle blower's claims and worse retaliation against whistle blowers.

In the Hanford case the Department has already reimbursed the contractors for \$1.75 million in legal fees and the case is not yet over. So as General Counsel, when confirmed, you're going to oversee the contractor's legal plans and costs as well as those of the Department.

So my question is will you commit this morning to taking an independent look at how the Department and its contractors handle whistle blower complaints, retaliation against whistle blowers and resulting litigation. I'd like you to get back to us within a reasonable time. Why don't we say forty-five days after confirmation?

Will you commit to doing that?

Mr. CROLEY. Yes, Senator.

Mr. CROLEY. I recognize, as the Secretary has addressed this issue as well, the importance that all Federal employees and as you suggest Federal employees and Federal contractors, the importance that they feel like they are in an environment where they can raise concerns.

I understand this is crucial.

It is crucial to protect the taxpayer.

It is crucial to ensure the safety of our Federal worksites at Hanford and elsewhere.

So this is an important matter.

Without commenting on the particular case you're referencing, which I'm sure you appreciate, is in litigation. On the question on reimbursement of legal fees, I would commit to you, to work with you and to take an independent look on that issue.

I understand the General Counsel has some authorities there. My understanding is that a regional counsel do as well. So I will have to roll up my sleeves, but I would commit unequivocally to doing that.

The CHAIRMAN. I appreciate that.

As you know from our discussion in the office every independent group thought that he was raising legitimate concerns, every sin-

gle, independent group. I think it's time to really draw a line in the sand because if the message is out department-wide that when you speak truth to power and you come forward and lay out what your concerns are, you face these kinds of problems. I think it's going to be very detrimental to a safety agenda.

You don't want that to happen. I don't want that to happen. The Secretary doesn't want it to happen. So let's operate under the assumption that you're going to look at this, give us an independent take. 45 days after confirmation it will be sent to Senator Murkowski and myself. We'll share it with the committee.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Mr. Smith, I appreciate your comments. I read the article in the Post this morning about the crossing of the lines where since the first time since 1995 our production with oil, domestically, has surpassed that of our imports. I think that that's good news for the country. I think that that gives us opportunities.

I have stated many times that we're going through a, just kind of a reassessment, in terms of understanding our energy and our energy portfolio. It's tough to transition your thought when you've been used to focusing on areas of scarcity. Now we are truly looking to areas of abundance whether it be oil or natural gas.

I think there's exciting times when it comes to so much of our fossilized fuels. Where our opportunities lie for, not only increased energy independence, but what it means from an economic perspective. So a lot of talk here at the committee today about natural gas, discussion here about oil, obviously the issue of coal and how we access that in an environmentally responsible way, the advances through CCS, but there are also some other areas where our technologies will allow us to go places that we have not really been able to dig into.

I'm interested in the area of methane hydrates. I think that we have great potential up north. We've been working with the Japanese government, have been engaged in a study with Japan.

The program for methane hydrate research is proposed at \$5 million for FY2014. This is far less than what the department needs to follow up on the test that was done back in January 2012 up in Prudhoe Bay.

Japan has conducted its own follow up test and reported some substantial progress in being able to tap methane hydrates. It's not just, of course, off of Alaska that we have enormous potential for methane hydrates. We've got clearly in the Gulf of Mexico.

So kind of a broad question and then ask you to focus it down.

First, in terms of your commitment to an all of the above and we're talking about the Fossil Energy Department and the focus on all fossil fuels whether the commitment is there to be an advocate for all of the fossil fuels. Not only those that are in favor today like natural gas, clearly, but how we're able to access our coal, our oil and perhaps the more experimental sources like methane hydrates, oil shale.

Then if you could speak a little bit to the methane hydrates.

Mr. SMITH. Thank you very much, Senator, for that question.

I think that as your, some of your comments articulate, ours truly is an all the above strategy. I mean I've had an opportunity

to spend some time talking about our historic investment in carbon capture and sequestration which is primarily aimed toward ensuring that coal fired power generation remains a relevant part of the clean energy economy of the future.

Another part of the portfolio which I've actually managed as the Deputy Assistant Secretary for Oil and Natural Gas is the project that you mentioned, the initiative to investigate the viability of producing natural gas from methane hydrate formations.

Just last year I signed a Memorandum of Agreement between the Department of Energy and the State of Alaska. I signed that with Dan Sullivan, who at the time was the Commissioner for the Alaska Department of Natural Resources which for us was a real model of collaboration between the Federal Government and State government and also working with international governments. The government of Japan partially funded the test that we did in Alaska back in 2012. Working with the private sector, the methane hydrate well that we drilled back in 2012 was drilled in collaboration with Conoco.

So we continue to think that these projects are incredibly important which is why, excuse me, why we're continuing to collaborate with the State of Alaska.

When I was in Alaska just a couple weeks ago we, the Department of Natural Resources issued a press release in which it took a chunk of acreage, pulled it off of its leasing plan and reserved that for the Department of Energy and the Department of Natural Resources to collaborate on future methane hydrate research.

So we're taking steps to make sure that we advance those projects. We're looking for novel ways of pushing forward on the technology. If confirmed in this role I'd commit to working with you and this committee to make sure that those, that research, has the maximum chance of being successful.

Senator MURKOWSKI. I appreciate you saying that because it is an area that is somewhat overlooked. If it's not discussed, I know Senator Akaka and I had worked on advancing the issue of methane hydrates and how we can better understand what it is that we have and how best to access it recognizing that there are real challenges with accessing, particularly in an arctic environment and the environmental challenges that we face there.

But I appreciate your background to it and understand that as we try to establish some budget priorities in budgets that are growing skinnier all the time, it's important to have an advocate who knows and understands what the potential can be for us, not only from a national perspective, but working cooperatively with some of our partners overseas.

Mr. SMITH. Thank you, Senator.

Senator MURKOWSKI. With that, Mr. Chairman, I thank each of you. I would hope that we would see these names moved through quickly. I will stand to support each of you and appreciate your willingness to serve.

Mr. SMITH. Thank you.

The CHAIRMAN. In our tradition, Senator Murkowski has the last word.

Just one little bit of business, Ms. Kiaaina, I'm very much in favor of your nomination. We'll have a few matters that we're going

to ask you in writing. Nothing torturous, but a few others things we want to do.

The CHAIRMAN. With that and let me state that I support all the nominations as well today, enthusiastically.

The Energy Committee is adjourned.

[Whereupon, at 11:25 a.m., the hearing was adjourned.]

APPENDIXES

APPENDIX I

Responses to Additional Questions

RESPONSE OF STEVEN P. CROLEY TO QUESTION FROM SENATOR WYDEN

Question 1. Dr. Croley, Current DOE General Counsel Mr. Greg Woods memorialized in a letter to Mr. Elliot Mainzer, Acting Administrator of BPA, dated November 12, 2013, the reporting relationship between the DOE General Counsel office and BPA's General Counsel (copy attached). I have read Mr. Wood's letter and find it a helpful clarification of Deputy Secretary Daniel Poneman's October 24, 2013 memorandum regarding reporting relationships between BPA and DOE. For example, the Woods letter clarifies that the BPA GC continues to report to the BPA Administrator under the new reporting relationships outlined in the Deputy Secretary's letter. If you are confirmed will you commit to implement the DOE GC/BPA GC approach stated by Mr. Woods in his November 12, 2013 letter?

Answer. Yes.

RESPONSES OF STEVEN P. CROLEY TO QUESTIONS FROM SENATOR BARRASSO

Question 1. In 2011, the Government Accountability Office (GAO) issued a report which found that the Department of Energy (DOE) violated the miscellaneous receipts statute (31 U.S.C. 3302(b)) in a series of transactions with USEC between December 2009 through June 2011. Upon reviewing GAO's report, do you believe DOE violated Federal law with respect to these transactions? If not, why not?

Answer. I am aware that GAO concluded its report that, pursuant to the Miscellaneous Receipts Statute, the Department should have deposited into the Treasury funds equal to the value of the uranium transferred to USEC in exchange for accelerated cleanup services in the transactions covered by the report. I further understand that in its official agency comments to the report, the Department respectfully disagreed with GAO's conclusion in that regard. I am strongly committed to working with GAO and other overseers that are key to the federal quality control process. If confirmed as General Counsel I will ensure that the Department cooperates fully with GAO investigations and complies with all applicable law in connection with any proposed transaction.

Question 2. If confirmed, what steps will you take to ensure that DOE complies with the miscellaneous receipts statute (31 U.S.C. 3302(b))?

Answer. If confirmed, I will ensure that DOE complies with the Miscellaneous Receipts Statute. Specifically, I will ensure that every transaction involving the transfer of uranium receives full legal review, including for consistency with the Miscellaneous Receipts Statute and other applicable laws.

Question 3. Section 3112(d) of the USEC Privatization Act (42 U.S.C. 2297h-10(d)) states that the Secretary may sell or transfer natural or low-enriched uranium from DOE stockpiles provided that the Secretary determines that the sale of the material will not have an adverse material impact on the domestic uranium mining, conversion, or enrichment industry, taking into account the sales of uranium under the Russian HEU Agreement and the Suspension Agreement.

Since the May 15, 2012 Secretarial Determination, the U.S. spot price of U3O8 has fallen by roughly 30 percent. What steps, if any, would you take to ensure that all future Secretarial Determinations are in compliance with Section 3112(d)?

Answer. If confirmed as General Counsel, I will work with my colleagues in the Department to ensure that any sales or transfer of uranium, if undertaken, complies with applicable law, including Section 3112 of the USEC Privatization Act. I understand that the Department's current practice is to examine any sale or transfer of

uranium to determine whether it might have an adverse material impact on the domestic uranium mining, conversion or enrichment industry. If confirmed as General Counsel, I will ensure that that there is full legal review of any potential transaction.

RESPONSES OF ESTHER P. KIAAINA TO QUESTIONS FROM SENATOR WYDEN

Question 1. In 2010, the Administration signed an agreement with the Republic of Palau to revise the Compact of Free Association and to phase-out financial assistance by 2024. However, about that time, new Congressional budget rules came into effect which require the Agreement's estimated \$170 million cost to be offset.

In addition to occupying a strategic position in the Western Pacific, Palau is arguably the United States' closest ally-it votes with the U.S. in the U.N. more than any other nation, and its citizens enlist in the U.S. military at rates that exceed that of any State.

Can you assure the Committee that, if confirmed, identifying an offset and seeking approval of the Agreement with Palau will be a top priority?

Answer. Yes, I can assure the Committee that approval of the Palau financial agreement, and continuing to work within the Administration and with Congress to identify an acceptable offset, will be a top priority of mine if I am confirmed. It is my understanding that the Administration strongly supports the approval of the Palau financial agreement, and looks forward to continuing the United States partnership with Palau. I fully support the Administration's position.

Question 2. The largest programs at the Office of Insular Affairs—about \$175 million annually and half of the Office budget—are the Compacts of Free Association with Micronesia and the Republic of the Marshall Islands. However, there are only 6 full time employees committed to oversight and implementation of these two programs.

If confirmed, do you pledge to work with the Committee on a comprehensive review of these programs—their staffing, monitoring and performance?

Answer. Yes, if confirmed I will work with OIA to provide a review of staffing, monitoring, and implementation of the Compact program.

Question 3. Several months ago, the Acting Assistant Secretary for Insular Affairs closed the Office of the Labor Ombudsman in the Northern Mariana Islands without consultation with Committee or a plan for how the activities of that office would be handled in the future.

Would you take the message back to the Department that the Committee asks that no action be taken to fill the Field Representative position in the Marianas until after consultations with the Committee on a plan to address the activities of the former Ombudsman's Office?

Answer. Yes. I will take this message back to the Department.

RESPONSES OF ESTHER P. KIAAINA TO QUESTIONS FROM SENATOR MURKOWSKI

Question 1. Nearly half of the Office Insular Affairs' budget (\$200+ million) goes to the Freely Associated States under our Compacts of Free Association yet the Office only has two employees in those nations (one each in the Marshall Islands and Micronesia-plus four in Hawaii). Do you believe there is a need for additional staffing in those nations to oversee this amount of funding?

Answer. It is my understanding that in addition to staff listed above; several staff in the Washington, DC office spend most of their time on compact issues. However, resources for additional staff are limited. I would be happy to review whether an increase is feasible if I am confirmed as the Assistant Secretary.

Question 2. The U.S. Virgin Islands is facing tough economic times with the shutdown of the Hovensa petroleum refinery both from a loss of jobs and income as well as from higher energy costs. If confirmed, what action do you believe the Office of Insular Affairs should take to help the people of the USVI?

Answer. I am aware of challenges facing U.S. territories and freely associated states due to high energy costs. With regard to the U.S. Virgin Islands, the closure of the Hovensa petroleum refinery has caused harm to the USVI's economy, including jobs losses and higher energy costs. It is my understanding that the Interagency Group on Insular Areas has met to discuss concerns surrounding the energy crisis, and federal partners from the Departments of Energy, Commerce and Agriculture continue to participate in discussions on key energy issues and possible solutions with key USVI officials. If confirmed, I look forward to engaging with Congress, our federal partners, energy research entities and USVI officials to find solutions to this problem.

Question 3. Earlier this year Congress passed, and the President signed into law, legislation granting the Northern Marianas jurisdiction over submerged lands similar to what the other states and territories already had, however, it is my understanding that those lands have not yet been conveyed to the CNMI. Could you give me an update on the status of that conveyance?

Answer. It is my understanding that the conveyance of the submerged lands surrounding the CNMI will take place by operation of law 120 days after the date of enactment. I do not have any information about current discussions within the Administration at this time. If confirmed I would be happy to discuss this important matter.

Question 4. Could you explain the decision to close the Office of the Federal Ombudsman in Saipan? What assurances do you have from the Departments of Labor and Homeland Security that foreign workers will have access to federal assistance if warranted?

Answer. Although I am not at the Department, it is my understanding that in 2009 the Department of Homeland Security took over immigration responsibilities in the Commonwealth of Northern Mariana Islands pursuant to the terms of the Consolidated Natural Resources Act. I have been told by the Department that in the past several years, the work of the Ombudsman's office has shifted dramatically from working on serious labor and trafficking violations to assisting individual alien workers with more routine immigration and labor issues.

RESPONSES OF CHRIS SMITH TO QUESTIONS FROM SENATOR MURKOWSKI TOPHER

Question 1. The NERA study used 2011 data from the Energy Information Administration's Annual Energy Outlook. At the time the study was commissioned, was the AEO from 2012 or 2013 available?

Answer. No, the NERA study used projections from EIA's natural gas export study, which was commissioned on August 15, 2011 and completed on January 19, 2012. The EIA natural gas export study used 2011 projections, which at the time were the most recent projections available.

Question 2. To what extent does the Department of Energy incorporate the most recent EIA data when assessing LNG export applications? Does it use AEO 2013, for example?

Answer. The Department is constantly monitoring the natural gas market, which includes the latest EIA projections, such as AEO 2013. The Department discussed the comparison of AEO 2011 with AEO 2013 in its recent LNG export authorizations.

Question 3. When comparing the EIA projections from AEO 2011 to the projections from AEO 2013, is more or less natural gas expected to be produced domestically? Is more or less LNG expected to be exported from the United States?

Answer. AEO 2013 projects domestic natural gas production to be greater than the amount projected in AEO 2011. AEO 2013 also projects higher exports of LNG than AEO 2011.

Question 4. Record levels of U.S. natural gas are currently being exported to Mexico and Canada via pipeline. Has the Department of Energy observed any harmful impact to overall energy markets and supply as a result of this increase?

Answer. Although exports of natural gas to Canada and Mexico in 2012 were at record levels of 1.0 trillion cubic feet (Tcf) and 0.6 Tcf, respectively, the United States imports significantly more natural gas from Canada than it exports to either country and remains a net importer of natural gas. The Department notes that net pipeline imports of natural gas have declined from a peak of 3.4 Tcf in 2001, to 1.4 Tcf in 2012, while domestic production of dry natural gas has risen from 19.6 Tcf in 2001 to 24.1 Tcf in 2012. Wellhead natural gas prices declined during this period. The Department has not observed any harmful impacts to overall energy markets and supply resulting from the decrease in net natural gas imports via pipeline.

Question 5. Do any memoranda of understanding or other joint agreements govern the Office of Fossil Energy's relationship with the Department of State's Bureau of Energy Resources?

Answer. No, the Office of Fossil Energy does not have formal agreements with the Department of State's Bureau of Energy Resources. As we do with other interagency partners with which we share equities, the Office of Fossil Energy has a good working relationship with the Department of State, particularly on collaboration on shale gas and bilateral activities with China, Canada, and Norway.

Question 6. How would you describe the national interest in promoting best practices in fossil energy development overseas, either through partnership with the Department of State or other programs?

Answer. Promoting best practices in fossil energy development overseas serves American interests for economic, environmental and national security reasons.

CCS Role in EPA Climate Rules

Question 7a. The Environmental Protection Agency is writing climate regulations for new and existing power plants and the agency looks to be headed towards mandating the use of carbon capture and storage (CCS). I understand that the position you are nominated for isn't directly responsible for these rules, but in the inter-agency process and as a technical matter you can and should be in a position to speak to the readiness of CCS.

In your opinion is CCS currently commercially available for power plant applications?

Answer. CCS technology has been and continues to be deployed in a range of projects. There are twelve large-scale CCS projects in operation worldwide today. CCS technology has been and continues to be deployed with CO₂ captured from gas processing and industrial separation. By 2020 another eight projects, including the first commercial scale electric power plants with CCS, are anticipated to come on-line. If confirmed, I will continue to work with industry in advancing CCS technologies to continue reducing the cost of capture, making CCS more efficient, and preparing for wider-scale deployment in future years.

Question 7b. Do you believe that the affordability of installing and operating CCS equipment should be accounted for in defining the phrase "commercially available"?

Answer. All components of CCS, including large-scale CO₂ capture, transportation, and multi-million ton per year injection, have been demonstrated world-wide and in the U.S. for many years. We expect to see substantial cost reductions brought into industrial practice with continued R&D and as large-project deployments advance from first-of-a-kind plants.

Question 7c. Please outline the work DOE generally and areas under your direction specifically are taking to enable this technology to become a practical reality?

Answer. The Office of Fossil Energy (FE) is addressing the challenges of widespread deployment of clean coal technologies by sponsoring large-scale demonstrations and investing in advanced technologies to reduce costs.

FE is funding, in partnership with industry, eight major demonstration projects that will help address the first-of-a-kind technology risks that come with deploying innovative CCS technologies. In order to reduce costs and make carbon capture more efficient, the Office of Fossil Energy has a robust research and development program investing in advanced and revolutionary CCS technologies.

FE is also focused on carbon storage, developing technologies with industry to ensure the safe and permanent storage of the captured CO₂ in different geologic formations and sequestering large volumes of CO₂ through seven Regional Carbon Sequestration Partnerships. These large volume tests and related applied science will provide the field experience to develop and validate technologies that can predict storage capacity, validate storage permanence, and develop best practices.

RESPONSES OF CHRISTOPHER SMITH TO QUESTIONS FROM SENATOR PORTMAN

Question 1. As I asked during the your hearing, I would appreciate it if you can provide this committee a detailed report on DOE's existing CCS programs that includes: an assessment of the success of individual programs, and an assessment of the estimated time frame and estimated cost to federal taxpayers to get CCS technologies to commercial viability?

Answer. If confirmed, I will commit to providing the committee detailed information on DOE's existing CCS programs. We are committed to transparency and our proud of our technology program. The Office of Fossil Energy will provide detailed information outlining our key programs and their progress.

Question 2. If confirmed, will you increase, decrease, or maintain the current pace of NFTA applications for LNG export from the United States?

Answer. If confirmed, I will continue to expeditiously process the applications on a case-by-case basis.

Question 3. At the current DOE pace, some projects that were in the queue this time a year ago may not have a decision on NFTA authorization much before 2016. Is a three year wait appropriate?

Answer. When DOE makes a public interest determination on an application, an order is released that explains the detailed reasoning for making the decision. These are complex documents in which DOE must address a wide range of issues, including economic, environmental and energy security and supply issues, as well as claims and counter-claims made in the public comments. If confirmed, I will continue to process these applications as expeditiously as possible.

Question 4. Currently, DOE is processing NFTA applications one at a time, in the order that the applications were received. Is there an opportunity for DOE to process the applications concurrently?

Answer. The Department of Energy is reviewing the LNG export applications on a case-by-case basis, weighing any circumstances that may be unique to an individual application. The Department looks at the potential cumulative impacts of each conditional authorization as it goes forward.

Question 5. Since one of the strategic focus areas of the administration is natural gas, what consideration has been given to accelerate the application of technology developed in the Solid State Energy Conversion Alliance (SECA) program for highly efficient electric power generation directly from natural gas?

Answer. In response to recent budget constraints, the Office of Fossil Energy's Clean Coal program has prioritized near-term CCS technologies deployable in the 2020 timeframe. As a result, development of solid oxide fuel cells for 100-plus megawatt coal-based systems, a longer-term transformational technology, was not supported by the FY 2014 budget request.

However, the Solid State Energy Conversion Alliance (SECA) Cost Reduction program achieved its 2010 goals performance and durability. Progress under this program has brought solid oxide fuel cell technology to a point where it is approaching commercial feasibility for small scale (sub-megawatt) applications that can be supported by investment from industry (e.g., Bloom Box).

Question 6. With the growing reserves of natural gas, and the move to natural gas as a fuel for electric power generation, how is natural gas utilization being addressed to ensure lowest cost and highest efficiency electric power generation?

Answer. The Office of Fossil Energy does not have a technology program on natural gas utilization. The Department is focused on ensuring a safe and environmentally sustainable supply of natural gas. That said, some of the Office of Fossil Energy's work under the coal program is applicable for natural gas power generation, such as carbon capture and plant efficiency technologies.

Question 7. Does the DOE see a relationship between near-term natural gas application of SECA technology for distributed generation and the long-term goal of central power generation with gasified coal?

Answer. Yes. Many of the core challenges facing SECA technology commercialization are independent of fuel type (i.e., natural gas or syngas) and success in natural gas commercialization may support longer-term commercialization with other carbon-based fuels.

RESPONSES OF CHRISTOPHER SMITH TO QUESTIONS FROM SENATOR LANDRIEU

The Department of Energy has begun to grant authorizations for the export of LNG to non-FTA countries. These orders have generally authorized export for a flat 20-year term commencing with first LNG export from a particular LNG export facility. Given the billions of dollars of investment needed to develop and build LNG export facilities, these projects generally require long-term commercial off-take agreements with customers to secure financing. It is common in the LNG industry for these long-term agreements to have a 20-year term commencing with full commercial operations of the LNG export facility. Therefore, the term of the export authorizations raises potential commercial and financing issues for LNG export projects.

First, testing and commissioning of LNG facilities will require the production of small quantities of LNG. These quantities may be insufficient to trigger start of the customer contracts. But it is unclear whether it will trigger the start of the DOE authorization. If this timing mismatch occurs, it may impair the ability of proposed LNG export projects to raise the required financing that is supported by the revenues under those agreements.

Second, LNG export projects are commonly designed to have multiple LNG production units, or trains, that are constructed, tested and commence operations sequentially over a multi-year period, resulting in a ramping up of production at an LNG export facility. A flat 20-year term of export authorization that is triggered by first export ignores this reality, and potentially leaves LNG export projects with insufficient authorization to meet their commitments under commercial off-take agreements, even those with an equivalent 20-year term.

Question 1. Is the Department willing to issue clarifications on this issue so that the necessary commercial off-take agreements and substantial financing needs for these projects are supported by the regulatory approvals backing them?

Answer. The 20-year term begins from the date of first export to a non-FTA country, not the date of first liquefaction. Accordingly, the production of small quantities of LNG for testing and commissioning will not trigger the 20-year term.

In imposing this condition, the Department is mindful that LNG export facilities are capital intensive and might ramp up over a multi-year period. Parties are free to request clarification or rehearing regarding the conditions that apply to their final authorizations. The Department will respond to all such requests in the context of those proceedings.

- I have some concern regarding the current pace of permitting for LNG export applications as well. I see that some projects that were in the queue this time a year ago may not even receive NFTA approval much before 2016.

That's a three-year wait before getting NFTA approval—not two months. This places the financing and contract agreements for these facilities in jeopardy, and risks the economic benefit they promise.

Question 2. What is your plan to speed up the process to match the critical commercial window so the US captures the greatest possible opportunity? What angles have you explored to move this forward more quickly so that qualified projects can capture the opportunity for the U.S.?

Answer. When DOE makes a public interest determination on an application, an order is released that explains the detailed reasoning for making the decision. These are complex documents, in which DOE must address a wide range of issues, including economic, environmental and energy security and supply issues, as well as claims and counter-claims made in the public comments. If confirmed, I will continue to process these applications as expeditiously as possible.

RESPONSES OF CHRISTOPHER SMITH TO QUESTIONS FROM SENATOR BARRASSO

Question 1. On October 29, 2013, before the House Committee on Science, Space, and Technology, your predecessor, Charles D. McConnell, stated that “[t]he cost of current CO₂ capture technology is much too high to be commercially viable.” He explained that “[t]echnology exists for separation and capture of CO₂ at the plant, but it increases the cost of generated electricity by about 80%.” Finally, he noted that “affordable solutions may be decades away with the current level of funding.” Do you agree with Mr. McConnell’s statements? If not, why not?

Answer. CCS (with and without enhanced oil recovery EOR or other utilization) has been deployed at 12 facilities world-wide. The technology components have been tested at large-scale and integrated projects at medium-scale (approximately 100 megawatts). As such, I do believe that CCS is ready to deploy on new power plants. If confirmed, my job will be to continue to reduce the technical risk and lower costs to provide the widest set of options for clean fossil energy deployment in the US by US companies.

I believe we have already made significant progress. During the Obama Administration, DOE has made an approximately \$6 billion commitment to accelerate deployment of clean coal technologies, including technologies to capture carbon dioxide from coal plants. All components of CCS, including large-scale CO₂ capture, transportation, and multi-million tons per year injection, have been demonstrated world-wide and in the US for many years. We expect to see substantial cost reductions brought into industrial practice with continued R&D and as large-project deployments advance from first-of-a-kind plants. This has been the course of many other energy technologies, including wind, solar, natural gas, and vehicle efficiency.

Question 2. Some argue that power plant owners which deploy carbon capture technology will be able to recoup part of their costs by selling carbon dioxide for the purposes of enhanced oil recovery (EOR). However, EOR only takes place in certain areas of the country, specifically in states with aging oil fields and a carbon dioxide pipeline network. Is it reasonable to assume power plants throughout the country will be able to sell carbon dioxide for the purposes of EOR? Is EOR really a means for power plants nationwide to offset the costs of deploying carbon capture technology?

Answer. EOR currently represents about 2 percent of oil production, or 0.3 bbl/day. A study carried out for the EIA suggested that 3M bbl/day might be produced domestically with CO₂ EOR, and EOR is part of several of the CCS projects currently being supported. While EOR currently only takes place in certain areas of the country, those areas will serve as critical commercial opportunities that will produce domestic oil and provide revenues as we drive down the costs of CCS technology nationwide. All would benefit from the cost reduction and learning-by-doing that comes from increased CCS deployment. In addition, those projects and investments would anchor expanded CO₂ pipeline infrastructure, which will ultimately support and even attract companies who wish to take advantage of CO₂ storage natural resource.

Question 3. Do you believe that carbon capture and storage technology has been “adequately demonstrated” as defined pursuant to section 111 of the Clean Air Act (42 U.S.C. 7411)?

Answer. Whether a technology is “adequately demonstrated” within the meaning of the Clean Air Act is an issue committed to EPA’s discretion. DOE does not make that determination.

That said, there are twelve large projects in commercial operation today demonstrating CCUS around the world. All components of CCS, including large-scale CO₂ capture, transportation, and multi-million ton per year injection, have been demonstrated world-wide and in the U.S. for many years.

RESPONSES OF CHRISTOPHER SMITH TO QUESTIONS FROM SENATOR CANTWELL

Question 1. DOE’s national laboratories, including PNNL, are a national asset with world class expertise in subsurface science and engineering.

While new techniques in national gas production have dramatically changed our domestic energy outlook, it is imperative DOE fully utilize these capabilities to better understand and address environmental implications.

We need to bring our best assets to bear in understanding the limits of natural gas recovery from shale, the potential for induced seismicity; and the best practices for protecting the environment. How do you plan to access the breadth of capability available in subsurface science and engineering, and apply it to the broader challenges within Fossil Energy’s mission area? What are your plans to collaborate with offices across the Department on cross-cutting challenges in subsurface science and engineering?

Answer. The Office of Fossil Energy is dedicated to utilizing the expertise and resources of the national laboratories. The National Risk Assessment Partnership (NRAP)—an initiative within the Office of Fossil Energy and led by the National Energy Technology Laboratory (NETL)—is a collaboration of national laboratories, including PNNL, that uses science-based prediction of engineered-natural systems to understand the long-term geologic storage of carbon dioxide.

The Office of Fossil Energy has been working with the other program offices within the Department on understanding cross-cutting challenges in subsurface science and engineering, per direction from Secretary Moniz. If confirmed, I would be happy to brief you on all of the Office of Fossil Energy’s subsurface activities and discuss your interests in subsurface science in the national interest.

Question 2. DOE’s solid-oxide fuel cell (SECA) program represents a highly successful partnership between the Department, its national laboratories and industry—working on bringing fuel cell technology to commercial readiness for high efficiency natural gas distributed generation applications. What are your plans to ensure Fossil Energy supports this program?

Answer. In response to recent budget constraints, the Office of Fossil Energy’s Clean Coal program has prioritized near-term CCS technologies deployable in the 2020 timeframe. As a result, development of solid oxide fuel cells for 100 plus megawatt coal-based systems, a longer-term transformational technology, was not supported by the FY 2014 budget request.

However, the Solid State Energy Conversion Alliance (SECA) Cost Reduction program has achieved its 2010 goals performance and durability. Progress under this program has brought solid oxide fuel cell technology to a point where it is approaching commercial feasibility for small scale (sub-megawatt) applications that can be supported by investment from industry (e.g., Bloom Box).

Question 3. Ramgen Power Systems, a small energy technology company in Washington state, is developing a unique shock wave compression technology that could reduce the cost of compressing carbon dioxide. Are you aware of this carbon dioxide compression research and development? Do you believe this technology could be applied to small engines for distributed generation uses? Will you look into the potential of this technology, if confirmed?

Answer. I am aware of Ramgen Power Systems, who received \$30 million in funding through the American Recovery and Reinvestment Act, and their unique shock wave compression technology. NETL staff briefed me on the technology after an August visit. If confirmed, I will commit to looking into the potential of this technology for small engines for distributed generation.

RESPONSES OF CHRISTOPHER SMITH TO QUESTIONS FROM SENATOR MANCHIN

Two weeks ago, there was a joint Committee hearing held in the House on the new EPA greenhouse gas regulations for new power plants. In that hearing, both Chuck McConnell, the former Assistant Secretary for Fossil Fuels (your predecessor and former boss) and Dr. Richard Bajura, an expert on clean coal and CCS tech-

nologies from West Virginia University, testified that CCS and CCUS technology is not currently commercially available and has not been adequately demonstrated.

Chuck McConnell also testified that we need to bring the cost of CO₂ capture technology down if we're going to be able start using it on new power plants, and that the only way to do that is more research and more demonstrations.

But last week, Secretary Moniz said that CCS technology is ready to meet the EPA new standard. He said this even as the projected costs of building the plant in Kemper County are double what they were initially expected to be.

Question 1. I want to ask you directly: do you think carbon capture and storage (CCS) is ready to be deployed on all power plants? Please answer yes or no.

Answer. CCS (with and without EOR or other utilization) has been deployed at 12 facilities world-wide. The technology components have been tested at large-scale and integrated projects at medium scale (approximately 100 megawatts). As such, I do believe that CCS is ready to deploy on new power plants. If confirmed, my job will be to continue to reduce the technical risk and lower costs to provide the widest set of options for clean fossil energy deployment in the U.S. by U.S. companies.

As a follow-up question, Secretary Moniz has said in the past—to me personally and publically—that we will need to use CCS on natural gas power plants in the future to meet the President's Climate goals.

Question 1a. So I want to ask you: if CCS is ready for coal power plants, shouldn't it have to be used on natural gas plants too? We know that we can capture the CO₂ from the stack: we've done it in West Virginia at the Mountaineer plant. The only reason we're not doing it now is that it's too expensive. So if CCS is ready, why are we only penalizing coal?

Answer. As you know, EPA promulgated the rule creating a separate standard for coal and natural gas. While many CCS technologies are applicable for natural gas capture, there are key differences that need to be addressed.

In order to be successful in the job that you are seeking, you will necessarily have to be an advocate for your programs, especially your coal program.

Over the last several years this Administration has continued to shrink both the fossil energy and the coal budget, while doubling down on renewables and energy efficiency.

Question 2. I know that you don't have complete control over funding, but will you go to the mat for coal and fossil R&D funding?

Have you personally advocates for a larger coal budget within the Department in the past? If you did, what happened? Did the Secretary deny your request?

Answer. During the Obama Administration, the Department has committed nearly \$6 billion in clean coal technologies, including CCS research, development, and deployment. If confirmed, I will continue this commitment, within the budget constraints set by Congress.

The Department of Energy gave a \$270 million dollar grant to Southern Company to help build the next-generation coal-power plant with carbon capture they're building in Kemper County, Mississippi. We all know that they are way over cost, almost at \$5 billion dollars when initially it was thought the plant would cost \$2.4 billion. So they're over double the cost.

Tom Fanning has said that one of the reasons they're over cost is that they didn't do enough engineering work up front, before they started working on the plant. He hasn't gone into any more detail though. From what I understand, he hasn't given your Department any more information either, and if he has, your department hasn't published it.

Question 3. I believe the only way we can learn is to learn from our mistakes. Can you promise me that if you're confirmed, you will get to the bottom of where the cost overruns happened, and publish a report on it immediately? It should only be fair that they provide your department with those numbers since helped fund the plant, correct?

Answer. Under the cooperative agreement between the Department of Energy and Southern Company, there are terms for data sharing so the Department can help apply best practices to other projects going forward. If confirmed, I will work to understand how and why the cost overruns happened.

As you know, I have a keen interest in the National Energy Technology Laboratory in Morgantown. NETL is at the forefront of researching how to develop and use fossil energy in an environmentally responsible fashion. They've also been very successful, with scores of R&D 100 awards in the last decade, and numerous Federal Laboratory Consortium awards for Excellence in Technology Transfer. In short, NETL is great lab, doing great things for the fuels that we use the most, and getting those technologies to the marketplace.

NETL is also unique in that it operates as a Government-owned, Government-operated (GO-GO) facility. NETL's operating model is common throughout much of the Government, but not for the national labs.

Question 4. If confirmed would you support the current GO-GO structure of NETL?

Answer. The National Energy Technology Laboratory is a key resource for the Office of Fossil Energy and the Department of Energy. The staff at NETL serve the needs of the nation well and deserve support. If confirmed, I will continue to support NETL and look forward to opportunities to discuss NETL with you in the future.

NETL has also traditionally had a role working in a broad range of DOE programs, most recently Energy Efficiency and Renewable Energy (EE/RE) and the Office of Electricity Delivery and Energy Reliability (OE).

Question 4a. Would you support the continued efforts of NETL in accomplishing these key aspects of DOE portfolio?

Answer. Yes, I support NETL's work for the Office of Fossil Energy and other program offices.

The National Energy Technology Laboratory has only had an interim Director since late September. I have not heard any updates during that time about any progress made in finding a new Director.

I understand that this process does not occur overnight, but I am concerned that without a clear path to new leadership, operations and progress in critical research areas such as carbon sequestration will suffer. As such, I want to express my hope that the Department is moving with all appropriate speed on this task.

Question 5. Can you provide an update on the progress in finding a new Director and an estimated month by which one will be appointed?

Answer. We do not have an estimated time by which a new Director will be appointed, but we are committed to finding one expeditiously. We are driving the process with care and diligence, and would be happy to provide regular updates to your office.

Question 6. There are programmatic barriers that limit the National Energy Technology Laboratory ability to grow its programs and capabilities beyond its historical fossil energy mission space. Would you be willing to help remove those barriers so that NETL can respond to opportunities to grow?

Specifically, will you work to allow NETL to explore into other arenas of research, as have other labs and sections of DOE? This type of research has allowed other organizations to grow in DOE.

Answer. Having a national laboratory focused on the fossil energy space is an invaluable national resource. If confirmed, I will look into potential opportunities for NETL expand their expertise in related areas.

A recent NETL study reported that we could almost triple the amount of oil economically recoverable via Enhanced Oil Recovery (EOR), from over 20 billion barrels to 60 billion barrels, through advanced and next-generation EOR technologies and practices.

Advanced technologies are needed to unlock this substantial domestic resource of "stranded" oils, however, this Administration consistently requests zero funding for Department of Energy oil research.

Question 7. My question to you Mr. Smith is—given this significant potential and all the associated benefits to our nation if we develop this "stranded" oil resource, would you, if confirmed, advocate for research funding focused on Enhanced Oil Recovery, including funding for carbon dioxide enhanced oil recovery technologies?

Answer. EOR currently represents about 2 percent of oil production, or 0.3 bbl/day. A study carried out for the EIA suggested that 3M bbl/day might be produced domestically with CO₂ EOR, and this is part of several of the CCS projects currently being supported. Such a factor of ten increase in CO₂ EOR compared with today would require capture of over five hundred megatons of CO₂ from power plants and/or appropriate manufacturing.

Five out of the eight major CCUS demonstration projects include an EOR component. If confirmed, I will continue to focus on the opportunities for utilizing captured CO₂ facilities.

The Department of Energy's research portfolio seems void of research aimed at improving the efficiency of natural gas production from shale formations and other unconventional formations, and in maximizing resource recovery. Such research would have widespread benefits for many businesses and for our nation.

Question 8. That being the case, do you recognize the value in production-related research and would you actively work to secure funding from Congress through the DOE Office of Fossil Energy to conduct this research?

Answer. DOE played a significant role in the research and development that has led to U.S. industry greatly increasing our Nation's natural gas and oil production from shale. The Office of Fossil Energy currently funds R&D on ensuring the safe and environmentally sustainable supply of natural gas. NETL also oversees research expenditures from the Royalty Trust Fund created in the 2005 Energy Policy Act. This research program supports environmentally sound unconventional natural gas production, among other programs such as ultra-deep water and small producers. If confirmed, I will work to ensure the Office of Fossil Energy's research ensures the safe and environmentally sustainable supply of natural gas.

Many of the landowners and businesses alike involved in the recovery of Shale gas are concerned about the usage of water in that process. Given the enormous economic potentials of this shale gas, such a concern should be addressed. To reduce the Environmental footprint of Natural Gas production, "a comprehensive program is needed to address the issues of water use and backflow and produced water in unconventional gas production," as recommended in a report issued from an MIT study group chaired by Dr. Moniz in 2011.

Question 9. Would you support the funding of a program in the DOE Office of Fossil Energy to accomplish such an important goal?

Answer. As mentioned above, the Office of Fossil Energy currently funds R&D on ensuring the safe and environmentally sustainable supply of natural gas. NETL also oversees research expenditures from the Royalty Trust Fund created in the 2005 Energy Policy Act. These programs currently support research in water quality, availability, and management. The Department has recently pulled together a cross-cutting team to look specifically at the water and energy nexus and, if confirmed, I will continue to support that effort.

The coal research and development portfolio is heavily focused on carbon capture and sequestration, yet it is clear that advances in other areas of coal technologies can have a significant impact on reducing emissions and costs associated with coal use. These types of incremental changes are an area where we have succeeded in the past and have a low risk profile.

Question 10. Would you also support a robust suite of research programs into other coal related technologies including mining, advanced power efficiencies, combustion research, gasification, fuel cells, and coal-to-liquids?

Answer. The Office of Fossil Energy has a robust R&D program for non-CCS clean coal technologies. The Advanced Energy Systems program explores advanced combustion systems, gasification systems and hydrogen turbines. The cross-cutting research program explores plant optimization technology and coal utilization science. If confirmed, I will continue to support a robust and comprehensive clean coal technologies program.

APPENDIX II

Additional Material Submitted for the Record

STATEMENT OF TINA CABILES-CARDEN, PRESIDENT, HUI HAWAII, UTAH HAWAIIAN CIVIC CLUB

By way of introduction, Hui Hawaii O Utah Hawaiian Civic Club is located in Salt Lake City, Utah and is one of sixty-eight units established nation-wide under the umbrella of the Association of Hawaiian Civic Clubs, which is based in Honolulu, Hawaii. The first Hawaiian Civic Club was organized in 1918 by Prince Jonah Kalaniana'ole Kuhio, then Hawaii's delegate to the U.S. Congress, and a group of civic-minded Hawaiian men who envisioned the pressing need for Native Hawaiians to engage in the county, state, and Federal levels of government. Hui Hawaii O Utah members, together with other Native Hawaiians throughout Utah, continue to maintain strong cultural ties to Hawaii while simultaneously being effective and contributing residents prepared to act on issues that affect our individual communities.

Esther Puakela Kia'aina is such a committed Native Hawaiian leader. As president, I am writing in support of Ms. Kia'aina's nomination as Assistant Secretary of Insular Areas, United States Department of Interior. She has had exceptional training in schools of recognized excellence; a broad background in policy and planning in Hawaii, U.S. Pacific Territories, Freely Associated States of Micronesia, and Asian and Pacific Islander issues; and applicable experiences in and at the Federal level which repeatedly prove her ability to administer all the responsibilities as Assistant Secretary of Insular Areas.

After you have examined Ms. Kia'aina's credentials, we respectfully request your approval, together with the other members of the Committee on Energy and Natural Resources, of Esther Puakela Kia'aina's nomination as Assistant Secretary of Insular Areas, United States Department of Interior.

Mahalo (thank you).

STATEMENT OF JOBIE M. K. MASAGATANI, CHAIRMAN, HAWAIIAN HOMES COMMISSION, HONOLULU, HAWAII

Aloha Chairman Wyden, Ranking Member Murkowski, and distinguished members of the Senate Committee on Energy & Natural Resources. Thank you for this opportunity to provide this testimony in support of President Obama's nomination of Ms. Esther Kiaaaina. Ms. Kiaaaina is very well qualified for this leadership position as she brings years of Washington experience and profound knowledge of insular areas to the Department of the Interior.

Over her professional career, Ms. Kiaaaina has demonstrated a strong commitment to public service. Among her accomplishments is her work while on U.S. Senator Daniel K. Akaka's staff to achieve passage of the Hawaiian Home Lands Recovery Act (P.L. 1040942) nearly 20 years ago. As a result of this effort, the Department of Hawaiian Home Lands received a commitment of 913 acres of Federal land to settle land use and ownership disputes between our agency and the Federal Government. This settlement marked a turning point in our agency's history, and these lands are now used to generate resources to support our public land trust and homestead program.

In addition to this landmark legislation, Ms. Kiaaaina's attention to Office of Management and Budget (OMB) Statistical Policy Directive No. 15 significantly revised the way the Nation collected data on Native Hawaiians. This has led to greater awareness regarding the needs of our population, and, as a result, more effective programs.

In closing, Ms. Kiaaaina has served Hawaii well as staff and as an advisor to members of our state's congressional delegation, as chief advocate of the Office of Hawai-

ian Affairs, and as first deputy of Hawaii's Department of Land and Natural Resources. With her experience and commitment to public service, she will be a tremendous asset to the Department of the Interior. For this reason, we strongly support this nomination and we ask your committee's favorable consideration. Mahalo nui loa (thank you very much).

AMERICAN SAMOA GOVERNMENT,
November 11, 2013.

Hon. RON WYDEN,
Chairman, U.S. Senate Committee on Energy and Natural Resources, Washington, DC.

DEAR CHAIRMAN WYDEN:

On behalf of the people of American Samoa, I wish to express our support for the confirmation of Ms. Esther P. Kia'aina as the new Assistant Secretary of the Office of Insular Affairs, U.S. Department of the Interior.

Ms. Kia'aina has long been an active and strong supporter for Pacific Island peoples. She has a long history of advocacy and compassion for issues impacting the lives of the Pacific Islanders. In these tough social and uncertain economic times, the U.S. territories need an Assistant Secretary that is well versed on the issues facing our people and local governments. We also need a voice in the Federal Government that has the cultural sensitivity to address our issues with understanding and relevance. Ms. Kia'aina will be a great representative of the peoples of the Pacific, as well as doing honor to the position of Assistant Secretary.

It is with much respect that I ask for your support of Ms. Kia'aina's confirmation to be the next Assistant Secretary of the Office of Insular Affairs.

Sincerely,

LOLO MATALASI, MOLIGA ,
Governor of American Samoa.

STATEMENT OF EDDIE BAZA CALVO, GOVERNOR, ADELUP, GUAM

I am writing in full support of Esther Kia'aina's nomination as the Assistant Secretary for Insular Affairs in the U.S. Department of the Interior. Esther was born on Guam, and is a native Hawaiian. She was the Chief of Staff of Guam's former Representative to Congress, Robert Underwood. I believe her background makes her intimately familiar with the issues facing the Insular Areas.

I have personally been acquainted with Esther's family for years, and am proud to see a fellow islander be given the opportunity to serve her nation and her Pacific community. I believe her upbringing on Guam established roots that have kept her grounded to her heritage and laid the foundation for her career in public service. Ties to the islands and her experience in the highest levels of the Federal Government make her an ideal candidate for the position.

Insular Area issues are complex because, although there are similarities, there are also vast differences between America's territories and states. We face similar challenges and our constituents have similar needs. Nevertheless, our different geographical locations, political status, economic abilities, and access to resources require a different approach to allow us to help ourselves and families. I am certain that our islands will greatly benefit from having an Assistant Secretary who realizes this and is committed to workable solutions for all territories.

If confirmed her presence will benefit all the Insular Areas and the freely associated states. With Esther at the helm, we can begin positive discussions on critical, long-range policy decisions like climate change, self-determination, and other Federal matters that affect not just Guam, but all the Insular Areas.

I recommend her swift confirmation so the next, promising chapter in territorial-Federal relations can begin.

GUAM CHAMBER OF COMMERCE PARTNERS IN PROGRESS
November 12, 2013.

Hon. RON WYDEN,
Chairman, U.S. Senate Committee on Energy and Natural Resources, Washington, DC.

Support for Esther Kia'aina Appointment as the Assistant Secretary for Insular Areas at the U.S. Department of the Interior

DEAR CHAIRMAN WYDEN:

On behalf of the Guam Chamber of Commerce, we write this letter of recommendation to support Guam-born Esther Kia'aina's appointment to serve as the Assistant Secretary for Insular Areas at the U.S. Department of the Interior.

In addition to her current position as First Deputy Director of the Department of Land and Natural Resources in the State of Hawaii, Esther Kia'aina has more than 25 years experience in public policy and community outreach in Washington, D.C., Hawaii, and the Western Pacific Region.

Throughout her tenure, Esther served as Chief Advocate for the Office of Hawaiian Affairs, Land Asset Manager at the Kamehameha Schools, Chief of Staff to Congressman Ed Case of Hawaii, Chief of Staff and Legislative Director to Congressman Robert Underwood of Guam, and Legislative Assistant to Senator Daniel Akaka of Hawaii.

Esther and her family have very strong ties to Guam. Esther attended San Vicente Catholic School in Barrigada. Her parents, the late Melvin and Lorelei Kia'aina, operated a very successful local plant nursery business for many years and are fondly remembered by many of our island leaders and residents for their active involvement in the community and for their many business and civic contributions.

These traits and qualities are clearly evident in Esther's professional and personal life. Having been born and raised in Guam, Esther is keenly aware of the issues and needs facing our island and has been instrumental in several key initiatives that have positively impacted Guam and the western pacific region including:

- The Compact-Impact Reimbursement Act, which was included in Public Law I 0809188, and provides \$30 million annually in Compact Impact Aid to Hawaii, Guam, and other impacted areas.
- The Guam Land Return Act, which became Public Law 10609504, and provides the Government of Guam with the first right of refusal for all Federal excess lands on Guam.
- The Guam Foreign Investment Equity Act, which became Public Law 10709212, and provides greater foreign investment opportunities in Guam through lower tax rates.
- The Guam War Claims Review Commission Act, which became Public Law 10709133, and addresses claims arising from the enemy occupation of Guam during World War II.
- H.R. 4825, legislation authorizing Federal funding for Asian and Pacific Islander Higher Education Serving Institutions.

Esther is a strong advocate for empowering communities by promoting leadership and capacity building, sustainable solutions, economic-self sufficiency, and business opportunities.

We unreservedly support Esther Kia'aina's appointment as the Assistant Secretary for Insular Areas at the U.S. Department of the Interior. We have no doubt that she will lead the department's efforts in coordinating effective Federal policy and serve the people of the Pacific region with commitment and distinction if appointed.

Sincerely,

GERALD S.A. PEREZ,
Chairman.
DAVID P. LEDDY,
President.

HAWAIIAN AFFAIRS CAUCUS, DEMOCRATIC PARTY OF HAWAII,
Honolulu, HI.

Hon. RON WYDEN,
Chairman, U.S. Senate Committee on Energy and Natural Resources, 304 Dirksen Office Building, Washington, DC.

Hon. LISA MURKOWSKI,
Ranking Member, U.S. Senate Committee on Energy and Natural Resources, 304 Dirksen Office Building, Washington, DC.

Re: Esther P. Kia'aina Nomination (SB09366, 9:30a.m., 11/14/13)

Aloha Senator Wyden and Senator Murkowski,

As the Chair of the Hawaiian Affairs Caucus for the Democratic Party of Hawaii, I am honored to offer the strong support of the Hawaiian Affairs Caucus of the Democratic Party of Hawai'i for President Barack Obama's nomination of Ms. Es-

ther Puakela Kia'aina to the post of the U.S. Department of the Interior's Assistant Secretary of Insular Affairs.

On a Federal level, Ms. Kia'aina has served as Chief of Staff for Congressional Delegate Robert Underwood (D-Guam) and Congressman Ed Case (D-Hawai'i) and has also served as Legislative Aide to Senator Daniel K. Akaka (D-Hawai'i). After returning to Hawai'i, Ms. Kia'aina led local, state, and Federal advocacy efforts as the Chief Advocate for the Office of Hawaiian Affairs. Currently, she serves as the Deputy Director of the Hawai'i Department of Land and Natural Resources overseeing 1.3 million acres of public land. Ms. Kia'aina's state and Federal experience in D.C. and the Pacific make her the ideal candidate for this position.

Thank you in advance for this extraordinary opportunity to support a friend and mentor to the members of our caucus, Ms. Esther Kia'aina.

Me ke aloha,

KUHIO LEWIS,
Chair, Hawaiian Affairs Caucus.

STATEMENT OF JUDITH T. WON PAT, ED.D., CHAIR, COMMITTEE ON EDUCATION,
PUBLIC LIBRARY & WOMEN'S AFFAIRS

My name is Judith T. Won Pat, Speaker of the 32nd Guam Legislature and I am writing to express my strong support for the confirmation of Ms. Esther Kiaaina as the Assistant Secretary of Interior for Insular Areas.

President Obama's decision to fill the position of Assistant Secretary for Insular Areas created new opportunities to strengthen the relationship between the Federal Government and the insular areas. The President's appointment has significantly improved communication and coordination of Federal policy affecting these insular communities, whose voices have often gone unheard. Thus, it is critically important that the President's nominee has the depth of knowledge of policy issues unique to the responsibilities of the Office of Insular Affairs and the experience to understand the complex nuances of Federal-Territorial relationships.

President Obama chose well by appointing Ms. Esther Kiaaina. She is a young woman with a long and distinguished record of public service and has served the Nation well in her past employment in Washington, D.C., Hawaii and the Pacific Region. Her in-depth understanding of the insular areas is beneficial to the continued strength and security of our nation as the world leader of freedom and democracy. I am confident that her long standing relationship with the leaders of the insular areas will create a collaborative environment building bridges where great divides existed between the Federal Government and the Insular Areas.

Ms. Esther Kiaaina will make an outstanding Assistant Secretary for our nation. I urge the members of the Energy and Natural Resources Committee to confirm her appointment as the Assistant Secretary of Interior for Insular Areas.

STATEMENT OF SHERRY CAMPAGNA, CEO, KAMAKA GREEN, HONOLULU, HI

As you know, Esther Kiaaina will be heading to D.C. today to begin preparations for her Nov. 14th confirmation hearing to be the Assistant Secretary for Insular Affairs at the Interior Department.

I just wanted to send you a note letting you know that as a Hawaiian business owner, Native Hawaiian, sustainability advocate, human rights advocate and member of the YWCA's Board of Directors, I wholeheartedly give Esther my complete support and I look forward to her confirmation. She is without question the right person for this job.

KANAKAMOLI RELIGIOUS INSTITUTE,
Honolulu, HI.

Hon. RON WYDEN,
U.S. Senate, Committee on Energy and Natural Resources, Washington, DC.

DEAR CHAIRMAN WYDEN,

I am a member of the Native Hawaiian community, and have been active in Hawaiian Affairs since 1980.

I participated in the NATIVE HAWAIIAN STUDY COMMISSION, in 1983 in Washington, D.C., and also locally with the FEDERAL—STATE TASK FORCE ON HAWN HOME LANDS; as well as many hearings with the AKAKA BILL over the years since.

I have known ESTHER KIAAINA for decades during this extended process, and consider her a valued colleague of great stamina and wisdom, with Aloha, for her people and island home.

Hawai'i's role in the Pacific, at the apex of the Polynesian Triangle, is expanding during this global pivot to Asia; and our shared cultural, economic, and ecological concerns with all of the Pacific islands are also increasing.

I full-heartedly support her Presidential nomination to the position of; Assistant Secretary for Insular Affairs at the Interior Department.

Mahalo nui loa, Ms.

TONI AULD YARDLEY.

KAUWAHI'ANAINA HAWAI'I,
Hawaiian Civic Club, Provo, UT, November 11, 2013.

Hon. RON WYDEN,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, 221 Dirksen Senate Office Building, Washington, DC.

Hon. MIKE LEE,
U.S. Senate Member, U.S. Senate Committee on Energy and Natural Resources, 316 Hart Senate Office Building, Washington, DC.

DEAR SENATOR WYDEN AND SENATOR LEE.
Re: Nomination of ESTHER PUAKELA KIA'AINA as Assistant Secretary of Insular Areas, United States Department of Interior

By way of introduction, Kauwahi'Anaina Hawai'i Hawaiian Civic Club is located in Provo, Utah and is one of sixty-eight units established nation-wide under the umbrella of the Association of Hawaiian Civic Clubs, which is based in Honolulu, Hawai'i. The first Hawaiian Civic Club was organized in 1918 by Prince Jonah Kalaniana'ole Kuhio, then Hawai'i's delegate to the U.S. Congress, and a group of civic-minded Hawaiian men who envisioned the pressing need for Native Hawaiians to engage in the county, state, and Federal levels of government. Kauwahi 'Anaina's members, together with other Native Hawaiians throughout Utah, continue to maintain strong cultural ties to Hawai'i while simultaneously being effective and contributing residents prepared to act on issues that affect our individual communities.

Esther Puakela Kia'aina is such a committed Native Hawaiian leader. As Kauwahi 'Anaina's president, I am writing in support of Ms. Kia'aina's nomination as Assistant Secretary of Insular Areas, United States Department of Interior. She has had exceptional training in schools of recognized excellence; a broad background in policy and planning in Hawai'i, U.S. Pacific Territories, Freely Associated States of Micronesia, and Asian and Pacific Islander issues; and applicable experiences in and at the Federal level which repeatedly prove her ability to administer all the responsibilities as Assistant Secretary of Insular Areas.

After you have examined Ms. Kia'aina's credentials, we respectfully request your approval, together with the other members of the Committee on Energy and Natural Resources, of Esther Puakela Kia'aina's nomination as Assistant Secretary of Insular Areas, United States Department of Interior.

Mahalo (thank you),

CAROL N. JOHNSON,
President.

BARRIGADA MAYOR'S OFFICE,
Hagatha, Guam, November 6, 2013.

Hon. MADELEINE Z. BORDALLO,
Guam District Office, Capitol Plaza Suite, 107, 120 Father Duenas Avenue, Hagåtña, Guam.

Nomination of Ms. Esther Puakela Kia'aina to serve as Assistant Secretary for Insular Affairs, Department of Interior.

DEAR CONGRESSWOMAN BORDALLO:

Hafa A dai and Greetings from Guam! On behalf of Vice Mayor Jessie P. Bautista, members of the Barrigada Planning Council, please find copies of our testimonies supporting the appointment of Esther Puakela Kia'aina to serve as Assistant Secretary for Insular Affairs, Department of Interior.

As you well know, Esther was born in Guam and attended San Vicente Catholic School before departing to further her education. We are confident that Esther will bring extensive expertise coupled with a keen understanding of the issues facing the

U.S. territories and the freely associated states. More importantly, as a resident of Hawaii, Esther has strong connections to Pacific islanders and with her experience on Capitol Hill, she will be a tremendous asset to the Department of Interior as the Federal government continues to strengthen the health, safety and welfare of the Insular Areas.

Thank you for your time, and we appreciate your assistance in insuring that our testimonies are submitted to the Senate Committee on Energy and Natural Resources.

Sinsaramente,

JUNE U. BLAS,
Mayor.

JESSIE P. BAUTISTA,
Vice Mayor.

MUNICIPALITY OF BARRICADA,
Barrigada, Guam, September 5, 2013.

Nomination of Ms. Esther Puakela Kia'aina to serve as Assistant Secretary for Insular Affairs, Department of Interior.

DEAR CHAIRMAN WYDEN

Hafa Adai and Greetings from Guam! On behalf of Vice Mayor Jessie P. Bautista, members of the Barrigada Planning Council, we extend our congratulations and support of Esther Puakela Kia'aina to serve as Assistant Secretary for Insular Affairs, Department of Interior.

Having grown up in Guam and Hawaii, we know that Esther Puakela Kia'aina will be the strongest possible asset to the Interior Secretary. After graduating from the University of Southern California in 1985, Esther served as an intern to then Senator Daniel Inouye in Washington, D.C. She also worked for then Senator Daniel Akaka during the 1990's, and as a Chief of Staff for Congressman Robert Underwood of Guam and former Congressman Ed Case.

When she returned to Hawaii, Esther Kia'aina served as a Land Asset Manager for the Kamehamcha Schools before beginning her work for the Office of Hawaiian Affairs. Recognizing her organizational skills, and commitment to the people of Hawaii, Esther was nominated by Governor Abercrombie to serve as Deputy Director of the Hawaii Department of Land and Natural Resources. We have heard many glowing reports of her work and more importantly, we are confident that with her influence she will continue to encourage our proud tradition of involvement in worthwhile political causes.

Thank you for your time and we look forward to your Committee recommending confirmation of Ms. Esther Puakela Kia'aina to serve as Assistant Secretary for Insular Affairs, Department of Interior.

Sincerely,

JUNE U. BLAS,
Mayor.

JESSIE P. BAUTISTA,
Vice Mayor.

MUNICIPAL PLANNING COUNCIL,
Barrigada, Guam, November 5, 2013.

Hon. RON WYDEN,
Chairman, Energy and Natural Resources Committee Office, 304 Dirksen Senate Building, Washington, DC.

Appointment of Esther Kia'aina, to serve as Assistant Secretary of the Department of the Interior

DEAR MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Hafa Adai and Greetings from Guam! As a member of the Barrigada Planning Council, we extend my congratulations and support of Esther Puakela Kia'aina to serve as Assistant Secretary for Insular Affairs, Department of the Interior.

Born in Guam to Native Hawaiian parents, Esther Kia'aina will bring extensive expertise coupled with a keen understanding of the issues facing the U.S. territories and the freely associated states. We believe that with her upbringing, career experiences and genuine commitment to the insular areas provides her with the requisite credentials to serve as Assistant Secretary. More importantly, as a resident of Hawaii, Esther has strong connections to Pacific islanders and with her experience on

Capitol Hill, she will be a tremendous asset to the Department of Interior as the Federal government continues to strengthen the health, safety and welfare of the Insular Areas.

We are confident that Esther Kia'aina will not only serve President Obama and Interior Secretary Jewell with distinction, but that she will do her utmost to work for the best interests of the people of her home in Hawaii, Guam, the Northern Mariana Islands and the other insular areas as well. Esther is uniquely qualified for her new position within the Department of Interior by virtue of her many years with the U.S. Congress working on insular issues. When confirmed, we are confident that her commitment is to work toward improving the quality of life in the insular areas by providing the necessary leadership and insisting on measurable results. With Esther's leadership at the Department of the Interior, we are sure that the Federal government's commitment and cooperation will reflect a real and genuine concern for the islands and the peoples' welfare will be fortified.

We would like to thank the President for his selection of Ms. Kia'aina and we look forward to working with her in her new position as Assistant Secretary in the days and years to come.

Sincerely,

JAMES P. CASTRO.

NATIVE HAWAIIAN BAR ASSOCIATION,
Honolulu, Hawaii, November 10, 2013.

Hon. RON WYDEN,
Chair, U.S. Senate Committee on Energy and Natural Resources, Washington, DC.
Re: Nomination of Esther Puakela Kia'aina for Assistant Secretary of Interior (Insular Affairs)

ALOHA CHAIR WYDEN AND COMMITTEE MEMBERS.

The Board of Directors of the Native Hawaiian Bar Association (NHBA) is honored to support the nomination of Esther Puakela Kia'aina as Assistant Secretary of Interior for Insular Affairs.

The NHBA is an association of Native Hawaiian attorneys, judges, and other legal professionals that promotes excellence, unity, cooperation and the exchange of ideas among its members and in the larger community. Formed in 1992, NHBA strives for justice and effective legal representation for Native Hawaiians.

Ms. Kia'aina has been a valued member of the NHBA since she returned home to Hawai'i from Washington, D.C., in 2007. She served on the NHBA board of directors from 2008 to 2012, when she resigned due to the press of her new responsibilities as First Deputy of the Hawai'i Department of Land and Natural Resources (DLNR). During her tenure on the NHBA board, we found her counsel and advice invaluable as we analyzed Federal initiatives affecting Native Hawaiians, particularly those relating to the relationship between the Native Hawaiian community and the Federal Government.

In her position as Deputy Director at DLNR, Ms. Kia'aina has played a pivotal role in the management of Hawai'i's natural and cultural resources. DLNR oversees over 1.3 million acres of Hawai'i's lands, forests, and near-shore resources as well as its historical and cultural resources. Prior to joining DLNR, Ms. Kia'aina was the Chief Advocate at the State Office of Hawaiian Affairs for 2 years, where she led OHA's efforts to reclaim Native Hawaiian lands and resources for the benefit of the Native Hawaiian community. Prior to that, she served as land manager of agricultural and conservation lands in Windward and Leeward O'ahu and on the island of Moloka'i for the Kamehameha Schools/Bishop Estate, Hawai'i's largest private landowner and a charitable trust established to benefit Native Hawaiian children. Thus, Ms. Kia'aina has extensive expertise in managing lands, near-shore resources, water, and other natural resources as well as interacting and working with many community organizations. Ms. Kia'aina is a leader in the Native Hawaiian community, and also has strong roots in Guam. She spent her childhood years in Guam and worked for Guam's congressional representative, U.S. Congressman Robert A. Underwood, for 4 years. From her many years of work experience as a legislative staff member for U.S. Senator Daniel Akaka, and Chief of Staff for Congressman Underwood and then U.S. Congressman Ed Case, she is very knowledgeable about the issues facing the U.S. territories, particularly in the Pacific.

Within the Native Hawaiian community, Ms. Kia'aina is known not only for her expertise on Federal issues affecting Hawai'i, but also for her intelligence and honesty, and her dedication to public service. She is an exceptional leader with the ability to work collaboratively with others, as demonstrated throughout her career, and in her care and concern for the community.

Based on her years of experience, her intelligence, integrity, and commitment, the Board of Directors of the Native Hawaiian Bar Association enthusiastically supports the appointment of Esther Puakela Kia'aina as the Assistant Secretary of Interior for Insular Affairs. We strongly believe that Ms. Kia'aina has the professional qualifications and the personal qualities that will make her an outstanding Assistant Secretary. Mahalo for the opportunity to voice our support for Ms. Kia'aina's appointment.

Sincerely,

MELODY KAPILIALOHA MACKENZIE,
President, Board of Directors, Native Hawaiian Bar Association.

JUDE U. HOFSCHEIDER,
Lieutenant Governor, COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

Hon. RON WYDEN,
Chairman, U.S. Senate Committee on Energy & Natural Resources, 304 Dirksen Senate Building, Washington DC.

DEAR CHAIRMAN WYDEN:

Hafa adai yan tirow wáami from the U.S. Commonwealth of the Northern Mariana Islands (CNMI).

I write to express my full support for the nomination of Ms. Esther Puakela Kia'aina for Assistant Secretary of the Interior for Insular Affairs. As a former Lt. Governor, and now in my capacity as Governor of the Northern Mariana Island, I have had many opportunities to work with the Department of the Interior's Office of Insular Affairs (OIA) since 2002. From my personal experience, I know the importance of having a leader with a passion and commitment for the overall well-being of the Northern Marianas, all the U.S. insular areas and the Freely Associated States in the Pacific.

While Ms. Kia'aina currently serves as the First Deputy Director of the Department of Land and Natural Resources for the State of Hawai'i, she also has extensive experience in government service. I am confident that if given the opportunity to serve as Assistant Secretary, she would provide the essential leadership for island territories like the CNMI at such a critical time. Surely, other insular areas face equally complex challenges, combining elements of fiscal policy, local culture and politics, and the individually distinct relationships each area has with the Federal government. An islander herself, Ms. Kia'aina understands the important relationship between the Federal Government and the insular areas the Assistant Secretary is responsible for.

With full confidence in her abilities I humbly ask for your favorable consideration for Ms. Kia'aina's nomination to serve as Assistant Secretary of the Interior for Insular Areas.

Sincerely,

ELOY S. INOS.

CONGRESS OF THE UNITED STATES,
House of Representatives, Washington, DC, November 14, 2013.

Hon. RON WYDEN,
Chairman, Committee on Energy and Natural Resources, 304 Dirksen Senate Building, Washington, DC.

Hon. LISA MURKOWSKI,
Ranking Member, Committee on Energy and Natural Resources, 304 Dirksen Senate Building, Washington, DC.

DEAR CHAIRMAN WYDEN AND RANKING MEMBER MURKOWSKI

I write in support of President Obama's nomination of Ms. Esther Kia'aina to be Assistant Secretary of the Interior for Insular Areas and urge the Committee to report her nomination favorably to the Senate for confirmation.

Ms. Kia'aina is someone I have known since my days working for Senator Daniel K. Inouye in the 1980's, where she, too, was on staff. Throughout her career on Capitol Hill, Ms. Kia'aina's competence and diligence were acknowledged and rewarded. She completed her career here having served as Chief of Staff for two Members of Congress, Robert Underwood of Guam and Ed Case of Hawai'i.

In addition to that experience in Congress, which will serve her well as Assistant Secretary, Ms. Kia'aina will bring to the position her own personal understanding,

as a Pacific Islander, of the needs and challenges facing all the U.S. insular areas and the Freely Associated States.

She certainly has the background and expertise to be Assistant Secretary of the Interior for Insular Areas; and I look forward to working with Ms. Esther Kia'aina once she is confirmed in that position by the U.S. Senate.

Sincerely,

GREGORIO KILILI CAMACHO SABLAN,
Member of Congress.

THE SENATE,
State Capitol, Honolulu, Wawaii, November 7, 2013.

Hon. RON WYDEN,
Chairman, Oregon, U.S. Senate Committee on Energy & Natural Resources Committee, 304 Dirksen Senate Building, Washington, DC.

Re: In Support of Esther Kia'aina to the position of Assistant Secretary for Insular Affairs for the U. S. Department of the Interior

DEAR SENATOR WYDEN,

Esther Kia'aina is a keiki o ka'aina, Native Hawaiian, born and nurtured in Wai'anae, O'ahu. She was educated by the Kamehameha Schools, UCLA, the George Washington University Law School, and the John Hopkins University Nitze School of Advanced International Studies.

As the First Deputy of the State of Hawai'i Department of Land and Natural Resources (DLNR), Esther Kia'aina must work closely with all facets of State government as well as the community. She is a proven leader who is able to work together to bring people to a common goal.

Esther Kia'aina has a long public service career having served as Chief of Staff to Congressman Ed Case of Hawai'i, and as Legislative Director to Guam Congressman, Robert Underwood. She was also Hawai'i Senator Dan Akaka's Legislative Assistant and has held positions as the Chief Advocate for the Office of Hawaiian Affairs and as the Land Asset Manager for the Kamehameha Schools, Hawai'i's largest private landholder. Ms. Kia'aina is well versed with Native Hawaiian issues as well as those within the U.S. Pacific Territories and Freely Associated States of Micronesia; and a wide array of other Asian and Pacific Islander issues.

Hawai'i is blessed with Esther Kia'aina in that throughout her career she has put public service before self to work for the betterment of her community. Her gift to be able to understand others and bring people together has moved issues forward toward positive resolution.

I whole heartedly recommend Esther Kia'aina to the position of Assistant Secretary for Insular Affairs for the U.S. Department of Interior.

The people of the State of Hawai'i are immensely proud of her and know that she will accomplish much for the people of the Pacific and the U.S. Department of Interior.

Hau'oli Ka Mana'o,

GILBERT KAHELE,
Hawai'i State Senator.

STATEMENT OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES, CHAIRMAN WILLIAM J. AILA, JR., ON THE NOMINATION OF ESTHER P. KIA'AINA TO BE ASSISTANT SECRETARY OF INSULAR AFFAIRS FOR THE DEPARTMENT OF THE INTERIOR

I write to strongly support the nomination of Esther P. Kia'aina to be the Assistant Secretary of Insular Affairs at the U.S. Department of the Interior.

As the Chairman of the Department of Land and Natural Resources (DLNR), I oversee and manage Hawai'i's public lands and natural resources, including our near shore waters. DLNR has over 700 employees. Our Department includes Forestry, Conservation and Coastal Lands, Engineering, Water Resources, Enforcement, Land, Aquatics, Historic Preservation, Parks, and Harbors.

Esther is a valued member of my leadership team and an integral team player to our organization. As my First Deputy, she is responsible for helping me on the day-to-day operations of the department and is the primary liaison to the Hawai'i State Legislature in representing the Department to advance our legislative agenda.

Her previous work experience on Capitol Hill, as well as her experience with other public and private land trusts in Hawai'i, bring a wealth of knowledge and skills set to DLNR. But most importantly, her ability to work well with others and her sense of humor is deeply appreciated by many. She is a delight to work with.

Should she be confirmed, Hawai'i's loss will be the nation's gain. Esther is committed to the empowerment of island communities across the Pacific and the Caribbean. She is well qualified for the job to be Assistant Secretary and her accomplishments and actions speak for themselves.

At DLNR, she has been pivotal in advancing watershed protection, invasive species control, increased enforcement, hunting opportunities, reforestation efforts with native plant species, and Hawaiian values in natural resource management.

Apart from her concern for quality of life issues for the insular areas, Esther's experience at DLNR and her keen understanding of the need for sound natural resources management in small island communities will make her an asset for the Governors in these jurisdictions, as well as the Interior Department's leadership team.

I highly recommend Esther P. Kia'aina to be confirmed by the U.S. Senate.

STATE OF HAWAII, OFFICE OF HAWAIIAN AFFAIRS,
Honolulu, Hawai'i, November 5, 2013.

Hon. RON WYDEN,
Chairman, U.S. Senate Committee on Energy and Natural Resources, 304 Dirksen Office Building, Washington, DC.

Hon. LISA MURKOWSKI,
Ranking Member, U.S. Senate Committee on Energy and Natural Resources, 304 Dirksen Office Building, Washington, DC.

Esther Kia'aina Nomination

ALOHA SENATOR WYDEN AND SENATOR MURKOWSKI,

As the Ka Pouhana (Chief Executive Officer) of the Office of Hawaiian Affairs, I am pleased to offer my most enthusiastic support for President Barack Obama's nomination of Ms. Esther Kia'aina to the post of the U.S. Department of the Interior's Assistant Secretary of Insular Affairs.

The Office of Hawaiian Affairs (OHA) is an independent state agency created by Hawai'i's Constitution to improve the lives of Native Hawaiians. As part of that mission, OHA recently launched the Native Hawaiian Presidential Appointment Project. Through this initiative OHA is encouraging highly qualified Native Hawaiians to consider serving as Presidential appointees, and supporting such nominees as they pursue public service. Although Ms. Kia'aina's nomination did not stem from our OHA process, her candidacy is a prime example of the sort of outcome OHA hopes to achieve through our efforts. Indeed, Ms. Kia'aina is a model nominee.

Ms. Kia'aina is scheduled to appear before your committee on November 14, 2013 for her nomination hearing to be the Assistant Secretary of Insular Affairs. Please accept my unequivocal recommendation of Ms. Kia'aina whose skill and experience make her the ideal candidate. Her resume summarizes her many qualifications, not the least of which are the following. For 20 years, Ms. Kia'aina served as a role model for Native Hawaiians interested in Federal service, as she rose up the ranks to serve as Chief of Staff for Congressional Delegate Robert Underwood (D-Guam) and Congressman Ed Case (D-Hawai'i). After returning to Hawai'i, Ms. Kia'aina led OHA's local, state, and Federal advocacy efforts as our Chief Advocate. Currently, she continues to serve Hawai'i as the Deputy Director of the Hawai'i Department of Land and Natural Resources. This blend of senior-level state and Federal experience in D.C. and the Pacific will enable her to immediately be effective in her nominated position.

Significantly, Ms. Kia'aina's experiences in being raised through to adulthood in an island environment and culture, and her extensive professional undertakings in addressing the unique challenges and opportunities inherent in island contexts, further makes her an ideal fit to fill the vacancy for the U.S. Department of the Interior's Assistant Secretary of Insular Affairs.

Thank you in advance for this extraordinary opportunity to support Ms. Kia'aina's nomination. If you or your staff has any questions, please feel free to contact our OHA Washington, D.C. Bureau.

'Owauihonomeka'oi'a'i'o,

KAMANA'OPONO M. CRABBE, PH.D.
KaPouhana, Chief Executive Officer.

THE SENATE, STATE CAPITOL,
Honolulu, Hawaii, November 1, 2013.

Hon. RON WYDEN,
Chairman, U.S. Senate Committee on Energy & Natural Resources Committee, 304
Dirksen Senate Building.

ALOHA SENATOR WYDEN,

If one were to create the perfect public servant from the best possible American materials, to become an official of our U.S. Department of the Interior, one would end up with Esther Puakela Kia'aina.

Ms. Kia'aina is a keiki o ka'aina, Native Hawaiian, born and nurtured in Wai'anae, O'ahu, on Hawaiian Homestead land, and educated by the Kamehameha Schools, UCLA, the George Washington University Law School, and the John Hopkins University Nitze School of Advanced International Studies.

Esther Kia'aina serves as First Deputy of the State of Hawai'i Department of Land and Natural Resources (DLNR). As Chair of the Hawaii Senate Committee on Water and Land, our kuleana (responsibility) is the DLNR. The purview of the Department is broad and complex. The Department is comprised of Bureau of Conveyances, State Parks, Forestry & Wildlife, Boating & Ocean Recreation, Aquatic Resources, Historic Preservation, Conservation & Coastal Lands and has more than 800 employees, and is responsible for our water resources, endangered species, Hawai'i's historic and cultural sites, coral reefs, small boat harbors, fisheries management, dam safety, rock fall mitigation and natural disasters on our public lands. It encompasses 1.3 million acres of public land, 2 million acres of conservation land, and 3 million acres of ocean waters in the State of Hawai'i.

Our Committee's oversight is committed to protect, conserve, and manage Hawai'i's unique and limited natural, cultural, and historic resources for the benefit of our communities and Ms. Kia'aina is a seasoned and proven leader who is able to bring people together to reach a pono (right) goal for all while maintaining the vision to protect, conserve and manage while her expertise in policy development and achievement has assisted the Department in keeping with its mission.

Ms. Kia'aina is known for her scholarship, wisdom, and dedication to public service, having served for twenty years as Chief of Staff to Congressman Ed Case of Hawaii, and as Legislative Director to Guam Congressman, Robert Underwood. She also was Hawaii Senator Dan Akaka's Legislative Assistant. Furthermore, she held positions as the Chief Advocate for the Office of Hawaiian Affairs and as the Land Asset Manager for the Kamehameha Schools, Hawaii's largest private landholder. Ms. Kia'aina is a renowned expert on Native Hawaiian issues; geo-political and social issues in the U.S. Pacific Territories and Freely Associated States of Micronesia; and a wide array of other Asian and Pacific Islander issues.

The Democratic Party of Hawai'i thought so highly of her, that when our senior Senator Daniel K. Inouye passed away, they nominated her, along with then Lieutenant Governor Brian Schatz and Congresswoman Colleen Hanabusa to Governor Abercrombie, so that he might choose one of the three.

To be in that category, one of three leaders in our state, picked by a wide cross section of the political leadership of Hawaii, demonstrates a quality of leadership that says to one and all, "Here are our best and brightest. These talented leaders are who we trust to lead our state."

Hawaii is blessed with many bright, well educated, highly trained and motivated public servants, but even among our very best, Esther Kia'aina is rare, in fact, unique. She has a God given gift to be able to understand others and bring people together.

There is no limit to her ability.

With no reservation, no qualification nor question whatsoever, I wholeheartedly and completely recommend Ms. Esther Kia'aina to you for the position of Assistant Secretary for Insular Affairs for the U. S. Department of Interior.

We, in Hawai'i, are immensely proud of her and know that she will make us all proud.

Sincerely yours,

SENATOR MALAMA SOLOMON, PH.D.
Chair.

STATEMENT OF STUART NOVICK

I am writing in support of Esther Kiaaina for the post of Assistant Secretary of Insular Affairs for the U..S. Department of the the Interior.

I got to know Ms. Kiaaina when she was running for state office here. I found her to be delightfully down to earth, refreshingly well informed, and open minded. She spoke of our unique and besieged environment here in Hawaii with heart and with deep structural understanding of the roles of Federal and state governments.

Ms. Kiaaina is a natural leader with a disarming sense of humor. I believe our country and our region will be very well served by her as Assistant Secretary.

UNIVERSITY OF GUAM,
OFFICE OF THE PRESIDENT,
UOG Station, Mangilao, Guam, November 8, 2013.

Hon. RON WYDEN,
Chairman, Senate Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

Re: Nomination of Esther Kiaaina for Assistant Secretary of Interior

DEAR CHAIRMAN WYDEN

I am writing this letter in strong support of the nomination of Esther Kiaaina as Assistant Secretary of Insular Affairs for the Department of Interior. This is a position that is of vital significance to the Nation as it is the main coordinator of Federal fund distribution and the policy arm of the Federal Government for the U.S. territories in the Pacific and Caribbean as well as the Freely Associated States of Palau, the Federated States of Micronesia and the Republic of the Marshall Islands. As President of the University of Guam and as the former Delegate from Guam from the 103rd to the 107th Congresses, I am very familiar with the activities of the Department of Interior and the needs and conditions of the insular areas.

In the changing dynamics of the Asia-Pacific Region, it is vitally important that the United States maintains a strong presence in the island Pacific. The insular areas afford the United States the opportunity to project its influence into Asia via a strong defense strategic presence and interests as well as the maintenance and support of strong economies and societies throughout the Western and South Pacific. A Federal policy that encourages growth and supports major initiatives in small island societies reflects the best of the American character. For historical reasons, for security reasons and for a prosperous and engaged Pacific future, it is important that our country provides assistance, guidance and structures for accountability for these Pacific entities which include fellow American citizens in American communities, American nationals and foreign countries which are in "free association" with the United States.

The complexity of these relationships requires a knowledgeable and sensitive individual who understands the island and who is experienced in the requirements of the Federal Government. President Obama has found such a person in Esther Kiaaina. She is an islander, who was born and raised in Guam but is of Hawaiian ancestry. She is an experienced and very skilled participant in the Federal policy-making process through her work in Congress. She served as Chief of Staff to former Congressman Ed Case and for my office. She also worked for Senator Akaka for 9 years. During those years of service, she worked on projects and issues directly connected to the island Pacific, especially Guam, the Northern Marianas, American Samoa and the freely associated states. She also worked on legislation A U.S. Land Grant Institution accredited by the Western Association of Schools & Colleges The University of Guam is an Equal Opportunity Employer and Provider. and policy initiatives with committees of jurisdiction in both the Senate and the House on matters related to the insular areas.

She has a reputation for being diplomatic when necessary and direct when it is required. She is extraordinarily gifted in understanding Federal policymaking, the legislative process and she fully appreciates the need for accountability and efficiency when it comes to the expenditure of Federal funds. From my personal experience, she can quickly grasp wide-ranging discussions from political trends to defense needs to scientific issues. She has the uncanny ability to make linkages and draw conclusions and formulate realistic plans of action from such conversations. I personally benefited from her abilities.

More than just having the requisite professional skills for a position of this nature and the sensitivity of dealing with disparate island groups, she is an ethical professional who will always ensure adherence to the highest standards of professional conduct.

I recommend her highly and I will be happy to discuss any dimension of this letter.

Sincerely,

ROBERT A. UNDERWOOD,
President.

AHA MOKU ADVISORY COMMITTEE,
Honolulu, Hawaii, November 8, 2013.

Hon. RON WYDEN,
Chairman, U.S. Senate, Committee on Energy and Natural Resources Washington, DC.

Re: Testimony IN SUPPORT of Esther Kiaaina to be an Assistant Secretary of the Interior (for Insular Areas)

Aloha Chairman Wyden and Members of the U.S. Committee on Energy and Natural Resources,

On behalf of the Aha Moku Advisory Committee, Hawaii State Department of Land and Natural Resources, we offer strong testimony in support of Esther Kiaaina's nomination to be an Assistant Secretary of the Interior for Insular Areas.

The Aha Moku Advisory Committee (Aha Moku) is attached to the Hawaii State Department of Land and Natural Resources and is comprised of representatives of the eight main Hawaiian Islands. The members represent forty-three (43) specific and distinct natural resource districts throughout all of the islands. They are mandated to empower the indigenous peoples of Hawaii in natural resource issues and to integrate traditional and generational knowledge and resource methodology into existing state policy. This is a first of its kind of agency in the Hawaii State that is meant to bridge the gaps between government and native peoples, specifically in the area of natural resources which are very finite in an island ecosystem.

Ms. Kiaaina is very well known and respected throughout the State of Hawaii for her leadership skills, her accessibility to all, and her ability to communicate effectively with all who she comes in contact with. She is extremely intelligent but more importantly, she can address issues on any level from a compassionate and informed position. She does her homework.

We believe Ms. Kiaaina is the perfect person for this position because she is very familiar with and successful at working with many different kinds of people. The Aha Moku is spread over eight very different islands, with different Native Hawaiian historical and cultural perspectives that are often territorial in their thinking and actions. It is a challenge to keep the islands cohesive and productive. On top of that difficulty, there is a distinct reserve from these islands toward the government entities. Ms. Kiaaina is very successful in bridging these difficulties and generating consensus between all of the groups with a clear understanding of the different perspectives. It is a skill that is very much appreciated.

On behalf of the Aha Moku Advisory Committee, we urge the confirmation of Esther Kiaaina as an Assistant Secretary of the Interior for Insular Areas.

Respectfully yours,

LEIMANA K. DAMATE,
Executive Director.

PREPARED STATEMENT OF ESTHER PUAKELA KIA'AINA, NOMINEE TO BE ASSISTANT SECRETARY FOR INSULAR AREAS, DEPARTMENT OF THE INTERIOR

Aloha Chairman Wyden and members of the Senate Committee on Energy and Natural Resources. By way of introduction, the Association of Hawaiian Civic Clubs (AHCC) is currently comprised of sixty eight component clubs within the counties of Hawaii and in fifteen states on the continent. The first civic club was organized in 1918 by Prince Kuhio and a group of prominent Hawaiian men when Kuhio was a Delegate to the US Congress. Kuhio recognized the need for Native Hawaiians to become more involved in the passage of the Hawaiian Homes Act then before the Congress, and to further become engaged in the intricacies of Federal and local governments.

From the first club ever organized our membership has grown and endured, chartering affiliates upon fulfillment of certain criteria. The AHCC is designated a 501c4 by the Internal Revenue Service, and in addition to quarterly meeting of Directors, there is an annual convention of councils, clubs and members. In 2012 the convention was held in Washington, D.C., in 2013 it will be on the Island of Kauai.

The AHCC has known and worked with Esther Kiaaina for many years and always found her to be knowledgeable, articulate and focused. We are well aware that Ms. Kiaaina has the necessary education and broad governmental experience that eminently qualifies her to be the Assistant Secretary of Insular Areas. Her years as administrative staff in the Halls of Congress, in both House and Senate, as well as a keen understanding of legal, social and Pacific issues make her well equipped to be productive as a member of the US Department of the Interior, Insular Areas.

Beyond the trappings of government, Ms. Kiaaina has superior people skills—in individual or group settings she has exhibited even-tempered patience while explaining complex issues in a simple, straight forward manner that promotes understanding. Of Native Hawaiian ancestry, Ms. Kiaaina is uniquely positioned to comprehend the world view of native peoples—of islanders on an ocean continent. Ms. Kiaaina is the ideal candidate for this position, and she has the unqualified support of the Association of Hawaiian Civic Clubs.

Thank you for the opportunity to transmit our statement. Aloha.

○