

WHERE ARE THE JOBS?

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentlewoman from Ohio (Mrs. SCHMIDT) is recognized for 60 minutes.

Mrs. SCHMIDT. Mr. Speaker, I rise today to continue to ask the question, where are the jobs?

Well, I can tell you where they're not. They're not in my district in southern Ohio because I just got an announcement on Monday night that really shocked me and made my blood boil. I found out that the Department of Energy was going to strip away thousands of jobs in my district.

Now, I just want to give you a little background. Ohio is one of those States that has high unemployment. We're the seventh highest in the Nation. But when you look at my district, what you see is I've got really high unemployment in my district. In fact, two of my counties, Pike and Adams, have over 15 percent unemployment. Scioto County has almost 13 percent unemployment. Much higher than the national average, even higher than our State average of 11.2 percent. So we really need jobs. We need them badly.

And what has occurred to me is that I think there must be a disconnect with the administration and the President. Let me go back and explain what's going on.

I have a facility in my district in Pike County, the county that has 15½ percent unemployment, called the American Centrifuge Plant, and this represents a very early use of commercial—use of new technology that would significantly reduce emissions of air pollutants and greenhouse gasses.

The United States Enrichment Corporation, called USEC, is deploying American Centrifuge technology to provide the dependable, long-term, U.S.-owned and developed nuclear fuel production capability needed to support the country's nuclear power plants, nuclear submarines, and a robust nuclear deterrent.

Mr. Speaker, we have dozens of nuclear power plants in this country that all require nuclear fuel. And we have a Navy who, as I speak, is sailing in every ocean across the globe. And we have weapons of mass destruction that will become a useless deterrent without fresh tritium.

Without the American Centrifuge Plant, in 5 years' time, we will have no ability in the United States to enrich uranium to keep our lights on, our ships at sea, or a deterrent potential.

In 5 years, we will be forced to purchase uranium from foreign suppliers as we do with most of our oil. I don't want to depend on foreigners for this kind of product.

The American Centrifuge Plant holds great promise. Unfortunately, in order to meet this promise, USEC needed a loan guarantee from the Federal Government. Now, I want to repeat that. It needed a loan guarantee from the Federal Government. You see, USEC has

already invested \$1.5 billion and has offered another billion dollars of corporate support. It did this with the expectation that the Department of Energy would make available a \$2 billion loan guarantee needed to finance the full-scale deployment of the American Centrifuge Plants.

Now, I want to refer to this chart here. Why were they so confident in that? Well, you see on September 2, 2008, when President Obama was running for election, he wrote a letter to our Governor, Ted Strickland. This is the full letter so you can see it. I'm not taking it out of context.

He said, Under my administration, energy programs that promote safe and environmentally sound technologies and are domestically produced, such as the enrichment facility in Ohio, will have my full support. I will work with the Department of Energy to help make loan guarantees available for this and other advanced energy programs that reduce carbon emissions and break the tie to high-cost and foreign-energy sources.

This is what this letter said.

So you understand that USEC was very, very confident that they were going to get that loan guarantee. But instead, on Monday night, the Department of Energy really pulled the rug out from all of us. I got a phone call asking me to call the White House, and I learned Monday night that the Department of Energy was going to withdraw its promise and they were actually asking USEC to withdraw its application and to try it again in 18 months.

I was actually told on the phone that if they did that, then the Department of Energy would give them \$45 million, \$30 million, and another \$15 million if they would rescind this. And that kind of shocked me.

The next day it also shocked the folks at USEC because, you see, they had this letter that the President had given to our Governor, Ted Strickland, that said those loan guarantees would be given.

Mr. Speaker, the American Centrifuge Plant currently supports more than 5,700 jobs and will help create 2,300 more within a year of commencement of the loan-guarantee funding. That's 2,300 additional jobs to my district.

Now, because the Department of Energy has contradicted a promise that our President made in September of last year to our Governor and to those men and women in this area of the State, those jobs are in jeopardy. And I was on the phone with one of my constituents earlier today. Pink slips are being given out at the USEC plant.

The Department of Energy has told the media the reasons for their denial were threefold: the cost subsidy estimate, a new requirement for another \$300 million of capital, and the questions of technology.

Well, the first question offered by the DOE is a little laughable. It turns out

that the government isn't really backing these loans. Instead, the Department of Energy is charging a risk-of-failure fee to each of the folks that agrees to back the loans. These fees are pulled together to eliminate any risk to the taxpayers that actually have been given a loan guarantee.

They determined that the fee for this loan would be \$800 million on a \$2 billion loan. So USEC is supposed to come up with \$800 million on a \$2 billion loan. I don't know about you, but in my neck of the woods, we call that like loan sharking.

The second reason for denying the guarantee is a new need to set aside an additional 300 million for contingencies. Well, I can think where you and I see that that is headed. After the risk premium is paid, apparently USEC still has to come up with more money to make the Department of Energy feel more comfortable about giving these loans.

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But the last question, I think, is the most surprising, because the last reason is one where they say they have got technical questions, and this is the one that is the most absurd of all, because, quite frankly, this technology is out there. France is using it, England is using it. Would it surprise you to know, Mr. Speaker, that Iran is using it?

But what I found most disturbing is that the Department of Energy hired a technology expert, as required by law, and they went through the technology and wrote a long report, and in fact the guy ran back to give it to the Department of Energy on Tuesday. That was the day after the Department of Energy made their decision. They made that decision on Monday night. They made it without any regard for the report they were relying on for this very important project.

It is not just a project, Mr. Speaker, that continues to help the folks in my district. And it is important to me, because, Mr. Speaker, this is my district, and these are my folks and these are my friends. I have become friends with these people.

This is the part of my community that doesn't have a lot of job opportunities, and they welcomed this job opportunity. They embraced it. And I believe that the President believes in this project, as he stated on September 2, 2008. But I think there must be some sort of disconnect with the Department of Energy.

There is a chart here, and I would like to go through the chart a little bit again so we can clearly understand what is going on.

The issue: credit subsidy cost estimated by the DOE to be \$800 million. Well, let me be a little clearer. The estimate was never provided in writing. The methods of calculation were never disclosed or explained. An \$800 million subsidy cost is not reasonable. I think it is outrageous, given USEC's fully

collateralized \$1 billion parent guarantee, standard credit, and, yes, yield exposures of \$24 million to \$74 million based on credit ratings of C to BB-minus and assets recoveries of only 20 to 30 percent of the cost.

The DOE calculation clearly ignores the value of \$1.5 billion invested by USEC to date and another billion of non-project collateral offered by USEC, consisting primarily of natural and enriched uranium inventories.

The second issue, an additional need for \$300 million of additional capital. USEC offered a legally binding capital commitment, which DOE agreed met statutory and regulatory requirements.

USEC's fully collateralized \$1 billion parent guarantee designed to permit loan to commerce while USEC raised additional equity while fully protecting the taxpayers. USEC's financial adviser stated that with the loan guarantee, \$100 million to \$150 million of capital could be raised in the public market. USEC has commenced discussions with strategic suppliers to obtain vendor financing for the balance.

And the final, the technical readiness of American Centrifuge Technology. The DOE LGPO concluded that ACT was not ready to move to commercial scale operations prior to receiving the independent engineer's written assessment. The independent engineer had only been working for 12 days when DOE acted. DOE was scheduled to review the classified independent engineer report on July 28, and the DOE representative traveled to Tennessee to do so, unaware of the LGPO's decision the night before.

American Centrifuge is based on technology which DOE initially developed in the 1970s and the 1980s and subsequently operated it for 10 years. USEC-approved centrifuges have been operating in the Lead Cascade for over 225,000 hours. The DOE has acknowledged that USEC met the milestone under the 2002 agreement between DOE and USEC, which requires obtaining satisfactory reliability and performance data from Lead Cascade operations, the last requirement to be met besides obtaining financing prior to commencing commercial plant construction and operations.

Mr. Speaker, I don't understand what is going on here, I don't think that this body understands what is going on here, and I am not even sure that the President even understands what is going on here with the Department of Energy.

But I am very confused. More than that, I am very outraged because I believe that we have to have energy independence, but we also have to have security for this Nation. Energy independence depends upon a variety of sources of energy, including nuclear power, but you have to have the stuff to make that nuclear power. In 5 years, we will no longer be the people that are producing the stuff that it takes to make that nuclear power. That is why this project is so important, not just for the 2,000 jobs that will be lost.

Mr. SPACE, can you join me here today? One of the other folks that is affected is my very good friend from a district right across from me, ZACK SPACE.

ZACK, I just laid out what has gone on with the Department of Energy. I have laid out the fact that our President promised that the Department of Energy would give out these loans to Governor Strickland on September 2. I have laid out what I think is a disconnect between the Department of Energy and our President, because I just truly believe the President wants to make good on this promise. I have laid out the impact it has to your community and my community in southern Ohio and also to our security across the Nation.

So, whatever you would like to add, I welcome you to the discussion.

Mr. SPACE. I thank the gentlelady. I appreciate the work that you have done in bringing attention to this very important issue. There are a couple of things I would like to speak about, and I will be as brief as I can.

Mrs. SCHMIDT. Take as much time as you want, ZACK. It is fine with me.

Mr. SPACE. First of all, what is happening in Appalachian Ohio, in fact what is happening in Appalachia America, is the same thing that John Kennedy drew attention to in the early 1960s when he visited Appalachia. He drew attention to poverty and hopelessness, suffering, a lack of infrastructure, a lack of opportunity. I think it is very important not just for you and I to understand this, we do, JEAN, but for our President and the Department of Energy and the American public in general to understand that many of those same needs that Kennedy identified so many years ago still exist.

This Picketon facility has the potential to help breathe new life into a large region in southern Ohio, a region where unemployment rates now are typically on a county-by-county basis reaching 16 percent; a region in which poverty rates in some of those counties exceed 30 percent; a region where families, working families, men and women, have to take their children to soup kitchens to eat. This is happening in America; this is happening in southern Ohio.

The second thing I would like to point out is this is our future. We have heard so much about the promise afforded by energy-related jobs, the new economic sector in our economy that I believe holds so much potential, so much potential to put people back to work, to provide good wages, to allow families to buy homes, send their kids to college and save for retirement. This project falls squarely within the promise afforded by that new economic sector.

I would like to take this brief moment that you have so graciously allotted me, JEAN, to urge the Department of Energy to reconsider, to look at this situation as one which can provide hope to many Ohioans, many Americans who don't have it right now.

I commend you again for bringing attention to this matter, to advocating for it with the passion that you have, and I pledge to work with you moving forward as we do everything we can to bring vibrancy back to the economy of southern Ohio.

Mrs. SCHMIDT. May I ask you to engage in a little conversation on this. I think it is very important, Mr. Speaker, to note that Mr. SPACE and I, while our districts do connect, we are from different sides of the aisle, and yet I find oftentimes there is as much agreement on both sides of the aisle, far from the rancorous debate that occurs on some of the issues that folks might hear.

This is an issue that is very important to not just me, but to ZACK SPACE as well, because we understand Appalachia. We understand the needs of this community and how when you lose a job in this community, it is so hard to get it back. It is not like other communities, where when you lose one, in time it can be replaced. When you lose one in this part of the world, it doesn't get replaced.

Do you agree, ZACK?

Mr. SPACE. JEAN, I see it and you see it and we all see it far too often where we allow ourselves to be separated by a political divide. This aisle that runs between us now is nothing but an empty space, and when we talk about things like this project, we are not talking about what is right for Democrats or what is right for Republicans, what is right for those who are liberal versus those who are conservative. We are talking about what is right for America.

I think not just in this case, but in all cases we should explore every opportunity to bridge that divide, to forget about the party politics, whether it is energy or health care or job opportunities, like we have here. All of us need to strive much harder to overcome those ideological differences, find common ground and work for what is right for this country.

Mrs. SCHMIDT. Mr. SPACE, I have been reminded that we are on the House floor, and my apologies that I didn't refer to you as Congressman SPACE or Mr. SPACE and talked to you as we do off the floor in a friendly tone. So now I will refer to you as Mr. SPACE.

But you and I agree on this. I think, Mr. SPACE, you will also agree about the importance of this not just to our community, but to the Nation. We need to have uranium enrichment in order to develop nuclear energy in order to keep our lights on in this country. And I don't think you and I want to rely on getting this product from a foreign nation.

We rely too much on getting our oil from foreign governments. We don't want to rely on foreign governments for this, which is so important to keeping our lights on, to our Navy, to our ability to keep the bad guys out of the United States.

Mr. SPACE. I thank the gentlelady for bringing up such an important subject, and that subject is one of national security. There are a lot of different components that go into what makes us strong as a country. Certainly the size of our Army, the money and the resources we allocate to military defense are very important. But perhaps there is no greater ingredient to our national security than developing right here at home within our borders energy independence. We have as a nation waited far too long to aggressively address this issue.

I think many of the painful votes, if you will, many of the divisive issues, many of the arguments that we have on this floor of this great House are happening right now because we have as a nation waited far too long to address the issue of energy independence.

The gentlelady and I are both old enough to remember what it was like in this country back in the early 1970s when OPEC first formed its embargo on oil. It was like a slap in the face to our country. Suddenly, and without warning, we found ourselves almost wholly dependent upon not just other nations, but other nations who meant to do us harm, for something so fundamentally important as our energy needs.

As we look back today to 35 years ago, almost 40 years ago, we think of this: What if, what if we would have done the right thing and aggressively pursued energy independence? What if we would have approached that issue like this Nation has with other issues in the past, the Manhattan Project, the Apollo project, where failure was not an option? What if we had done that?

I will tell you, we would not be having the debate, we would not be having the struggles, we would not be having the problems with our foreign relations. We would not be having nearly the problems we are experiencing today with our economy if we had done the right thing.

Now is the time to act. This project fits perfectly with what should be all of our priorities, and that is an aim toward energy independence.

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Mrs. SCHMIDT. I totally agree with my good colleague and friend from Ohio. The time is now. I remember the seventies. I remember standing in line—because I was the even day, and my friends were the odd day—to get gasoline. We can't do that again. You and I have seen the price of gasoline last summer be twice the price that it is this summer. Thank heavens it's lower, but we can't afford the opportunity for them to put the squeeze on us and on our economy. While this isn't going to remove our dependence on foreign oil, this project is going to remove our dependence on using oil for things that we don't need to use it for.

That's why we need a total comprehensive energy policy. It has to include nuclear, and we have to have not just the technology but the stuff that

it takes to make that technology happen. All I can say is, this project, the American Centrifuge Plant, is producing the uranium enrichment that we need; and if we don't allow this project to go forward, in 5 years you and I are going to be standing here screaming at the well because we're going to be beholden to France or England or another country for this uranium enrichment that we so sorely need right now.

I am so thankful that you are joining me in this fight. I don't know what we can do besides calling the Department of Energy, maybe asking our friends to call the Department of Energy, maybe asking our friends to call the President. I don't know what else you and I can do. But I'm going to fight until we can fight no more, and then I am going to continue on.

Mr. SPACE. In yielding back to the gentlelady, my friend and colleague from Ohio, I would submit that we have taken one very important step in moving in that direction, and that is by ridding ourselves of our partisan bonds and working together in a common cause. You and I both know that oftentimes we do not agree on the issues, but this is one where we can find common ground. Let this be not just the beginning of a rectification of a wrong in southern Ohio with respect to USEC plants, but the beginning of a new relationship, a new day in American politics where Democrats and Republicans work together in solving not Democratic problems, not Republican problems, but American problems.

Mrs. SCHMIDT. I thank the gentleman. I just want to say, Mr. Speaker, that I believe we can work across the aisle. I have seen us work across the aisle on other issues. This one is a very, very important issue. I am not going to belabor this point too much longer, but only to say that if we don't act now and ask the Department of Energy to reverse its course, this isn't just something that's going to put a further blight on my district, my good colleague Mr. SPACE's district and the rest of Appalachia and Ohio, but this is going to really put a cloud across our economic security, our national security and our Nation. The Department of Energy can go back. They can look at the technical data, which they didn't do when they issued their decision. They can go back and look at what they're asking USEC to cough up and recognize what USEC has already put on the table. They can go back and understand that the President made this promise to our Governor on September 2. They can go back, and they can do the right thing because it's not just the right thing for my community, Mr. SPACE's community or Ohio. It's not just the right thing because our President made a pledge to our Governor. It's the right thing for our Nation.

I yield back the balance of my time.

OMISSION FROM THE CONGRESSIONAL RECORD OF THURSDAY, JULY 16, 2009, AT PAGE H8269

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H. RES. 648

Mr. KAGEN. Mr. Speaker, I ask unanimous consent to withdraw my cosponsorship of H. Res. 648.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, and under a previous order of the House, the following members will be recognized for 5 minutes each.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. TITUS) to revise and extend their remarks and include extraneous material:)

Ms. WOOLSEY, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. GRAYSON, for 5 minutes, today.

(The following Members (at the request of Ms. ROS-LEHTINEN) to revise and extend their remarks and include extraneous material:)

Mr. LINCOLN DIAZ-BALART of Florida, for 5 minutes, today.

Mr. BISHOP of Utah, for 5 minutes, today and July 30.

Mr. FORBES, for 5 minutes, July 30.

Mr. OLSON, for 5 minutes, today and July 30.

(The following Member (at his request) to revise and extend his remarks and include extraneous material:)

Mr. BILBRAY, for 5 minutes, today.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 19. Joint resolution granting the consent and approval of Congress to amendments made by the State of Maryland, the Commonwealth of Virginia, and the District of Columbia to the Washington Metropolitan Area Transit Regulation Compact; to the Committee on the Judiciary.

ADJOURNMENT

Mrs. SCHMIDT. Mr. Speaker, I move that the House do now adjourn.