

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

April 11, 2011

The Honorable Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Stearns:

We are writing in regard to your recent public comments about the Department of Energy's loan guarantee program for renewable energy projects. You are quoted in a March 30, 2011, *Center for Public Integrity* article as saying: "A lot of these contracts are really being pushed out the door with no oversight. ... I think what happens is, they give some of this money out to people who are either contributors or strong supporters."¹ In an ABCNews.com story, you further stated: "I think in the long term we have to worry about the United States government guaranteeing loans for businesses based perhaps upon favoritism."²

The focus of your comments appears to be a loan guarantee provided to a solar energy company, Solyndra, Inc. On February 17, 2011, you and Chairman Upton sent a letter to the Department of Energy (DOE) requesting documents and information relating to DOE's loan guarantee award to Solyndra, as well as a briefing on the loan guarantee program.

In response to your request, the Committee has received extensive information from DOE. DOE has already produced approximately 10,000 pages of documents to the Committee and continues to produce documents on an on-going basis. Committee staff has also received two briefings from DOE relating to both the loan guarantee program and the Solyndra loan guarantee specifically, as well as one briefing from DOE's Inspector General (DOE-IG) relating to its review of the program. Additional staff briefings relating to this inquiry are expected.

¹ *Green Bundler with the Golden Touch*, Center for Public Integrity (Mar. 30, 2011).

² *Did Obama Administration Play Favorites With Energy Loans?*, ABC World News with Diane Sawyer, ABCNews.com (Mar. 30, 2011).

The Honorable Cliff Stearns
April 11, 2011
Page 2

Based on our review of the information provided to the Committee to date, we do not understand the factual basis for your disparaging public comments. We have not received any information or documents that suggest any impropriety, wrongdoing, or favoritism in the award of the Solyndra loan guarantee or any other DOE loan guarantee.

DOE officials have described for the Committee the loan guarantees it has issued and the peer-reviewed, merit-based process by which they are awarded. In the case of Solyndra, DOE awarded a loan guarantee for the construction of a full-scale production plant that could build innovative photovoltaic solar panels capable of producing 210 megawatts of clean electricity each year. According to DOE, this manufacturing facility was constructed on time and under budget and has a greater production capacity than originally proposed (300 megawatts). Solyndra directly employs 300 more Americans today than it did when DOE agreed to provide the loan guarantee in March 2009. And, Solyndra has obtained additional equity investments from existing equity holders, an indication of investor confidence in the company's prospects.

A recent DOE-IG audit of the loan guarantee program does not support claims of waste, fraud, abuse, or political favoritism relating to any of DOE's loan guarantees. The report focused on issues relating to document and records management. It did not cast any doubt on the propriety of any loan guarantee decisions.

If you have additional information to support your claims of political favoritism relating to any of DOE's loan guarantees, including the Solyndra loan guarantee, we request that you share this information with us.

Sincerely,



Henry A. Waxman
Ranking Member



Diana DeGette
Ranking Member
Subcommittee on Oversight
and Investigations

cc: The Honorable Fred Upton
Chairman
Committee on Energy and Commerce