

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

**Opening Statement of Rep. Henry A. Waxman**  
**Ranking Member, Committee on Energy and Commerce**  
**“Solyndra and The DOE Loan Guarantee Program”**  
**Subcommittee on Oversight and Investigations**  
**September 14, 2011**

Today, we are holding a hearing on the loan guarantee provided by the Department of Energy in 2009 to Solyndra, a U.S. solar panel manufacturer. This is an important hearing.

Taxpayers have over \$500 million at risk as a result of Solyndra’s bankruptcy. We need to understand what happened, who should be held accountable, and how we avoid future losses.

We also need to ask whether Solyndra misled federal officials. In July, the company’s CEO met with me in my office. He assured me the company was in a strong financial condition and in no danger of failing. In fact, he said the company was going to double its revenues in 2011.

I have a hard time reconciling those representations with the company’s decision to file for bankruptcy one month later.

Committee staff have now reviewed thousands of pages of internal documents from the Department of Energy and the Office of Management and Budget. They raise a number of questions.

The documents show that under both the Bush Administration and the Obama Administration, DOE officials strongly backed Solyndra. They believed its silicon-free solar panels offered cost savings and its tubular shape reduced installation costs. And they thought the internal reviews they conducted and the external studies they commissioned showed Solyndra could compete successfully in the global marketplace.

These rosy predictions were never realized. Today, we will ask why. Is the reason unforeseen developments in the global marketplace, as Solyndra and DOE argue? Or is the reason sloppy or inadequate vetting or – worse yet – corporate malfeasance?

By late 2010, both DOE and OMB knew Solyndra was facing difficulty meeting its loan obligations. This triggered a vigorous internal debate about what the government should do to protect the taxpayer. DOE projected that an immediate liquidation would return less than 20 cents on the dollar to the government, so it favored restructuring because of the potential for recovering more of the taxpayer's investment. Some OMB officials, though, warned against restructuring on the grounds that it might not be enough to avoid bankruptcy and default.

This was not an easy decision. We need to ask whether the right choice was made.

Given the bankruptcy of Solyndra and the dollars now at risk, we have an obligation to the taxpayer to investigate this transaction thoroughly. That is why I welcome this hearing and why ranking member DeGette and I have urged Chairman Stearns to hold another hearing where we can question Solyndra's CEO.

I disagree vehemently, however, with the policy conclusion my Republican colleagues have already drawn. They say the collapse of Solyndra shows the folly of federal investments in solar and other clean energy technologies. And they argue the government should not pick "winners" and "losers" in the energy marketplace.

This sounds superficially appealing, but there is a fundamental flaw in their logic. The majority of Republicans on this Committee deny that climate change is real. If you are a science denier, there is no reason for government to invest in clean energy.

It's ironic that at this very moment in Washington, the CEOs of a number of corporations – including Bill Gates from Microsoft, Mr. Immelt from GE, Norm Augustine, former Lockheed Martin chairman, Chad Holiday, Bank of America, Tim Solso, CEO of Cummins – are all here representing the American Energy Innovation Council and they are calling for major new investments in alternative energy and renewable energy so we won't fall behind the Chinese and others who are competing in this area and outcompeting us.

If you live in reality, you know the world cannot continue its dependence on fossil fuels, that we are in danger of losing this industry to our competitors, especially China.

In the last month alone, three U.S. solar manufacturers have declared bankruptcy because they couldn't compete with Chinese companies.

This weekend, the business columnist Steve Pearlstein wrote in The Washington Post: "Listening to the Republicans talk about the economy and economic policy is like entering into an alternative universe."

He's right.

Republicans on this Committee oppose putting a market price on carbon emissions ... they oppose EPA regulation of carbon pollution ... and now they oppose government investments that promote clean energy alternatives.

That's an economic death sentence for fledgling clean energy companies that have to compete against both an entrenched fossil fuel industry and heavily subsidized foreign firms. And it's a grievous blow to our future prosperity.