



COMMITTEE ON  
**SCIENCE, SPACE, & TECHNOLOGY**  
Lamar Smith, Chairman

For Immediate Release  
March 3, 2016

Media Contact: Zachary Kurz  
(202) 225-6371

**Statement of Oversight Subcommittee Chairman Barry Loudermilk (R-Ga.)**  
*Department of Energy Oversight: DOE Loan Program*

**Chairman Loudermilk:** Good morning. Thank you Chairman Weber. I would also like to thank our witnesses for being here today.

Today's hearing is an examination of the administration's effort to use taxpayer dollars to fund a massive green energy experiment. The 2009 stimulus directed billions of dollars toward green initiatives like the Department's Loan Guarantee Program. President Obama said that we will "harness the sun, the winds, and the soil" to fuel our cars and to run our factories. The President is referring to the billions of dollars spent propping up the solar industry – not just in loans and loan guarantees, but through subsidies, grants, tax credits, and federal and state renewable energy mandates. The resulting renewable power dotted across our nation is threatening the reliability of the electrical grid. And mandates like the renewable fuel standard will release more emissions across its life cycle than conventional fuels while increasing the cost of fuel at the pump.

Several years into this experiment, it is becoming clear these efforts have wasted vast sums of taxpayer dollars, and yet in August 2015 the President announced that the DOE Loan Program Office would make an additional \$1 billion in loan guarantees available for commercial scale distributed energy projects. This committee welcomes and embraces new businesses and technologies with open arms, but it is important that these technologies be brought to commercial scale by market forces, not political whims.

In the President's second inauguration speech, he stated "The path towards sustainable energy sources will be long and sometimes difficult." President Obama is referring to the five Department of Energy, Loan Program Office projects that failed to the tune of \$800 million taxpayer dollars lost. The same Loan Program office failed to properly monitor the risks and financial measures of, Solyndra, which defaulted on a \$500 million loan guarantee.

The Loan Program Office has faced strong criticism from Congress in the past. This Committee, the Energy and Commerce Committee, and the Oversight and Government Reform Committee held many hearings outlining concerns with the Program. In one hearing, the former Loan Program Office Director, Jonathan Silver, faced harsh criticism from Congressman Jim Jordan for using a personal email

account to conduct official business and intentionally circumventing the Federal Records Act. Jonathan Silver also used his personal email account to lobby White House Officials on approving loan guarantee projects based on their political impact not financial merits. Additionally, it was common place among staff in the Loan Program office to use personal email to avoid record keeping requirements. This is just one of the concerns the Oversight and Government Reform Committee highlighted in their report on the program, which I would like to enter into the record.

It is abundantly clear that billions of taxpayer dollars were put at undue risk through the Loan Program Office, which often lacked the expertise to even evaluate loan applications. The DOE inspector general described the Loan Program office as “attaching a garden hose to a fire hydrant.” Had it not been for congress drawing attention to the problems with the Loan Program Office, the losses could have been far greater.

Mr. McCall is here today to explain the improvements of the Loan Guarantee Program and to ensure to us that this type of conduct does not take place under his watch. I want to be clear, Mr. McCall, that this Committee holds you accountable for the billions of taxpayer dollars at your discretion. I look forward to hearing how Mr. McCall plans to learn from the mistakes of his predecessor.

I also look forward to hearing from Dr. Rusco from the Government Accountability Office on the recommendations GAO has made for the Loan Program Office – particularly the outstanding recommendations that have not been implemented by the Loan Program. I also welcome Mr. Loris from the Heritage Foundation, who has testified on this matter a number of times before Congress. And with that I yield the back to the chair.

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