

**Opening Statement of the Honorable Cliff Stearns**  
**Subcommittee on Energy and Power and**  
**Subcommittee on Oversight and Investigations**  
**Joint Legislative Hearing**  
**July 12, 2012**  
*(As Prepared for Delivery)*

I join Chairman Whitfield in convening this joint legislative hearing today. Two bills are before the subcommittee, but I will address my opening statement to the No More Solyndras Act.

With Chairman Upton, I am a proud sponsor of the No More Solyndras Act. The No More Solyndras Act is the product of an 18-month investigation by the Subcommittee on Oversight and Investigations. Today marks a turning point in the investigation. We gather to consider a bill that will fix the problems we uncovered during our investigation. The Solyndra investigation, and the introduction of the No More Solyndras Act, is a great example of how Congressional oversight should work: ask tough questions, collect all the facts, identify problems, and offer legislative solutions.

Solyndra was the first recipient of a DOE loan guarantee under Title XVII of the Energy Policy Act and the poster child for President Obama's stimulus-driven green economy. It was also the first stimulus-backed recipient of a DOE loan guarantee to file for bankruptcy, just two years after the loan closed and six months after DOE restructured the loan and subordinated its interest to Solyndra's private investors—all but ensuring taxpayers won't see a dime. Three of the first five companies which received loan guarantees issued by the DOE Loan Guarantee Program have now filed for bankruptcy and hundreds of millions of taxpayer dollars will never be recovered.

The reasons the Committee initiated the Solyndra loan guarantee investigation are simple:

- The Democrat Majority in 2009 and 2010 conducted zero oversight of DOE's Loan Guarantee Program, even after it received a massive injection of funding from the stimulus,
- GAO audit reports had identified problems in the management of the DOE loan guarantee program and found that loan guarantee applicants had not been treated consistently;
- Just one year after receiving the first loan guarantee, trumpeted by DOE and the White House, Solyndra closed its manufacturing facility and laid off over 100 workers; and
- On behalf of American taxpayers, we had a duty to figure out what went wrong with the Solyndra loan guarantee and whether the program was being properly managed.

The subcommittee's investigation has been thorough and methodical. The committee requested, received, and reviewed documents from every executive branch agency connected to Solyndra and interviewed more than a dozen administration officials who played key roles in the loan guarantee. The committee has also reviewed documents produced by Solyndra's investors as well as DOE's independent consultant and legal advisor. The committee did not issue a single document request or subpoena or conduct an interview without first establishing the need to do so. Some members of the minority have contended that the investigation of Solyndra only showed that the loan guarantee was "risky." This investigation has shown far more than that. For example, the investigation has shown that:

- Several red flags were raised in 2009 by DOE and OMB staff about the company's financial condition and the market for Solyndra's products, but the administration ignored those warnings;
- DOE failed to consult with the Treasury Department, as required by the Energy Policy Act, prior to issuing a conditional commitment to Solyndra;
- The administration's desire to highlight the stimulus impacted the quality of OMB's review and resulted in DOE rushing the loan guarantee out the door;
- DOE failed to adequately monitor the loan guarantee, blindly writing checks to Solyndra as the company hemorrhaged cash throughout 2010;
- DOE restructured the loan guarantee in early 2011 and, in violation of the Energy Policy Act, offered to subordinate its repayment position to Solyndra's private investors in the event of a liquidation;
- OMB staff raised serious questions about the legality of the restructuring and whether it would improve the government's recoveries over an immediate liquidation;
- Treasury played no role in reviewing the restructuring, but advised DOE to consult with the Department of Justice about the subordination, which DOE refused to do; and
- Right up to the bankruptcy filing, the administration was willing to take extraordinary measures to keep Solyndra afloat for political reasons and ensure that the first loan guarantee was not a failure.

With Chairman Upton, and others members of this committee, I am sponsoring the No More Solyndras Act to make sure that these mistakes and misguided decisions never happen again.

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