

White House to review Energy Department loans

ERICA WERNER - Associated Press - Associated Press

On the defensive over a half-billion-dollar loan to a now-bankrupt solar company, the White House on Friday ordered an independent review of similar loans made by the Energy Department, its latest response to rising criticism over Solyndra Inc.

The announcement came as House Republicans prepared for a possible vote next week to subpoena White House documents related to the defunct California company.

White House officials said the review would assess the health of more than two dozen other renewable energy loans and loan guarantees made by the Energy Department program that supported Solyndra. Congressional Republicans have been investigating the company's bankruptcy amid embarrassing revelations that federal officials were warned it had problems but nonetheless continued to support it, and sent President Barack Obama to visit the company and praise it publicly.

"Today we are directing that an independent analysis be conducted of the current state of the Department of Energy loan portfolio, focusing on future loan monitoring and management," White House chief of staff Bill Daley said. "While we continue to take steps to make sure the United States remains competitive in the 21st century energy economy, we must also ensure that we are strong stewards of taxpayer dollars."

Daley said the review would be conducted by former Treasury official Herb Allison, who oversaw the Troubled Asset Relief Program, part of the 2008 Wall Street bailout. The review would not look at the Solyndra case but would evaluate other loans worth tens of billions of dollars and recommend steps to stabilize them if they appear to have problems like the loan to Solyndra.

Energy Secretary Steven Chu said in a statement that he welcomed the White House review.

House Republicans are preparing to ramp up their investigation of Solyndra, which is proving a political headache for the White House and providing fodder for opponents of Obama's renewable energy agenda.

The White House has already refused a request by the Republican-controlled House Energy and Commerce Committee for all its internal communications about Solyndra, which closed its doors and filed for bankruptcy protection earlier this year, costing 1,100 jobs.

GOP Reps. Fred Upton of Michigan and Cliff Stearns of Florida said Friday a subpoena was necessary because the White House has denied its requests for documents. Upton chairs the Energy and Commerce panel, while Stearns leads a

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subcommittee on investigations. Recently released emails and other documents show that White House officials participated in decisions regarding the Solyndra loan.

"What is the White House trying to hide from the American public?" Stearns and Upton asked in a joint statement. "It is alarming for the Obama White House to cast aside its vows of transparency and block Congress from learning more about the roles that those in the White House and other members of the administration played in the Solyndra mess."

The panel is seeking documents that might shed light on actions by White House officials in connection with the original 2009 loan to Solyndra as well as a restructuring of the deal that took place earlier this year.

Solyndra, of Fremont, Calif., was the first renewable-energy company to receive a loan guarantee under a stimulus-law program to encourage green energy and was frequently touted by the Obama administration as a model. Obama visited the company's headquarters last year, and Vice President Joe Biden spoke by satellite at a groundbreaking ceremony.

The Obama administration has released thousands of emails — but withheld thousands more — concerning the \$528 million loan. To date, the administration says it has produced 70,000 pages, participated in nine briefings for congressional committee staff and provided testimony at four House committee hearings.

White House counsel Kathryn Ruemmler has previously said that the committee leaders' request for more documents has implications for executive branch confidentiality.

"It has been well-established for decades that the president has a strong constitutionally rooted interest in preserving the confidentiality of executive branch deliberative communications," Ruemmler wrote the committee this week.

The White House also has said it would not release Obama's BlackBerry messages — which if released would be a presidential first.

Any subpoena of White House records could trigger a claim of executive privilege by the Obama administration and elevate the political stakes, although the issue could also be resolved through negotiations.

The loan is being investigated by two House committees, which have released Solyndra-related documents from federal agencies including the Energy and Treasury departments and the Office of Management and Budget.

Solyndra is under criminal investigation by the FBI. Inspectors general at the U.S. Treasury and the Energy Department also are investigating.

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