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U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

March 20, 2012

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The Honorable Dr. Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Ave, S.W.
Washington, D.C. 20585

Dear Secretary Chu:

As you are aware, we are actively investigating issues surrounding the Department of Energy's Western Area Power Administration's ("WAPA") implementation of the American Recovery and Reinvestment Act (P.L. 111-5). This investigation stems in large part from many of the concerns that were raised by the Department of Energy's ("DOE") Office of the Inspector General Office of Audits and Inspections Management Alert published in November of 2011. Specifically, the Management Alert noted that WAPA "had not implemented the necessary safeguards to ensure its commitment of funding was optimally protected."

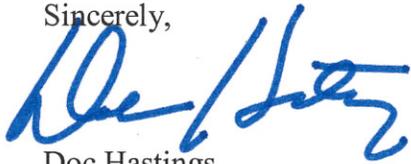
On November 9, 2011, we requested that DOE cease all allocations of taxpayer dollars through WAPA borrowing authority. This request came after DOE's Inspector General made the same recommendation. Because of the deficiencies in the management of Transmission Infrastructure Program ("TIP"), the Management Alert recommended that DOE "suspend investment of additional Recovery Act funds in transmission infrastructure projects until a root-cause analysis regarding the MATL Project is completed and corrective action plans for the Program are developed and implemented."

In DOE's letter to us on January 27, 2012 your office indicated that WAPA and DOE were "nearing completion of a formal root-cause analysis on the MATL project." It is our understanding that four months after this recommendation from the Inspector General, the root-cause analysis has not been completed, and no corrective action plans for the Program have been fully developed and implemented.

We again request assurance that DOE will commit to adhering to the recommendation of DOE's IG and refrain from committing any additional taxpayer dollars to this Stimulus-created project. A prompt, specific written confirmation of this halting of loan activity is expected by March 27, 2012.

Additionally, on January 12, 2012, we requested information and documents relating to the establishment, implementation, and management of WAPA's TIP. This request asked specific questions about the management of the TIP and the concerns that were raised by the Management Alert. While some limited information has been provided, and DOE staff has made representations to Committee staff about forthcoming production of documents, the majority of the documents requested have not been produced. We expect a complete production of all requested documents and information. If the Department has the staff, time, and resources to continue to seek to distribute billions of taxpayer dollars through this questionable WAPA Stimulus program, then it certainly has the ability to properly comply with Congressional oversight by the stated deadlines. A continued failure to voluntarily comply with these legitimate oversight requests while continuing risky efforts to allocate \$3 billion, which could require taxpayer bailouts of private companies, will cause us to move to compel production in a timely manner. We will not sit idly by and will act to ensure compliance.

Sincerely,



Doc Hastings
Chairman
Natural Resources Committee



Tom McClintock
Subcommittee Chairman
Water and Power

Cc: Timothy J. Meeks, Administrator, Western Area Power Administration