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NATURAL RESOURCES COMMITTEE

CHAIRMAN DOC HASTINGS

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CONTACT: [Spencer Pederson](#), [Crystal Feldman](#) or [Jill Strait](#)
202-226-9019

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Subcommittee Considers Legislation to Relieve Taxpayers from Burden of Risky Government Loan Program

WASHINGTON, D.C. – The Subcommittee on Water and Power today held a [legislative hearing](#) on [H.R. 2915](#), the “*American Taxpayer and Western Area Power Administration Customer Protection Act of 2011*.” The legislation repeals the \$3.25 billion borrowing authority given to the Western Area Power Administration (WAPA) for transmission projects for renewable energy generation. The borrowing authority, inserted into the 2009 stimulus law, included the controversial loan forgiveness provision that would leave taxpayers on the hook for repaying the loan if the project failed, much like the recently bankrupt Solyndra.

“The so-called stimulus bill in 2009 gave the Western Area Power Administration authority to put \$3.25 billion of tax money at risk to finance wind and solar transmission lines. And here’s the ultimate warning, the measure even provides for forgiveness of the loan if the developer can’t repay it. They don’t even have to declare bankruptcy! My bill pulls the plug on this program before taxpayers end up holding the bag for these projects,” said **Subcommittee on Water and Power [Chairman Tom McClintock](#)**.

“Water and Power Subcommittee Chairman McClintock’s bill to repeal the Western Area Power Administration’s Stimulus Act borrowing authority for renewable energy transmission is a necessary response to the recent bankruptcy of Solyndra, the now bankrupt recipient of a \$535 million Stimulus loan guarantee,” said **Natural Resources Committee [Chairman Doc Hastings](#)**. *“In the same way that taxpayers are now on the hook for over a half billion dollars due to the failed Solyndra loan, the WAPA borrowing authority actually envisions and allows for similar failed investments. This is a Stimulus Act experiment that needs to be halted and repealed. Billions in taxpayer dollars are at risk – at risk of a failure and bailouts. Chairman McClintock’s bill would protect taxpayers and responsibly end this risky Stimulus program.”*

The law anticipates the potential failure of these projects by stating: *“If, at the end of the useful life of a project, there is a remaining balance owed to the Treasury under this section, the balance shall be forgiven.”* Similar to the \$535 million loan lost by the bankrupt Solyndra, WAPA’s borrowing authority ignores free market economics and risks taxpayer money by picking winners and losers in the energy markets.

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