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

Opening Statement by
Chairman Doc Hastings
House Natural Resources Committee
before the House Water and Power Subcommittee
Legislative Hearing on
H.R. 1719 (McMorris Rodgers) and H.R. 2915 (McClintock)
September 22, 2011 at 2:00 PM

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Thank you for holding this hearing. Today's hearing is about restoring transparency, fiscal responsibility and American jobs.

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. 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. I will simply read to you what the statute says: *"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."*

This is a Stimulus Act experiment that needs to be halted and repealed.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.

We will hear that protecting taxpayers in this manner is an action hostile to renewable energy development and the construction of major transmission lines – yet it is simply nonsense that such projects aren't economically possible without government handouts. Such projects were underway before this program existed, and they will continue to stand on their own economically after it is ended.

In responding to and discussing this bill, I would urge all to be cautious in seeking to compare the WAPA borrowing authority to the long-standing BPA authority. These authorities are as different as day and night. WAPA's authority is a creature of the Stimulus and is mandated to be used for renewable energy transmission, while BPA's authority has been in existence for decades and has no such mandates. WAPA's authority specifically allows for a bailout by taxpayers, while BPA customers are fully responsible for any shortfall. The BPA authority is administered in a public, collaborative process without political interference from Washington, DC, while WAPA's activities have been anything but open and transparent. BPA's authority also exists to

respond to the many federal regulatory conditions, including for fish and wildlife protection, placed upon the region's hydropower system. Do not make the mistake of trying to defend the indefensible in WAPA by attempting to change the subject.

As it relates to Bonneville costs, I also commend the Chairman for hearing our colleague Cathy McMorris Rodgers' bill to provide Endangered Species Act transparency on electric bills. Endangered fish costs are a major reason for electricity rate increases in the Pacific Northwest region, reaching over 30% of the costs passed on to consumers. Environmental extremists are pushing Snake River dam removal, which would drive up power rates to unprecedented levels – while likely harming fish. Although that will not happen as long as I'm Chairman of this Committee, with a federal judge recently putting another cloud of uncertainty on the river system, electricity consumers have a right to know what their hard-earned dollars are paying for under current regulations.

One thing is clear in the Pacific Northwest and elsewhere in our nation: when energy prices rise it is followed by lower job growth and more out of work Americans. These two bills protect and inform taxpayers – they deserve bipartisan support from this Subcommittee.

Thank you again for holding this hearing.