

1 2 3 >>

PoliticalNews.me - Mar 14,2012 - Sen. Paul Questions Energy Secretary on Solyndra Loans

WASHINGTON, D.C. - Below is transcript of Senate Energy and Natural Resources Committee hearing on oversight of the Department of Energy loan guarantee program, in which Sen. Rand Paul questioned Energy Secretary Steven Chu on the origin of Solyndra loans and similar preferential treatment to other energy-related companies seeking government-backed loans.

TRANSCRIPT:

SEN. RAND PAUL: Thank you for coming, Secretary Chu. Have you met George Kaiser?

ENERGY SECRETARY STEVEN CHU: I think I might have at a roundtable meeting.

PAUL: More than once?

CHU: The only one I can recall at the time was during a roundtable session.

PAUL: Are you concerned about the propriety of giving money, \$500 million to a billionaire, you know, and then sort of changing the rules some so he gets to, you know, maybe get a better deal than the taxpayers do?

CHU: I'm convinced nothing I've seen in the loan program or anything in the White House had — that any connection that George Kaiser had with raising of money had anything to do

with the selection of the loan. As you well know, Solyndra was at the head of the line picked by the previous Department of Energy — under a previous administration and it was the one that the career people advanced forward as the one that had the most work done on that loan that satisfied the conditions of the intent of the loan, you know...

PAUL: That's sort of troubling though that they were the best case scenario and met all the criteria best and then they went bankrupt. But also I think what's troubling to most of us is that we're giving \$500 million loans to a guy who's a billionaire. Why in the world would we do that?

CHU: Well, there were other investors in Solyndra also very wealthy people, also, but associated with the Republican party and so again, the...

PAUL: I wouldn't give it to them either.

CHU:... the — the politics of the investors was not part of the decision whether to give a loan to Solyndra.

PAUL: Do you think there's a question of propriety though when you've got someone who works for you, who's married to somebody who works for Solyndra, who you say there is this firewall at the beginning maybe but you're not insinuating that he never wrote e-mails and never corresponded with people in favor of Solyndra.

CHU: Well for example...

PAUL: He did, correct?

CHU: He — he was corresponding to — after the loan was approved, corresponding to the timing...

PAUL: Do you think that's appropriate for him to be involved at any stage, not just — to say he wasn't involved in the beginning is a little bit of an excuse for him but he should have never, ever had a word — the word Solyndra should have never left his lips and never been in any writing and I think it was.

CHU: The Department of Energy

has very rigorous standards that we enforce on any potential conflict of interest and as you mentioned it, for example, his wife was actually firewalled from having to do any business with Solyndra as well.

PAUL: Have you met Robert Kennedy, Jr.?

CHU: Probably, I'm not sure.

PAUL: Do you recall how many times?

CHU: Well, since I'm not sure...

PAUL: Are you aware — are you aware the Kennedy family fortune that they're pretty wealthy also, probably worth hundreds of millions of dollars and we gave Robert Kennedy, Jr.'s company \$1.8 billion. Are you aware that someone works for you who used to work for the Kennedy's who people say was involved with that loan process?

CHU: I'm not aware of that.

PAUL: I think that's something we need to look into as well and this suggestion will go on with the hearings in the House as well that really this revolving door from big business into the Department of Energy to get large loans — \$1.8 billion is a lot of money given once again to a large campaign contributor of the president's. It looks unseemly and I don't think that's your background but unfortunately, you're the head of this organization that's been giving these loans to very wealthy people who are donors of the president's and it looks really bad.

Do you give loans to foreign companies?

CHU: We give loans for loans meant to manufacture in the United States.

PAUL: What about Fisker-Karma, are they spending any of our money in Finland?

CHU: We gave a loan that was to a design group in Los Angeles and there's another tranche to the loan if they satisfied the covenants of the loan which would go to manufacturing in the United States. So the money we give in loans is very targeted to jobs...

PAUL: My understanding is they were struggling here and that this money was actually going to be used in Finland.

CHU: Well, as I said before the loans we give are for American jobs and we're very clear about that. So if they, you know, if it's a design group...

PAUL: No money goes to Finland then, Fisker-Karma's not allowed to use any of that money in Finland?

CHU: As I said, the — the — we give loans for — for jobs in America and we're very clear about that.

PAUL: So Fisker-Karma is not using any U.S. taxpayer dollars in Finland.

CHU: Well I can get back to you on the details on that but I know the overall scope of the loan is for manufacturing in the United States and for design and it went to a design group...

PAUL: And you — you can see our concern, the whole idea of picking winners and losers. People are saying that windmills, which have subsidized for years and years now, that even though we have paid for the windmills, we've got them up, we've got them started, if you take away the subsidies, they'll never make a profit. They just aren't profitable.

You know talk about tilting at windmills, we're just throwing money at windmills and it — I just don't see the purpose and it really gets down fundamentally to what Senator Lee is talking about. We shouldn't be in this business at all and then thing is you're choosing, you know, \$50 light bulbs. Nobody understands that in America and there's a — there's a real problem here and I don't think you're going to wind the perception war on this and my counseling and advice to you would be let's get out of this business, let's not be involved with stuff like this.

The — also the thing is by your involvement in it, it really looks unseemly and I — I don't question your character. You're known for being an upright person from academia, I mean but the thing is, is you're overseeing something that really doesn't pass the smell test.

Thank you.