



**STOP DOE LOAN GUARANTEE PROGRAM FROM  
MORE TAXPAYER LOSSES**  
*Support the Kucinich-McClintock Amendment*

June 5, 2012

Dear Representative,

Together we urge you support the amendment offered by Reps. **Kucinich (D-OH)** and **McClintock (R-CA) amendment** to stop the Department of Energy (DOE) Loan Guarantee Program from issuing any new loan guarantees in FY 2013. Created in Title 17 of the 2005 Energy Policy Act, the DOE Loan Guarantee Program has received increased scrutiny with the recent default of a loan guarantee to the solar start-up company, Solyndra. Taxpayers stand to lose \$500 million on the failed solar project and billions more could be lost if the program continues in its current form.

The Government Accountability Office (GAO), the DOE Inspector General, and many others have been critical of the existing loan guarantee effort. Recently the GAO found that DOE could not even provide comprehensive information on the current loan guarantee applicants and commitments, and a recent review commissioned by the White House found the program was not proactively protecting the taxpayer or providing for a reasonable prospect of repayment.

A recent audit of the Loan Guarantee Program by the Office of the Inspector General found that the program, “could not always readily demonstrate...how it resolved or mitigated relevant risks prior to granting loan guarantees.” This creates serious concern for taxpayers that the financial terms of the loans are not being judiciously decided. Furthermore, loan guarantees provided under Title 17 guarantee 100% of a loan for up to 80% of the project cost—leaving taxpayers to shoulder far too much of the project risk. Adding insult to injury, the little protection taxpayers did have in the event of project default was undermined in 2009 when DOE weakened the original statute.

With hundreds of billions in bailouts already on the shoulders of US taxpayers, the country cannot afford to continue a program that could easily become a black hole for tens of billions in new defaults. We urge you to support the **Kucinich-McClintock amendment** to stop new loan guarantees from the troubled DOE Loan Guarantee Program!

Sincerely,

Taxpayers for Common Sense Action

National Taxpayers Union

Americans for Prosperity

Friends of the Earth

Nonproliferation Policy Education Center

Competitive Enterprise Institute

Freedom Action

Physicians for Social Responsibility