

# Congress of the United States

Washington, DC 20515

February 11, 2009

The Honorable Nancy Pelosi  
Office of the Speaker  
H-232, US Capitol  
Washington, D.C. 20515

Dear Speaker Pelosi,

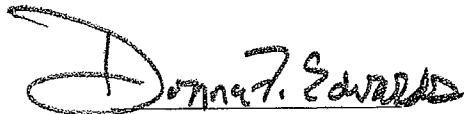
We write today to urgently request you oppose the inclusion of an additional \$50 billion in budget authority for the DOE Loan Guarantee Program in the final stimulus. The 2009 economic recovery bill is a rare opportunity to revive the nation's economy through investments in clean and promising energy technology. Unfortunately, the Senate version will squander taxpayer funds on \$50 billion in additional loan guarantees to financially risky and environmentally harmful projects, such as nuclear power and liquid coal. We urge you to reject the \$50 billion loan guarantee authority from the final legislation.

The Department of Energy (DOE) Loan Guarantee program already has more than \$40 billion in budget authority to be used. Providing this additional \$50 billion is unnecessary and reckless. Just last summer, the Government Accountability Office (GAO) recently raised significant concerns regarding DOE's ability to administer the program as it exists now. The GAO found that DOE lacks both sufficient resources and the internal structure to review and process loan guarantee applications, possesses inadequate staffing and management, and has no ability to track the program's effectiveness. They recommended Congress limit the program until proper safeguards were put in place. We should not divert resources away from cleaner, safer, and quicker options when this program is unable to effectively administer funding.

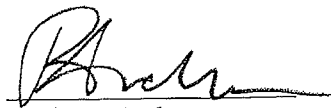
Furthermore, with so many other investment opportunities, providing this additional authority for nuclear power and liquid coal is plainly at odds with sound fiscal and environmental policy. The coal and nuclear industries already have \$10 billion and \$18.5 billion in budget authority provided in the 2008 Omnibus. It is unfair to ask Americans to shoulder the additional financial burden of these investments. For instance, the Congressional Budget Office estimates over a 50% default risk for loans made on new nuclear reactors. At the same time, reactor construction costs have doubled since 2003. Similarly, the financial survival of liquid coal investments depends on a range of factors such as oil market volatility and carbon dioxide regulation. Once again, the risk is aggravated by the enormous costs of liquid coal technology. A single commercial scale facility would run billions of dollars costing taxpayers billions in nonperforming loans.

As we revitalize the economy we must manage taxpayer funds wisely. At this time, Americans want stability and certainty, not financial risk. Regardless of each of our perspectives on the merits of the overall loan guarantee program, we all agree it would be reckless for Congress to prematurely provide a massive expansion. We urge you to ensure that the Senate provision providing a \$50 billion expansion of the loan guarantee program is not included in the final bill.

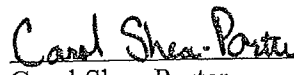
Sincerely,



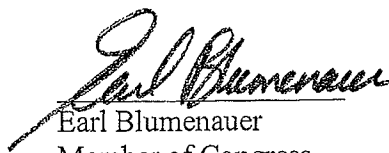
Donna F. Edwards  
Member of Congress



Paul W. Hodes  
Member of Congress



Carol Shea-Porter  
Member of Congress



Earl Blumenauer  
Member of Congress



Matrice D. Hinchey  
Member of Congress