

FRED UPTON

6TH DISTRICT, MICHIGAN

COMMITTEE ON ENERGY AND COMMERCE

SUBCOMMITTEES:

ENERGY AND ENVIRONMENT
RANKING REPUBLICAN MEMBER
COMMUNICATIONS, TECHNOLOGY,
AND THE INTERNET



Congress of the United States
House of Representatives

November 23, 2010

DC OFFICE:

2183 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2206
(202) 225-3761
FAX: (202) 225-4986

MICHIGAN HOME OFFICES:

157 SOUTH KALAMAZOO MALL
SUITE 180
KALAMAZOO, MI 49007
(269) 385-0039
FAX: (269) 385-2888

800 CENTRE, SUITE 106
800 SHIP STREET
ST. JOSEPH, MI 49085
(269) 982-1986
FAX: (269) 982-0237

www.house.gov/upton

The Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

Dear Secretary Chu:

The Obama administration and congressional Democrats narrowly passed a \$862 billion stimulus package (the American Recovery and Reinvestment Act of 2009) in February of 2009 on the promise that money would go out the door immediately to shovel-ready projects and that the unemployment rate would stay below 8 percent. The Vice President's chief economic advisor and the former Chairman of the Council of Economic Advisers wrote a paper in early 2009 contending that the unemployment rate would not go above 8 percent as a result of the Stimulus. As you are well aware, the unemployment rate is currently 9.6 percent, and the unemployment rate has never been below 8 percent since the Stimulus became law. The situation is even worse in my home state of Michigan where the unemployment rate is currently a staggering 13.1 percent.

It is clear that the President's economic team was wrong about unemployment staying below 8 percent. It is also now clear that the President was incorrect in his assertion that money would go out the door immediately to shovel-ready projects. President Obama has recently been quoted as saying, "there's no such thing as shovel-ready projects." You have also used this term before, as quoted below from a February 18, 2009 *Greenwire* article:

Other members of President Obama's Cabinet are also preparing to spend money quickly, Chu said. Carol Browner, who oversees White House efforts on energy and the environment, and leaders of the Interior and Agriculture departments, U.S. EPA and the Council on Environmental Quality have been discussing how to align federal regulatory requirements for making projects "shovel-ready," Chu said.

I have some questions regarding the Department of Energy's (DOE) approximately \$40 billion portion of the Stimulus:

1. Were any changes made to federal regulatory requirements since February 18, 2009 that would shorten the amount of time for money to go out the door for shovel-ready projects?
 - a. If yes, please describe each change made to the federal regulatory requirements.
 - b. If no, please explain why not.
2. Is it true that as of the date of this letter, less than \$10 billion of the approximately \$40 billion has been paid out?

3. Why have less than 25 percent of the available funds been paid out, 20 months after the Stimulus was signed by the President?
4. How many jobs were created as a result of the grants awarded by the Department of Energy listed below? Please provide documentation proving that such jobs were actually created as a direct result of Stimulus funding. Please do not include jobs "saved" in your answer.
 - a. \$5 million geothermal grant to Oak Ridge City Center in Oak Ridge, Tennessee for a mall to install a geothermal energy system.
 - b. \$2.6 million geothermal grant to the Denver Museum of Nature and Science.
 - c. \$157,800 solar panel grant to the Movement Climbing and Fitness gym in Boulder, Colorado.
 - d. \$25,000 energy efficiency grant to the town of Sykesville, Maryland.
 - e. \$935,000 weatherization grant to the African Heritage Dancers and Drummers of Washington, DC.
5. How many jobs have been created for every Department of Energy Stimulus grant made that was over \$500,000? Please provide supporting documentation.
6. Why did Iberdrola Renewables, Inc. receive \$72.6 million for building a wind farm that was completed before the Stimulus became law? Please confirm that the Department of Energy is not claiming that any jobs were created or saved as a result of this particular grant, or for that matter any grants that were awarded after a project's completion, as the completion of such a project could not have been dependent on the receipt of Stimulus funding.
7. Do you agree with President Obama that there are no such things as shovel ready projects?
 - a. If yes, will you stop using the term "shovel-ready" going forward because it is misleading to claim that something is shovel-ready if, by definition, there is no such thing as a shovel-ready project?
 - b. If no, please explain why not.

I request a detailed response to these questions within two weeks of your receipt of this letter. Additionally, I would like for your staff to brief my staff on the current status of DOE Stimulus grants within two weeks of your receipt of this letter. If you have any questions related to this request, please contact my staff at (202) 225-3761.

Sincerely,



Fred Upton
Ranking Member
Subcommittee on Energy and Environment