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## Review of loan program ordered

Solyndra failure prompts White House to evaluate potential future problems

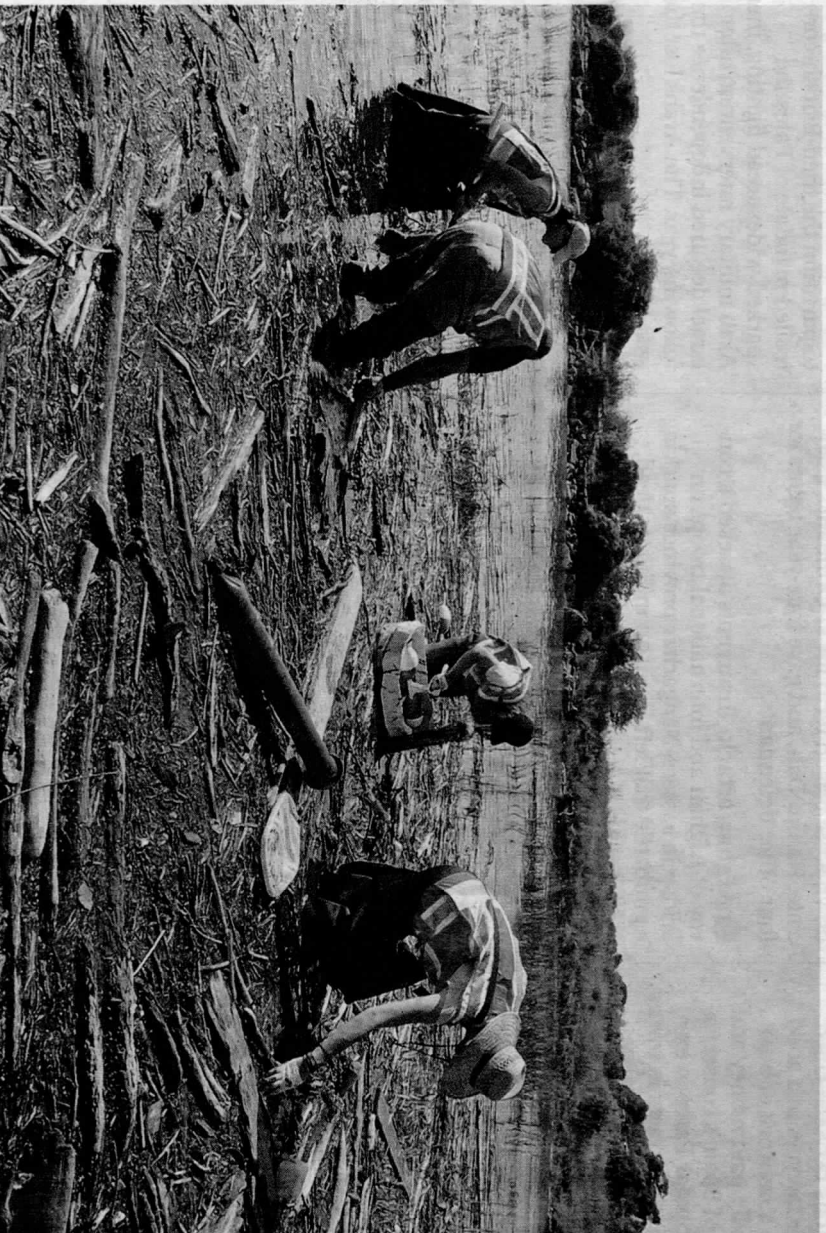
By Carolyn Lochhead

CHRONICLE WASHINGTON BUREAU

WASHINGTON — In an acknowledgement that the Solyndra bankruptcy has become a major political liability, White House Chief of Staff Bill Daley has ordered an outside review of the Energy Department's loan portfolio.

The review will be conducted by Herb Allison, a former assistant secretary of the Treasury who was picked by former President George W. Bush to oversee mortgage giant Fannie Mae after it was taken over by the government. More recently, President Obama chose him to oversee the Troubled Asset Relief Program, which bailed out banks after the 2008 financial crisis.

The move followed an announcement by House Republicans investigating the Fremont solar manufacturer that they will hold a committee vote Thursday to subpoena more White House documents related to the \$528 million



Photos by Mathew Sumner / Special to The Chronicle

Members of the Otis Institute collect nurdles — small plastic pellets used in making plastic bags and other products — believed responsible for the deaths of thousands of fish and birds that mistake them for food.

### POLLUTION

## Hunting a wildlife killer

Regulators try to keep plastic pellets out of bay, its animals

By Peter Fimrite

CHRONICLE STAFF WRITER

Environmental regulators



plastic that are melted down and used in the production of plastic bags, bubble wrap, packaging and wrapping

# White House wants review of alternative-energy loans

*Guarantees from page A1*

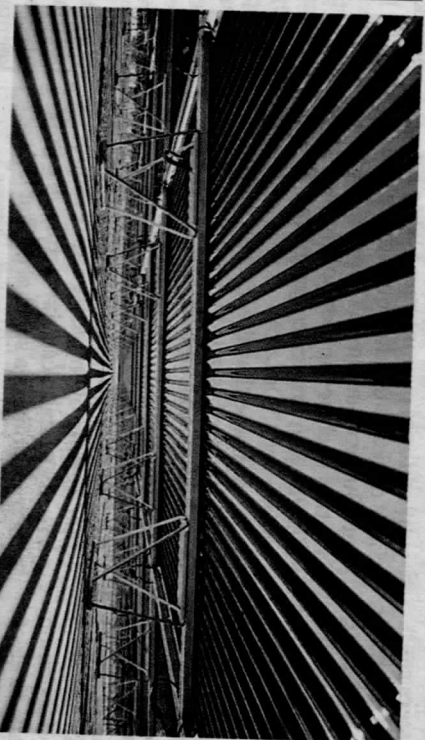
istration awarded Solyndra. The guarantee was part of Obama's 2009 stimulus program and was billed as a way to create jobs and gain U.S. superiority in green technologies.

The committee also has called Energy Secretary Steven Chu, a UC Berkeley Nobel laureate and former director of the Lawrence Berkeley National Laboratory, to testify before the panel on Nov. 17.

Daley issued a statement Friday saying that Obama remains "committed to investing in clean energy" but "we must also ensure that we are strong stewards of taxpayer dollars."

## Future monitoring

The announcement said the new two-month review will focus on future loan monitoring, leaving aside the question of the Solyndra loan. The FBI and the inspectors general of the Energy Department and the Treasury Department are conducting their own investigations of Solyndra, in addition to the congressional probe by the oversight panel of the House Energy and Commerce Committee.



Solyndra

**Fremont's Solyndra made solar tubes that captured sunlight and turned it into electricity. The company closed in August.**

Daley described Allison as a finance expert with experience in the public and private sectors through Democratic and Republican administrations.

"He is tough, always tells it like it is, and we look forward to his thorough and candid assessment," Daley said.

The White House also released a statement from Allison saying his goal "is to assess the current financial state of the portfolio and to ensure effective monitoring and management of the loan portfolio going forward." The White House said

an opinion piece in the Orange County Register calling for an investigation into the two loans, accusing the administration of favoring large campaign donors. Fisker has drawn criticism for its decision to manufacture its cars in Finland, despite the promise that the federal loan guarantees would create jobs in the United States.

Romney called Tesla co-founder and Chief Executive Officer Elon Musk "a major Democratic donor who has poured money into Obama's campaign coffers."

## Skepticism about loan

The White House has turned over about 70,000 pages of documents related to Solyndra, which revealed that discussion of the loan guarantees reached the highest ranks of the administration. The e-mails showed Treasury and Office of Management and Budget officials expressing intense skepticism about the Solyndra loan, while Energy Department officials were much more optimistic.

The White House has refused, however, to release all internal communications, including Obama's BlackBerry messages. The subpoena re-

quest could provoke a battle over executive privilege reminiscent of fights between former Vice President Dick Cheney and congressional Democrats over Cheney's energy plan, which relied heavily on fossil fuels and nuclear power at the urging of those industries.

Rep. Henry Waxman of Los Angeles, the top Democrat on the Energy and Commerce Committee, pressed committee Republicans this week to broaden their investigation of alternative-energy loan guarantees to include money guaranteed to the nuclear power industry, whose future has grown more dubious since the nuclear meltdown in Japan. Waxman and other committee Democrats said more than \$10 billion has been conditionally committed to two nuclear projects, about 20 times as much money as went to Solyndra. They also want to investigate a \$267 million loan guarantee to Open Range to deliver high-speed wireless Internet service. The company declared bankruptcy Oct. 5.

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