Obama: Solar Is Viable

Matthew Daly, Associated Press

WASHINGTON (AP) — President Barack Obama said Thursday the U.S. must not surrender development of clean energy to China and other countries, despite the spectacular failure of a solar-panel manufacturer that filed for bankruptcy after taking a half-billion dollar government loan.

Obama said the government should continue to give loan guarantees to help green energy companies compete with other countries that spend billions to subsidize solar panels and other renewable energy manufacturing. Solyndra, the California company that collapsed last month, blamed its demise partly on Chinese imports.

Fighting back against GOP criticism of a $528 million loan to Solyndra, Obama said he strongly disagreed with a Republican congressman who said the U.S. "can't compete with China" to make solar panels or wind turbines.

"Well, you know what? I don't buy that,' Obama said at a White House news conference. "I'm not going to surrender to other countries technological leads that could end up determining whether or not we're building a strong middle class in this country. And so ... we're going to have to keep on pushing hard to make sure that manufacturing's located here, new businesses are located here and new technologies are developed here."

Hours after Obama's upbeat remarks, the head of the Energy Department's embattled clean energy loan program announced he is leaving in what officials called a planned departure.

Jonathan Silver, who has headed the loan program since November 2009, said he is leaving to join a nonpartisan think tank.

Energy Secretary Steven Chu said in a statement that Silver informed him in July he was leaving, after it became clear Congress was not likely to extend a key section of the loan program that offered guarantees to renewable energy companies. The program, funded under the 2009 economic stimulus law, expired on Friday.

Chu called Silver an outstanding leader who had "demonstrated considerable success" in helping U.S. companies compete in the global clean energy market.

But Republicans called Silver the first casualty of the Solyndra debacle.

"Mr. Silver's resignation does not solve the problem," said Reps. Fred Upton and Cliff Stearns. "We are in the midst of the Solyndra investigation and just days removed from Mr. Silver's mad rush to finalize the last $4.7 billion in loans before the statutory deadline" on Friday.

Upton, of Michigan, chairs the Energy and Commerce Committee while Stearns, of Florida, leads a subcommittee on oversight and investigations.

Obama acknowledged that the loan program carries risk, and said officials always knew some companies were not going to succeed. But he said the process used to award a loan to failed solar panel maker Solyndra LLC was straight-forward and based on the merits. Solyndra declared bankruptcy last month and laid off its 1,100 workers.

Despite its collapse, Obama said the loan guarantee program has been successful and has created jobs, adding that members of both parties have supported such deals in the past.

"The nature of these programs are going to be ones in which, you know, for every success there may be one that does not work out as well," he said.

Obama singled out Stearns at the White House news conference. Stearns said in an NPR interview this week that he doesn't like the idea of putting taxpayers on the line for solar panels or other renewable energy.

"We can't compete with China to make solar panels and wind turbines," Stearns said.

Obama called that approach defeatist.

"Look, I have confidence in American businesses, in American technology, in American scientists and entrepreneurs being able to win that competition," he said. "We are not going to be duplicating the kind of system that they have in China where they are basically state-run banks giving money to state-run companies and ignoring losses."

Still, he said the U.S. government can play an important role to make sure U.S. companies "can at least have a fighting shot."

Obama's comments represent his strongest defense yet as his administration faces increasing criticism of the Solyndra loan and the clean-energy loan program, which has awarded nearly $36 billion in loan guarantees since 2009, including 28 loans worth more than $16 billion under a stimulus-law program for renewable energy.

Much of the spending has come in recent weeks, including more than $6 billion last week for seven separate projects.

The heightened pace of the loans has led Stearns and other Republicans to question whether the administration, in its haste to award loans may have stumbled into another Solyndra-like debacle. Republicans have increasingly directed their criticism toward Chu, who approved the Solyndra loan and a restructuring last year that resulted in private investors moving ahead of taxpayers for repayment in case of a default. One of the investors was a major Obama fundraiser.

Administration officials have defended the loan restructuring, saying that without an infusion of cash earlier this year, Solyndra would have faced bankruptcy months earlier.

Obama's defense of the loan program echoes remarks made by Chu in a weekend speech in which he blasted those who "are ready to wave the white flag and declare defeat."

Chu said the United States faces a choice: to sit on the sidelines or try to win the "clean energy race" with China, Germany and other countries.

Obama said the competition is fierce, "and it's going to be an uphill climb for some," especially in a down economy.

But he said that was the purpose of the loan program Congress created in 2005: "to take bets on these areas where we need to make sure that we're maintaining our lead."

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