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January 14, 2010

President Barack H. Obama
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Obama:

I applaud your focus on accelerating job creation and your recognition that America's global leadership on clean energy can mean millions of good paying jobs right here at home. China and our other economic competitors are currently making unprecedented levels of investment in the clean energy sector, and we risk being left behind as these nations surge forward. In that regard, I believe forthcoming jobs legislation should include a "Green Bank" to leverage large amounts of private investment in our own clean energy sector, and I hope you will use your State of the Union Address to launch a Green Bank initiative.

In the 1990s, large and small private employers rapidly added significant numbers of workers once they identified large new sectors of the economy in which to invest. More than 90% of job creation in the 1990s came from private employers, including hundreds of thousands of newly created businesses. While the sectors that drove that record expansion were information and communications technology, health services and financial services, we cannot look to the past for our next sources of entrepreneurial expansion. Instead, we must look to the future, where one of the most promising sectors for new investment, job creation and economic growth is the manufacture, generation, transmission and efficient consumption of clean energy.

As you have often stated, accelerating America's transformation to a clean energy economy is imperative for reasons of energy independence, national security, international competitiveness and climate change. However, for an underemployed America, these imperatives also give rise to a new opportunity and national mission of unsurpassed importance: the construction of a clean domestic energy industry that gives America a competitive advantage in our export markets while providing low-priced, abundant clean energy for our heating, cooling, lighting, transportation and industrial needs at home. This opportunity could unleash literally hundreds of billions of dollars in new productive investment, while creating more than two million jobs over the next three years.

This level of new investment is not unrealistic for the electricity sector, which will earn approximately two trillion dollars in revenue over the next five years. To the contrary, it will be necessary in order to meet existing state – and proposed national – requirements for renewable electricity generation. Moreover, as we move from carbon to clean, we must also take care to do so in a way that does not hinder economic growth or burden already cash-strapped consumers.

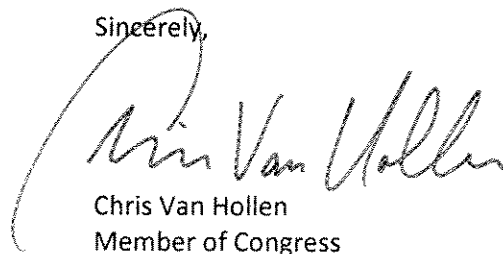
For reasons of speed and agility, the Green Bank should not be a government agency, but instead should be a chartered corporation that operates in partnership with the private sector to create the number and quality of jobs we need to grow our economy and lay the foundation for long term prosperity. While I am a supporter of the Department of Energy's loan guarantee program, the pace at which the current program has been administered – amounting to three conditional commitments and one closed commitment totaling \$839 million over the past five years – calls out for a fresh approach to job creation through energy financing. Additionally, the Green Bank should act openly, without political or technological bias. It should serve as a catalyst for accelerating the deployment of qualified clean energy projects, and to ensure the broadest possible distribution of benefit, it should be mandated to extend its financing assistance to every state.

In light of our competition's forward-looking initiatives in this area, we have no time to lose. Both the Conservative Party and the Green Alliance in the United Kingdom are advocating the creation of a Green Bank to lower capital costs. Germany uses its state-owned bank KfW, which is the fifth largest capital market issuer in Europe. The European Bank for Reconstruction and Development plays a similar role, as do various clean energy funds in Canada, Australia, Netherlands, and elsewhere. Perhaps most saliently, the China Development Bank reported loaning more than \$50 billion (US) to its power sector at the end of 2007, and policy banks have accelerated their low cost financing to energy projects in China since then. According to Secretary Chu, Chinese firms are investing in clean energy at a rate of \$9 Billion a month with an eye towards meeting China's public goals of 1.8 GW of solar energy and 30 GW of wind energy by 2020. In my view, we can and should aim to surpass those targets over the next three years, in conjunction with the deployment of other clean energy technologies and an aggressive energy efficiency and retrofit program. If we are successful, we can lead the world not only in converting our economy from carbon to clean, but also in exporting American-made clean energy technologies to the rest of the world.

A Green Bank could be capitalized on a one-time basis with \$20 billion and never need another dime from government. With an annual budget of less than \$200 million and several hundred employees, it could cause more than \$200 billion in new private sector investment, propel economic growth and create more than two million good-paying jobs over the next three years. Most importantly, it could launch a new era of broadly shared prosperity in a way that permanently strengthens our national security.

Thank you for your consideration of this timely initiative.

Sincerely,

A handwritten signature in black ink that reads "Chris Van Hollen". The signature is written in a cursive style with a large, sweeping initial "C".

Chris Van Hollen
Member of Congress

cc: Rahm Emanuel, White House Chief of Staff