

United States Senate
COMMITTEE ON FINANCE
WASHINGTON, DC 20510-6200

April 15, 2010

Via Electronic Transmission

The Honorable Peter R. Orszag
Director
Office of Management and Budget
Eisenhower Executive building
1650 Pennsylvania Avenue, NW
Washington, DC 20503

Dear Director Orszag:

As the Senior Senator from Iowa and Ranking Member of the Committee on Finance (Committee), it is my duty to conduct oversight of how our government uses taxpayer dollars, including the unprecedented federal spending under the American Recovery and Reinvestment Act of 2009 (Recovery Act). As you know, Congress enacted the Recovery Act in an effort to stimulate American jobs and stave off further decline in the American economy. I opposed final passage of the Recovery Act because, as I said at the time, it was loaded down with spending that would neither create jobs nor stimulate the economy. Still, as Ranking Member of the Committee with exclusive jurisdiction over taxation, international trade, and the public debt, I have a duty to conduct oversight of the Recovery Act's implementation, including how funds authorized under the program are being used.

It has been widely reported that some of the Department of Energy's grants to renewable energy developers have gone to foreign suppliers, including for the purchase of wind turbines manufactured in China. According to the President's proposed budget, this program is to receive \$3.08 billion this fiscal year and \$4.46 billion in FY 2011. I think it's understandable for taxpayers to be concerned about the use of some of these funds, which are intended to create U.S. jobs, to purchase renewable energy products that have been manufactured abroad. Such spending may result from our open trading system, which benefits Americans through export-led job growth, lower prices and less inflation, and more choices for U.S. consumers. However, we're entitled to expect the same of our trading partners. The American public should know if our trading partners are failing to provide a level playing field for U.S. manufacturers and service suppliers in their own markets. Therefore, I call upon the Administration to provide:

- 1) A public summary of the total amount of Recovery Act funds that are spent on products manufactured in foreign countries, specifically broken out by each such foreign country; and

- 2) A public assessment of the extent to which each such foreign country provides reciprocal market access opportunities to U.S. manufacturers and suppliers of comparable products.

In addition to that issue, I write regarding the employment practices of entities receiving Recovery Act funds. Section 1611 of the Recovery Act prohibits recipients of Emergency Economic Stabilization Act funds to hire individuals not legally authorized to work in the United States. Federal contractors and subcontractors are required to use E-Verify to determine employee eligibility of both existing employees and new hires performing work under a federal contract.

If the purpose of Recovery Act spending is to stimulate the economy and bolster employment, then at the very least one might expect proper safeguards to be in place to ensure that only those legally authorized to work in the United States benefit from billions of taxpayer dollars.

Accordingly, please describe in detail what safeguards exist, or what safeguards are being put in place, to ensure that Recovery Act recipients and sub-recipients performing work in the United States only hire individuals legally authorized to be here. Please also confirm whether recipients and sub-recipients are required to use E-Verify to determine employee eligibility, as required under the Executive Order signed by President Obama. If E-Verify is not being required for certain Recovery Act recipients, please explain why not.

Thank you for your attention to this important matter. Please respond to these questions no later than April 29, 2010. If you have any questions please do not hesitate to contact Christopher Armstrong at (202) 224-4515. All formal correspondence should be sent electronically in PDF format to Brian_Downey@finance-rep.senate.gov or via facsimile to (202) 228-2131.

Sincerely,



Charles E. Grassley
Ranking Member