



U.S. DEPARTMENT OF
ENERGY

*Advanced Technology Vehicles
Manufacturing Loan Program*

December 2008



U.S. DEPARTMENT OF
ENERGY

Background

- Authorized under Section 136 of the Energy Independence and Security Act (EISA) of 2007 (P.L. 110-140).
- Funded by the FY09 CR, providing for up to \$25 billion in direct loans supporting production of advanced technology vehicles and components in the U.S.
- DOE issued the Interim Final Rule (IFR) on 11/05/08, 26 days ahead of statutory mandate, allowing DOE to begin accepting and evaluating applications.
- Timeline for the issuance of funds will depend on when applications are submitted, application thoroughness, and processing of required permits or approvals.



U.S. DEPARTMENT OF
ENERGY

Applications

- The IFR identifies qualifying elements for the loan program, as well as application requirements.
- Applicants will be allowed to make detailed multiple loan requests in a single application.
- Applications will be reviewed as they are submitted and considered in 90 day tranches – the deadline for the first tranche is December 31, 2008.
- Following a 30 day public comment period on the IFR, DOE will evaluate the program and determine when to issue a Final Rule.



U.S. DEPARTMENT OF **ENERGY**

Eligibility

- Criteria for projects and costs eligible to receive direct loans set by Congress.
- The key criteria for qualified advanced technology vehicles or qualified components includes:
 - Manufacturing facilities be located in the U.S.;
 - Engineering integration be performed in the U.S.;
 - Costs be reasonably related to the reequipping, expanding, or establishing a manufacturing facility in the U.S.; and
 - Costs of engineering integration be performed in the U.S.
- Loans will not be available on a retroactive basis; past advanced technology investments are ineligible.



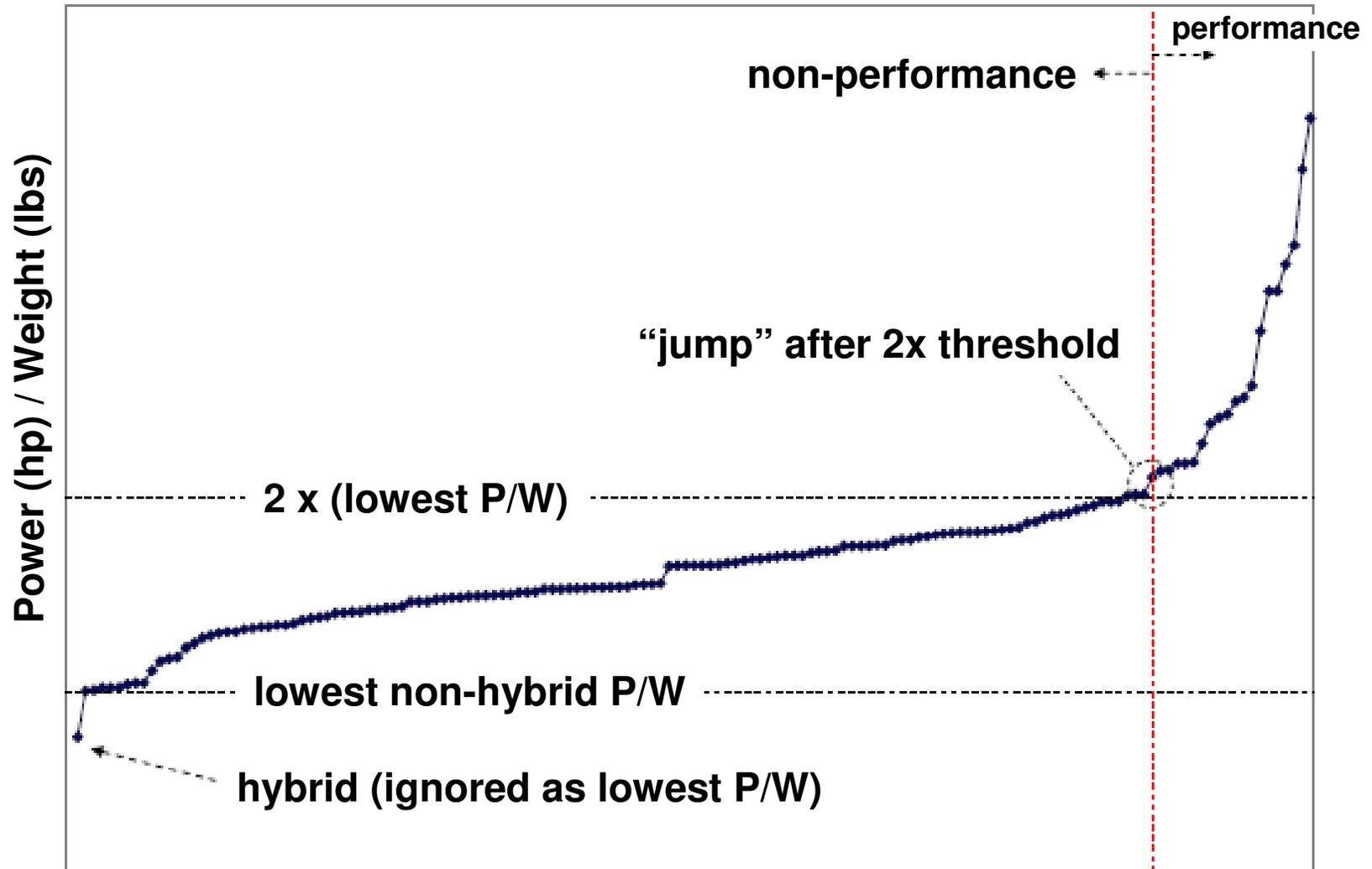
U.S. DEPARTMENT OF
ENERGY

Technical Baseline

- The IFR established the “base year” for CAFÉ standards to be Vehicle Model Year (MY) 2005.
- For comparative purposes, DOE has grouped vehicles with substantially similar attributes by:
 - Classes previously defined by EPA; and
 - Additional subclasses for performance vehicles.
- In order to qualify as an advanced technology vehicle under the IFR, an applicant must demonstrate that a vehicle has a fuel economy performance at least 125% of the average MY 2005 fuel economy of the appropriate class.

EPA Vehicle Class Definitions	EPA Vehicle Classes	EPA Vehicle Classes plus Performance Classes
Any vehicle designed to seat two adults	Two Seater	Two-Seater
		Two-Seater Performance
< 85 ft ³	Mini-compact Sedan	Minicompact Sedan
		Minicompact Performance Sedan
85-99 ft ³	Subcompact Sedan	Subcompact Sedan
		Subcompact Performance Sedan
100-109 ft ³	Compact Sedan	Compact Sedan
		Compact Performance Sedan
110-119 ft ³	Midsize Sedan	Mid-Size Sedan
		Mid-Size Performance Sedan
120 ft ³ or more	Large Sedan	Large Sedan
<130 ft ³	Small Wagon	Small Wagon
130-159 ft ³	Midsize Wagon	Mid-Size and Large Wagon
160 or more	Large Wagon	
< 6000 lbs	Small Pickup	Small and Standard Pickup
6000-8500 lbs	Standard Pickup	
< 8500 lbs	Passenger Van	Passenger Van
< 8500 lbs	Minivan	Minivan
< 8500 lbs	Cargo Van	Cargo Van
< 8500 lbs	Sports Utility	Sport Utility Vehicle
< 8500 lbs	Special Purpose	<i>[Not Used]</i>

Division of a Vehicle Class into Performance and Non-Performance Classes



Individual Vehicles in Ascending Order of Power/Weight

Fuel Economy by Vehicle Class

Vehicle Class	Power ¹ / Weight ²	2005 Fuel Economy ³	2005 mpg x 125%
Two-Seater	< 0.121	25.3	31.6
Two-Seater Performance	≥ 0.121	22.2	27.8
Minicompact	< 0.088	29.3	36.7
Minicompact Performance	≥ 0.088	22.4	28.0
Subcompact	< 0.082	29.6	37.0
Subcompact Performance	≥ 0.082	22.8	28.5
Compact	< 0.073	33.8	42.2
Compact Performance	≥ 0.073	23.6	29.5
Mid-Size	< 0.085	29.4	36.7
Mid-Size Performance	≥ 0.085	23.1	28.9
Large	n/a	26.2	32.7
Small Wagon	n/a	32.7	40.8
Mid-Size and Large Wagon	n/a	26.7	33.4
Small and Standard Pickup	n/a	19.7	24.6
Minivan	n/a	24.3	30.4
Passenger Van	n/a	19.0	23.8
Cargo Van	n/a	19.9	24.8
Sports Utility Vehicle	n/a	21.8	27.2

¹ peak horsepower (hp)

² curb weight (lbs)

³ 55/45 (city/highway) composite (mpg)



U.S. DEPARTMENT OF
ENERGY

DOE NEPA

Overview

Environmental Requirements

Implementation

Process



U.S. DEPARTMENT OF **ENERGY**

Overview

Legislation and Regulation

- National Environmental Policy Act of 1969
 - Overarching federal statute which only applies to federal agencies.
- 40 CFR Parts 1500-1508 CEQ Regulations
 - Sets out government-wide requirements for NEPA compliance.
- 10 CFR Part 1021 DOE Regulations
 - Sets out requirements for NEPA compliance for DOE programs.
- DOE Order 451.1B
 - Departmental procedures for implementation of NEPA and roles of DOE.





U.S. DEPARTMENT OF
ENERGY

Environmental Requirements

10 CFR 611.106

- Conducted in accordance with applicable statutes, regulations, and Executive Orders.
- Provides substantial basis for any required Environmental Assessment (EA) or Environmental Impact Statement (EIS).
- Detail commensurate with complexity of the proposal and potential for environmental impact:
 - Address conditions or resources affected;
 - Identify significant environmental effects;
 - Identify effects of construction, operation, termination, and cumulative effects; and
 - Identify mitigation measures.
- Specific Report 1 – Project impact and description.
- Specific Report 2 – Socioeconomics (e.g., impact on government services and infrastructure, manpower and payroll, housing, etc.).
- Specific Report 3 – Alternatives (potential to accomplish objectives through other means, benefits, and costs).



U.S. DEPARTMENT OF
ENERGY

Implementation

How NEPA Works

- DOE Considers how to comply with the National Environmental Policy Act.
- DOE determines the appropriate level of NEPA review early in its planning process.
 - Appropriate level of review depends on the significance of the potential environmental impacts associated with the proposed action.
- Three Levels of NEPA Review:
 - **Environmental Impact Statement (EIS)** - for major Federal actions that may significantly affect the quality of the human environment.
 - **Environmental Assessment (EA)** - when the need for an EIS is unclear, DOE may prepare an EA to determine whether to prepare an EIS, or to issue a Finding of No Significant Impact; and
 - **Categorical Exclusion** - actions that do not have the potential for significant environmental impacts.



Environmental Assessment Preparation

- Determination to prepare an EA.
- Notification sent to state.
- Concurrent consultation, as appropriate, including:
 - State Historic Preservation Officer (National Historic Preservation Act);
 - U.S. Fish and Wildlife Service (Endangered Species Act); and
 - American Indian Tribes (Executive Order 13175).
- Submit draft EA to state and Tribes for review and comment.
- Prepare Finding of No Significant Impact, if appropriate, or Notice of Intent to prepare an EIS.



U.S. DEPARTMENT OF
ENERGY

*Advanced Technology Vehicles
Manufacturing Loan Program*

December 2008