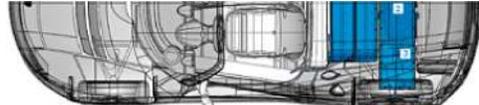


AAA Auto Insurance — fast, personal service at surprisingly low rates. 

[Get a Free Quote](#) or call (888) 385-4AAA

InsideEVs



Audi Battery Tech Bikes BMW Buick BYD Cadillac Charging Chevrolet Chrysler Coda Concepts Crashed EVs
 Deals Fiat Finance Fisker Ford General Holden Honda Infiniti Jaguar Kia Mercedes Mitsubishi Nissan
 Opel/Vaux Porsche PSA Race Renault Sales Smart Subaru Tesla Test Drives Toyota VIA Videos Volvo VW

HOME > FINANCE > SAY WHAT? DOE CUTS OFF \$16.6 BILLION IN ADVANCED TECH LOANS AMIDST OBAMA PROPOSAL OF \$2 BILLION MORE

Say What? DoE Cuts Off \$16.6 Billion In Advanced Tech Loans Amidst Obama Proposal Of \$2 Billion More

97 days ago by Jay Cole 3



In 2008 Congress approved (and funded) the \$25 billion Advanced Technology Vehicle Manufacturing loan program to provide capital to fund US-based projects in order to meet higher mileage requirements and lessen the country's dependency on foreign oil.

Unfortunately, due to some high profile failings of the program (*think Solyndra, and more recently US battery maker A123*), the Department of Energy has tighten up restrictions for companies to gain access to the money. In fact, they have even retracted formerly approved loans (*\$730 million loan to Severstal OAO for a plant in Dearborn, Michigan*).

Now, in a report by the [Government Accountability Office](#), they have said that the Energy Department told auditors it *"was not actively considering any applications for using the remaining \$16.6 billion in loan authority or \$4.2 billion"* in funds that have been allocated by Congress. And that the program has essentially ended.

David Frantz, chief of Energy Department loan programs office, responded to the Accountability Office's report released last week, "the draft report acknowledges that DOE is not likely to use the



...Meanwhile A Proposal To Acquire \$2 Billion To Fund The Same Advanced Vehicle Technology From "Big Oil's" Pockets Is Tabled

InsideEVs
 Like 606
 Follow @InsideEVs

YouTube Twitter Facebook RSS Email

POPULAR LATEST COMMENTS TAGS

-  Chevrolet Volt versus Ford C-Max Energi Extended Drive
193 days ago 92
-  All The Results From Independent Test Of Nissan LEAFs With Lost Capacity. Not All Instrument Failure
279 days ago 81
-  Ford Focus Electric Extended One Week Test Drive
383 days ago 77
-  Real World Test: 2013 Nissan LEAF Range vs 2012 Nissan LEAF Range (w/Video)
119 days ago 76
-  Why I'm Trading in My Chevy Volt for a Ford C-MAX Energi
259 days ago 72

remaining Advanced Technology Vehicles
Manufacturing loan program authority under the current eligibility requirements.”

While it might seem reasonable to consider the program not successful and just shut it down, it has actually performed *better than originally expected* when Congress first hashed out the plan in 2007.

The purpose of the ATVM program was to put capital into the hands of ‘green’ companies that otherwise could not have qualified for such loans, and therein lies the risk of any such disbursement. To that end, Congress supported the \$25 billion in loan authority with a **\$7.5 billion** appropriation to fund the credit subsidy directly, that is a **30% risk profile**.

In other words, the cost of promoting advanced tech was going to come with an expectation of some defaults on loans.

“Most applicants and manufacturers noted that public problems with the Solyndra default and other DOE programs have also tarnished the ATVM loan program, contributing to the challenges (to receive loans). They believed the negative publicity makes DOE more risk-averse or makes companies wary of being associated with government support.”



ATVML Loans Funded US-Made Production Of The 2013 Nissan LEAF In Smyrna, TN

The DoE currently has 7 applications on file, requesting \$1.48 billion in total, but none they are active considering paying out. Notable past loan recipients include Ford Motor Co. (\$5.9 billion), Nissan Motors (\$1.4 billion), and Tesla Motors (\$465 million).

Considering the fruit from these three loans alone have created a significant US-based plug-in automotive industry (Californian made Tesla Model S, 2013 Nissan LEAF from Smyrna, TN, and the Focus Electric/C-Max Energi built in Wayne, Michigan), we think the **\$8.4 billion** in loans given out to date has been about as successful as could have been hoped at the time the program was conceived

This new revelation on the cutoff of the ATVM loan program also comes at a time when the President is currently proposing to *divert \$2 billion from oil and gas royalty payments to create the Energy Security Trust*, which is a trust to fund...*alternative technology vehicle research and development*.

...you just couldn't make this stuff up.

(Check out the 32 page Government Accountability Office's report on the status of the loan program [here](#))



Tags: ATVM loan program, ATVM loan program ends, ATVM loan program shutdown, ATVML \$25 billion, ATVML remaining balance, DoE automaker loans stop, Government Accountability Office, Status of DoE Loans



Jay Cole

Get Updates

Subscribe to our e-mail newsletter to receive updates.

Recent Articles

[Jerry Seinfeld Gives David Letterman The Business Over Talk Show Host's Nissan LEAF \(video\)](#)



E-mail

[Edmunds Reviews 2014 Fiat 500e; Says It's a "Charismatic, High-Style Alternative" to Today's EVs](#)

Share This Post

1

[Renault Unveils Twizy Cargo Electric Delivery Vehicle](#)

[Video: Watch This Tesla Model S Performance Edition Zip to its Top Speed](#)

[Bosch Sees Electrification as Key to Hitting Future Emissions Targets for All Vehicles Above Compact Size](#)

3 Responses to "Say What? DoE Cuts Off \$16.6 Billion In Advanced Tech Loans Amidst Obama Proposal Of \$2 Billion More"



David Murray

March 19, 2013 at 8:19 am

Fine.. lets take that \$2 billion and put it into more charging infrastructure. And lets do about 10% quick-charge stations and 90% L2. Maybe also offer some incentives to workplaces to install charging equipment.



Thomas Lester

March 19, 2013 at 8:37 am

DOE staff engaged in criminal corruption to control the market in favor of their friends in Detroit and San Ramon per the GAO, FBI, Senate, Media and other investigations and the corruption lawsuits filed per <http://www.xpvehicles.com>

The public needs to demand federal charges against DOE staff.



doug

March 19, 2013 at 11:59 am

The ATVM loan program needed to end. After the recipients you mentioned, the DOE was hard pressed to find other eligible candidates. At the time, Aptera and Fisker seemed to be considered primarily for name recognition and were quite possibly damaged by the existence of the program. They understandably felt they needed access to the loan in order to be competitive, and often private funds were conditional on receiving the DOE loan.

Aptera tried to get their 3-wheeler defined as a car for the purpose of a loan and then diverted resources to develop a four wheel car in order to qualify. Instead of just shipping the product they had, they end up running out of money before they got anything out the door.

Fisker had already planned to build the Karma in Finland. When details of the loan requirements came out they prematurely moved to produce their second vehicle (then named project Nina) in the US in order to get the loan. The result was they lost focus and bought a plant in Delaware before the kinks were worked out with the Karma. That Boxwood plant has become the definition of boondoggle for Delaware.

Hopefully those remaining funds will go towards battery R&D, charging infrastructure, the purchase of EVs for gov't use, or some other productive way to promote EVs. However, the ATVM in it's current form is dead, as it should be.

<http://www.teslamotorsclub.com/showthread.php/14981-DOE-to-nix-remaining-16-6B-in-ATVM-loan-program>

Leave a Reply

Name (Required)

Mail (will not be published) (Required)

Website



[Privacy Policy](#) [Terms and Conditions](#)

© 2013 Inside EVs. All rights reserved. [Site Admin](#) · [Entries RSS](#) · [Comments RSS](#)

Powered by [WordPress](#) · Designed by [Theme Junkie](#)