



U.S. DEPARTMENT OF  
**ENERGY**

*Advanced Technology Vehicles  
Manufacturing Loan Program*

December 2008



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# 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.



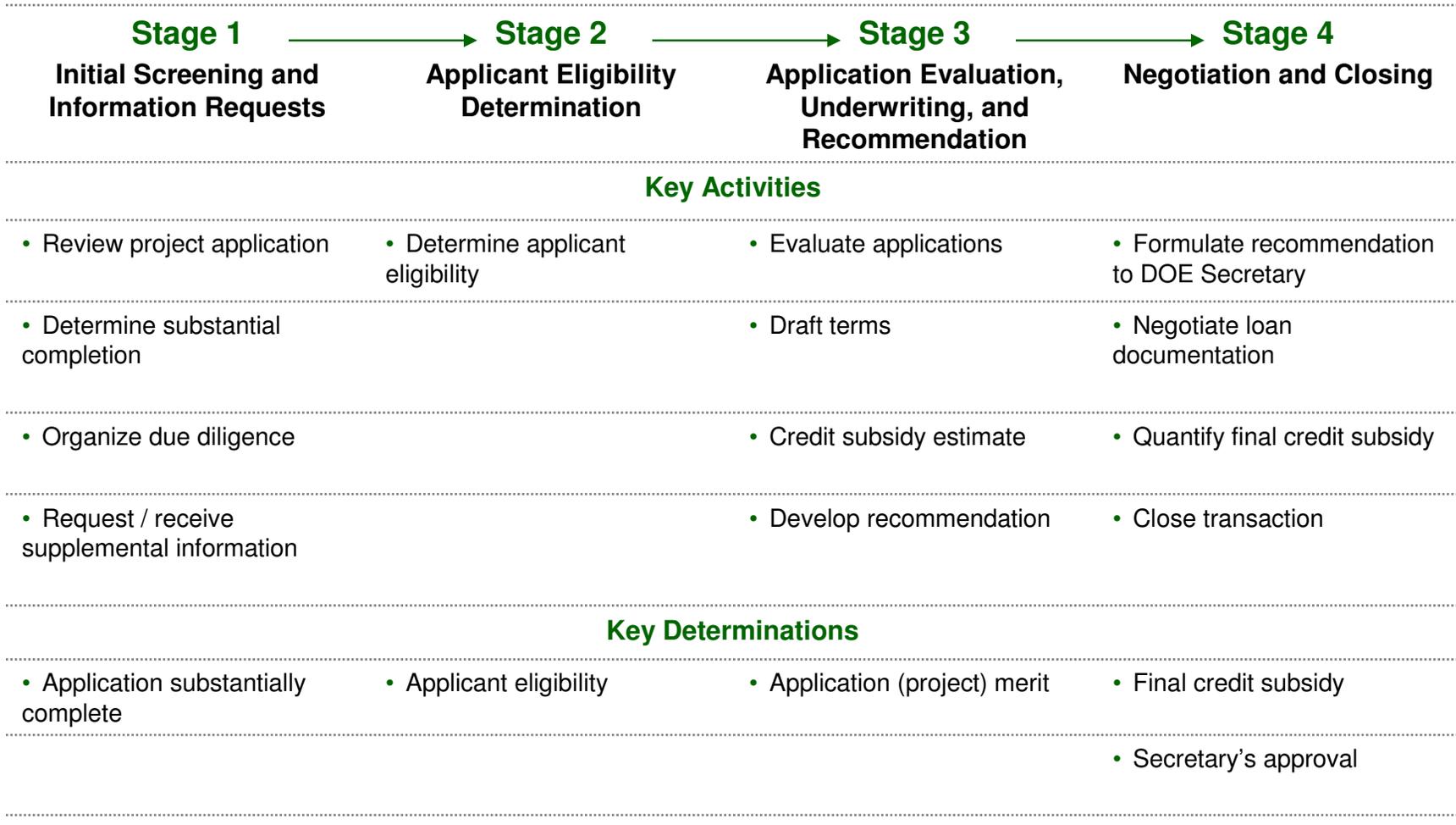
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# Applications

- 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.



# Application Review Process





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# 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.

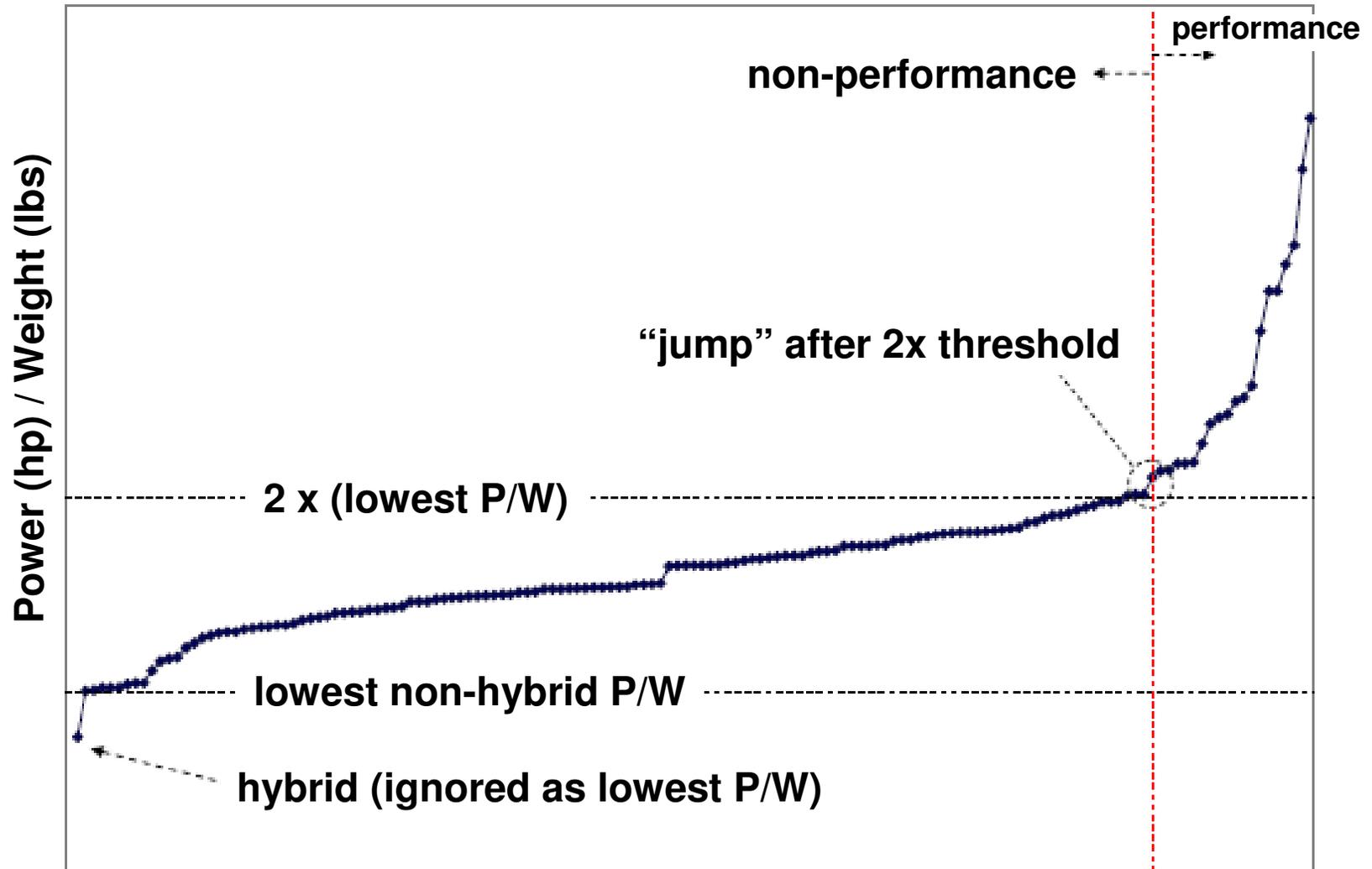


# Technical Baseline

- 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 fuel economy of substantially similar vehicles in a specified base year.
- The IFR established the “base year” for CAFE standards to be Vehicle Model Year (MY) 2005.
- DOE has defined substantially similar attributes as:
  - Classes previously defined by EPA; with
  - Additional subclasses for performance vehicles.
- Qualifying components are designed for advanced technology vehicles and installed for the purpose of meeting the performance requirements for advanced technology vehicles

<b>EPA Vehicle Class Definitions</b>	<b>EPA Vehicle Classes</b>	<b>EPA Vehicle Classes plus Performance Classes</b>
Any vehicle designed to seat two adults	Two Seater	Two-Seater
		Two-Seater Performance
< 85 ft <sup>3</sup>	Mini-compact Sedan	Minicompact Sedan
		Minicompact Performance Sedan
85-99 ft <sup>3</sup>	Subcompact Sedan	Subcompact Sedan
		Subcompact Performance Sedan
100-109 ft <sup>3</sup>	Compact Sedan	Compact Sedan
		Compact Performance Sedan
110-119 ft <sup>3</sup>	Midsize Sedan	Mid-Size Sedan
		Mid-Size Performance Sedan
120 ft <sup>3</sup> or more	Large Sedan	Large Sedan
<130 ft <sup>3</sup>	Small Wagon	Small Wagon
130-159 ft <sup>3</sup>	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 <sup>1</sup> / Weight <sup>2</sup>	2005 Fuel Economy <sup>3</sup>	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

<sup>1</sup> peak horsepower (hp)

<sup>2</sup> curb weight (lbs)

<sup>3</sup> 55/45 (city/highway) composite (mpg)



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# **DOE NEPA**

## Overview

## Environmental Requirements

## Implementation

## Process



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# 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.





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# 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).



## 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.



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# Sample Process

## 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.