



U.S. Department of Energy Issues Rules for Auto Loan Program

November 7, 2008

On November 5, 2007, the United States Department of Energy (DOE) issued an Interim Final Rule for the Advanced Technology Vehicles Manufacturing Incentive Program authorized by section 136 of the Energy Independence and Security Act of 2007. This rule will enable DOE to begin immediately accepting applications from eligible auto manufacturers and suppliers for up to \$25 billion in loans covering up to 80 percent of the costs of reequipping, expanding, and establishing manufacturing facilities in the United States to produce advanced technology vehicles and components for such vehicles.

The deadline for the first round of loans is December 31, 2008. Congress identified the following criteria for eligible projects and costs:

- ▶ Manufacturing facilities be located in the United States;
- ▶ Engineering integration must be performed in the United States;
- ▶ Costs must be reasonably related to the reequipping, expanding, or establishing a manufacturing facility in the United States; and
- ▶ Costs of engineering integration must be performed in the United States.

Furthermore, applicants must show that 1) the technology they provide results in a 25 percent increase in fuel economy over "substantially similar" vehicles based on model year 2005 and 2) that they are "financially viable" in that the applicants have both a "reasonable prospect" they can repay the loan and a positive net present value.

DOE will also be accepting public comments on the Interim Final Rule for 30 days.

Additional information is available at <http://www.atvmloan.energy.gov/index.html>.

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