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ONE HUNDRED TENTH CONGRESS

U.S. House of Representatives Committee on Energy and Commerce Washington, DC 20515-6115

JOHN D. DINGELL, MICHIGAN CHAIRMAN

August 4, 2008

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> The Honorable Samuel W. Bodman Secretary Department of Energy 1000 Independence Avenue, SW Washington, DC 20585

Dear Secretary Bodman:

I am writing to urge the Department of Energy (DOE) to accelerate the rulemaking for Section 136 of the Energy Independence and Security Act of 2007. Section 136, the Advanced Technology Vehicles Manufacturing Incentive Program, is designed to spur the development of advanced vehicles that meet aggressive pollution reduction and fuel economy standards. The sudden rise in gas prices, the subprime mortgage induced credit market tightening, across the board commodity price pressures, and regulatory demands for more fuel efficient vehicles have led to a sudden economic disruption of unprecedented proportion for the domestic automobile industry. These conditions warrant quick action.

Almost four percent of the Nation's total gross domestic product is generated by the sale and production of new light vehicles. According to a 2001 University of Michigan study, the automobile industry relates to more domestic manufacturing, generates more retail business, and creates more domestic employment than any other single industry in the United States. Providing the domestic automobile industry with targeted and timely assistance will help stimulate the entire economy in each of the 50 States.

Automotive sales have plummeted to a seasonally-adjusted rate of 12.55 million units, which would equate to almost 3 million, or 25 percent, fewer vehicles compared to 2007. To put these numbers in context, Ford sold about 2.5 million vehicles in the United States. last year, and Chrysler sold about that amount globally. Thus, speedy implementation of Section 136 is critical.

Section 136 authorized DOE to make facility funding awards and to provide loans to domestic automobile manufacturers to encourage the rapid deployment of advanced technology

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vehicles. Congress enacted the law to help automobile manufacturers and component suppliers re-equip, expand, and establish manufacturing facilities to produce advanced technology vehicles and components and to undertake the required engineering integration to produce the vehicles. Pursuant to subsection (e), DOE was directed to issue regulations to implement the award and loan programs.

Given that the law requires you to begin carrying out Section 136 within one year of enactment, I urge you to complete the rulemaking process by the end of the year so that domestic automobile manufacturers will be able to seek facility funding awards and loans by the beginning of the new year. Given the extraordinary market conditions now facing the industry and the threat of continued high gasoline prices and falling automobile sales will continue to pose to the livelihoods of hard-working Americans and communities across the country, it is essential for the Department to undertake this effort with urgency.

I am committed to securing substantial appropriations to fund the award and loan programs before Congress adjourns for the year.

Given the urgency of this situation. I would appreciate your response no later than August 15, 2008.

incerely,

OHN D. DINGEL CHAIRMAN