

Congress Considers \$550m/Year Green Car Funding

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WASHINGTON (AP) — Targeting more funding for the auto industry, the House is considering an expansion into government-led research of fuel-efficient vehicle technology and making research dollars more available to auto parts suppliers.

The House was expected to vote Wednesday on a bill that could allow the Energy Department to spend up to \$550 million a year to conduct advanced technology vehicle and component part research and development. Aides said it could lead Congress to increase funding for vehicle research later this year by about \$200 million annually.

It represents the latest move by Congress and the Obama administration to aid the auto industry. The White House stepped in with billions of dollars to rescue General Motors and Chrysler and lead the companies through bankruptcy last summer and Congress approved \$25 billion last year to help the industry retool assembly plants to meet tougher fuel economy standards.

Administration officials on Tuesday released plans to raise the gas mileage standards to 35.5 miles per gallon by 2016 and link greenhouse gas emissions and fuel economy requirements.

Rep. Gary Peters, D-Mich., the bill's sponsor, said his home region has "many companies in prime position to lead the world in the development of these exciting new products. The Big Three have undergone immense restructuring, now they must focus on new product development and this investment will go a long way toward that end."

The bill would authorize \$2.9 billion to the Energy Department to boost the research over five years. It would push the government to team up with companies and universities to conduct research on technologies such as batteries for hybrid vehicles, electric cars, hydrogen fuel cells and infrastructure for the electric grid.

Congress is expected to provide funding to pay for the program at a later date.

The legislation would also create a research program for advanced technologies for medium- to heavy-duty commercial trucks and transit vehicles while specifying that the government should partner with a diverse group of companies, non-governmental organizations and academic groups, including those which have not previously worked on government-sponsored research and development.

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The Energy Department in June announced it would lend \$5.9 billion to Ford Motor Co. and about \$2.1 billion to Nissan Motor Co. and Tesla Motors Inc. to upgrade facilities to build fuel-efficient vehicles. Battery manufacturers were awarded \$2.4 billion in federal grants in August to develop electric vehicles and batteries. Other auto suppliers have been seeking similar partnerships with the government.

Bob McKenna, president and CEO of the Motor & Equipment Manufacturers Association, wrote in a letter to lawmakers on Monday that the legislation "will allow motor vehicle suppliers to make the highly efficient components and technologies that will be necessary for future cutting-edge vehicles."

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