



U.S. DEPARTMENT OF **ENERGY**

News Media Contact(s):
(202) 586-4940

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US Energy Secretary Chu Announces Finalized \$5.9 Billion Loan for Ford Motor Company

Washington, DC – Today, Secretary Steven Chu announced that the Department of Energy has closed on its loan offer of \$5.9 billion to Ford Motor Company to transform factories across Illinois, Kentucky, Michigan, Missouri, and Ohio to produce more fuel efficient models. The loan is part of the Department's Advanced Technology Vehicles Manufacturing program, which supports the development of innovative, advanced vehicle technologies to create thousands of clean energy jobs while helping reduce the nation's dangerous dependence on foreign oil. The loan for Ford Motor Company is the first to be finalized since the program was appropriated in the fall of 2008.

This announcement builds on steps taken by the Obama Administration earlier this week to require an average fuel economy of 35.5 miles per gallon in the year 2016. That standard will reduce oil consumption by an estimated 1.8 billion barrels, prevent greenhouse gas emissions of approximately 950 million metric tons, and save consumers more than \$3,000 in fuel costs. The funding announced today will help Ford meet those targets.

"This investment is part of our commitment to creating the clean energy jobs of the future while supporting American innovation," US Energy Secretary Steven Chu said. "We can revitalize the American auto industry and at the same time reduce our dependence on oil and cut our carbon pollution."

On June 23, 2009, DOE issued a conditional loan commitment to Ford to finance up to 80 percent of qualified expenditures to improve the efficiency of light vehicles by using technologies that improve internal combustion engines and transmissions, reduce vehicle weight, reduce vehicle drag with more aerodynamic designs, and improve vehicle efficiency through the development of hybrid and plug-in electric vehicles. The loan proceeds will enable Ford to raise the fuel efficiency of more than a dozen popular models, representing close to two million new vehicles annually, and save more than 200 million gallons of gas a year.

The Advanced Technology Vehicles Manufacturing Loan Program is focusing on helping domestic manufacturers apply the best available technologies to improve the efficiency of the vehicles they produce. In June of this year, the Department of Energy announced conditional loan offers to Ford Motor Company, Tesla Motors, and Nissan Motors for a total of \$8 billion. The program was appropriated \$7.5 billion by Congress to support up to \$25 billion in loans to companies making cars and components in US factories that increase fuel economy at least 25 percent above 2005 fuel economy levels. The Department plans to make additional loans under this program over the next several months to large and small auto manufacturers and parts suppliers up and down the production chain.

Applications for the loan program have included vehicles running on electricity, biofuels, and advanced combustion engines, and were submitted by both car and component makers, US automakers, US manufacturing subsidiaries of non-US-based companies, major US auto parts suppliers, and innovative startups. The intense technical and financial review process is focused not on choosing a single technology over others, but is aimed at promoting multiple approaches for achieving a fuel efficient economy.

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