§611.3 Advanced technology vehicle.

In order to demonstrate that a vehicle is an "advanced technology vehicle", an automobile manufacturer must provide the following:

1. Reequipping, expanding, or establishing a manufacturing facility in the United States to produce qualifying advanced technology vehicles, or qualifying components.
2. Engineering integration performed in the United States for qualifying advanced technology vehicles and qualifying components.

Engineering integration costs are the costs of engineering tasks relating to—
1. Incorporating qualifying components into the design of advanced technology vehicles; and
2. Designing tooling and equipment and developing manufacturing processes and material suppliers for production facilities that produce qualifying components or advanced technology vehicles.

Equivalent vehicle means a light-duty vehicle of the same vehicle classification as specified in 10 CFR part 523.

Financially viable means a reasonable prospect that the Applicant will be able to make payments of principal and interest on the loan as and when such payments become due under the terms of the loan documents, and that the applicant has a net present value that is positive, taking all costs, existing and future, into account.

Grantee means an entity awarded a grant made pursuant to section 136 and this Part.

Light-duty vehicle means passenger automobiles and light trucks.

Light truck is used as that term is defined in 49 CFR part 523.

Loan Documents mean the Agreement and all other instruments, and all documentation among DOE, the borrower, and the Federal Financing Bank evidencing the making, disbursing, secur- ing, collecting, or otherwise administering the loan [references to loan documents also include comparable agreements, instruments, and documentation for other financial obligations for which a loan is requested or issued].

Model year is defined as that term is defined in 49 U.S.C. 32901.

Passenger automobile is used as that term is defined in 49 CFR part 523.

Qualifying components means components that the DOE determines are (1) Designed for advanced technology vehicles; and (2) Installed for the purpose of meeting the performance requirements of advanced technology vehicles.

Secretary means the United States Secretary of Energy.

Security means all property, real or personal, tangible or intangible, required by the provisions of the Loan Documents to secure repayment of any indebtedness of the Borrower under the Loan Documents.
§ 611.100 Eligible applicant.

(a) In order to be eligible to receive a loan under this part, an applicant

(1) Must be either—

(i) An automobile manufacturer that can demonstrate an improved fuel economy as specified in paragraph (b) of this section, or

(ii) A manufacturer of a qualifying component; and

(2) Must be financially viable without receipt of additional Federal funding associated with the proposed eligible project.

(b) Improved fuel economy. (1) If the applicant is an automobile manufacturer that manufactured in model year 2005, vehicles subject to the CAFE requirements, the applicant must demonstrate that its adjusted average fuel economy for its light-duty vehicle fleet produced in the most recent year for which final CAFE compliance data is available, at the time of application, is greater than or equal to the advanced average fuel economy of the applicant’s fleet for MY 2005, based on the MY 2005 final CAFE compliance data.

(2) If the applicant is an automobile manufacturer that did not manufacture in model year 2005, vehicles subject to the CAFE requirements, the applicant must demonstrate that the projected combined fuel economy for the relevant advanced technology vehicle that is the subject of the application is greater than or equal to the industry adjusted average fuel economy for model year 2005 of equivalent vehicles, based on final CAFE compliance data.

(3) The CAFE values under this paragraph are to be calculated using the CAFE procedures applicable to the model year being evaluated.

(4) An applicant must provide fuel economy data, at the model level, relied upon to make the demonstration required by this section.

(5) An applicant that is a manufacturer of a qualifying component under paragraph (a)(1)(ii) of this section does not need to make a showing of improved fuel economy under this paragraph.

(c) In determining under paragraph (a)(2) of this section whether an applicant is financially viable, the Department will consider a number of factors, including, but not limited to:

(1) The applicant’s debt-to-equity ratio as of the date of the loan application;

(2) The applicant’s earnings before interest, taxes, depreciation, and amortization (EBITDA) for the applicant’s most recent fiscal year prior to the date of the loan application;

(3) The applicant’s debt to EBITDA ratio as of the date of the loan application;

(4) The applicant’s interest coverage ratio (calculated as EBITDA divided by interest expenses) for the applicant’s most recent fiscal year prior to the date of the loan application;

(5) The applicant’s fixed charge coverage ratio (calculated as EBITDA plus...