

111TH CONGRESS  
1ST SESSION

# H. R. 3083

To require the Secretary of Commerce to establish a program for the award of grants to States to establish revolving loan funds for small and medium-sized manufacturers to improve energy efficiency and produce clean energy technology, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 2009

Mr. BOCCIERI (for himself, Mr. SPACE, Mr. DRIEHAUS, Mr. RYAN of Ohio, Ms. FUDGE, Ms. KAPTUR, Ms. KILROY, Ms. SUTTON, and Mr. PERRIELLO) introduced the following bill; which was referred to the Committee on Science and Technology

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## A BILL

To require the Secretary of Commerce to establish a program for the award of grants to States to establish revolving loan funds for small and medium-sized manufacturers to improve energy efficiency and produce clean energy technology, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Investments for Manu-  
5       facturing Progress and Clean Technology Act of 2009”  
6       or the “IMPACT Act of 2009”.

1 **SEC. 2. CLEAN ENERGY MANUFACTURING REVOLVING**  
2 **LOAN FUND PROGRAM.**

3 The National Institute of Standards and Technology  
4 Act (15 U.S.C. 271 et seq.) is amended by inserting after  
5 section 26 the following:

6 **“SEC. 27. CLEAN ENERGY MANUFACTURING REVOLVING**  
7 **LOAN FUND PROGRAM.**

8 “(a) PURPOSES.—The purposes of this section are as  
9 follows:

10 “(1) To develop the long-term manufacturing  
11 capacity of the United States.

12 “(2) To create jobs through the retooling and  
13 expansion of manufacturing facilities to produce  
14 clean energy technology products and energy effi-  
15 cient products.

16 “(3) To improve the long-term competitiveness  
17 of domestic manufacturing by increasing the energy  
18 efficiency of manufacturing facilities.

19 “(4) To assist small and medium-sized manu-  
20 facturers diversify operations to respond to emerging  
21 clean energy technology product markets.

22 “(b) DEFINITIONS.—In this section:

23 “(1) CLEAN ENERGY TECHNOLOGY PRODUCT.—  
24 The term ‘clean energy technology product’ means  
25 technology products relating to the following:

26 “(A) Wind turbines.

1 “(B) Solar energy.

2 “(C) Fuel cells.

3 “(D) Advanced batteries, battery systems,  
4 or storage devices.

5 “(E) Biomass equipment.

6 “(F) Geothermal equipment.

7 “(G) Advanced biofuels.

8 “(H) Ocean energy equipment.

9 “(I) Carbon capture and storage.

10 “(J) Such other products as the Secretary  
11 determines—

12 “(i) relate to the production, use,  
13 transmission, storage, control, or conserva-  
14 tion of energy;

15 “(ii) reduce greenhouse gas concentra-  
16 tions;

17 “(iii) achieve the earliest and max-  
18 imum emission reductions within a reason-  
19 able period per dollar invested;

20 “(iv) result in the fewest non-green-  
21 house gas environmental impacts; and

22 “(v) either—

23 “(I) reduce the need for addi-  
24 tional energy supplies by—

1 “(aa) using existing energy  
2 supplies with greater efficiency;  
3 or

4 “(bb) by transmitting, dis-  
5 tributing, or transporting energy  
6 with greater effectiveness  
7 through the infrastructure of the  
8 United States; or

9 “(II) diversity the sources of en-  
10 ergy supply of the United States—

11 “(aa) to strengthen energy  
12 security; and

13 “(bb) to increase supplies  
14 with a favorable balance of envi-  
15 ronmental effects if the entire  
16 technology system is considered.

17 “(2) ENERGY EFFICIENT PRODUCT.—The term  
18 ‘energy efficient product’ means a product that, as  
19 determined by the Secretary in consultation with the  
20 Secretary of Energy—

21 “(A) consumes significantly less energy  
22 than the average amount that all similar prod-  
23 ucts consumed on the day before the date of the  
24 enactment of this Act; or

1           “(B) is a component, system, or group of  
2           subsystems that is designed, developed, and  
3           validated to optimize the energy efficiency of a  
4           product.

5           “(3) HOLLINGS MANUFACTURING EXTENSION  
6           CENTER.—The term ‘Hollings Manufacturing Exten-  
7           sion Center’ means a center established under sec-  
8           tion 25.

9           “(4) HOLLINGS MANUFACTURING PARTNERSHIP  
10          PROGRAM.—The term ‘Hollings Manufacturing Part-  
11          nership Program’ means the program established  
12          under sections 25 and 26.

13          “(5) PROGRAM.—The term ‘Program’ means  
14          the grant program established pursuant to sub-  
15          section (c)(1).

16          “(6) REVOLVING LOAN FUND.—The term ‘re-  
17          volving loan fund’ means a revolving loan fund de-  
18          scribed in subsection (d).

19          “(7) SECRETARY.—Except as otherwise pro-  
20          vided, the term ‘Secretary’ means the Secretary of  
21          Commerce.

22          “(8) SMALL OR MEDIUM-SIZED MANUFAC-  
23          TURER.—The term ‘small or medium-sized manufac-  
24          turer’ means a manufacturer that employs fewer  
25          than 500 full-time equivalent employees at a manu-

1       facturing facility that is not owned or controlled by  
2       an automobile manufacturer.

3       “(c) GRANT PROGRAM.—

4               “(1) ESTABLISHMENT.—Not later than 120  
5       days after the date of the enactment of this section,  
6       the Secretary shall establish a program under which  
7       the Secretary shall award grants to States to estab-  
8       lish revolving loan funds to provide loans to small  
9       and medium-sized manufacturers to finance the cost  
10      of——

11               “(A) reequipping, expanding, or estab-  
12      lishing (including applicable engineering costs)  
13      a manufacturing facility in the United States to  
14      produce——

15                       “(i) clean energy technology products;

16                       “(ii) energy efficient products; or

17                       “(iii) integral component parts of  
18      clean energy technology products or energy  
19      efficient products; or

20               “(B) reducing the energy intensity or  
21      greenhouse gas production of a manufacturing  
22      facility in the United States, including using  
23      energy intensive feedstocks.

1           “(2) MAXIMUM AMOUNT.—The Secretary may  
2           not award a grant under the Program in an amount  
3           that exceeds \$500,000,000 in any fiscal year.

4           “(d) CRITERIA FOR AWARDING GRANTS.—

5           “(1) MATCHING FUNDS.—The Secretary may  
6           make a grant to a State under the Program only if  
7           the State agrees to ensure that for each loan pro-  
8           vided by the State under the Program, not less than  
9           20 percent of the amount of each loan will come  
10          from a non-Federal source.

11          “(2) ADMINISTRATIVE COSTS.—A State receiv-  
12          ing a grant under the Program may only use such  
13          amount of the grant for the costs of administering  
14          the revolving loan fund as the Secretary shall pro-  
15          vide in regulations.

16          “(3) APPLICATION.—Each State seeking a  
17          grant under the Program shall submit to the Sec-  
18          retary an application therefor in such form and in  
19          such manner as the Secretary considers appropriate.

20          “(4) EVALUATION.—The Secretary shall evalu-  
21          ate and prioritize an application submitted by a  
22          State for a grant under the Program on the basis  
23          of—

24                 “(A) the description of the revolving loan  
25                 fund to be established with the grant and how

1       such revolving loan fund will achieve the pur-  
2       poses described in subsection (a);

3               “(B) whether the State will be able to pro-  
4       vide loans from the revolving loan fund to small  
5       or medium-sized manufacturers before the date  
6       that is 120 days after the date on which the  
7       State receives the grant;

8               “(C) a description of how the State will  
9       administer the revolving loan fund in coordina-  
10      tion with other State and Federal programs, in-  
11      cluding programs administered by the Assistant  
12      Secretary for Economic Development;

13              “(D) a description of the actual or poten-  
14      tial clean energy manufacturing supply chains,  
15      including significant component parts, in the re-  
16      gion served by the revolving loan fund;

17              “(E) how the State will target the provi-  
18      sion of loans under the Program to manufactur-  
19      ers located in regions characterized by high un-  
20      employment and sudden and severe economic  
21      dislocation, in particular where mass layoffs  
22      have resulted in a precipitous increase in unem-  
23      ployment;

24              “(F) the availability of a skilled manufac-  
25      turing workforce in the region served by the re-



1           volving loan fund and the capacity of the re-  
2           gion’s workforce and education systems to pro-  
3           vide pathways for unemployed or low-income  
4           workers into skilled manufacturing employment;

5           “(G) a description of how the State will  
6           target loans to small or medium-sized manufac-  
7           turers who are—

8                   “(i) manufacturers of automobile com-  
9                   ponents; and

10                  “(ii) either—

11                          “(I) increasing the energy effi-  
12                          ciency of their manufacturing facili-  
13                          ties; or

14                          “(II) retooling to manufacture  
15                          clean energy products or energy effi-  
16                          cient products, including manufac-  
17                          turing components to improve the  
18                          compliance of an automobile with fuel  
19                          economy standards prescribed under  
20                          section 32902 of title 49, United  
21                          States Code;

22           “(H) a description of how the State will  
23           use the loan fund to achieve the earliest and  
24           maximum greenhouse gas emission reductions  
25           within a reasonable period of time per dollar in-

1           vested and with the fewest non-greenhouse gas  
2           environmental impacts; and

3           “(I) such other factors as the Secretary  
4           considers appropriate to ensure that grants  
5           awarded under the Program effectively and effi-  
6           ciently achieve the purposes described in sub-  
7           section (a).

8           “(e) REVOLVING LOAN FUNDS.—

9           “(1) IN GENERAL.—A State receiving a grant  
10          under the Program shall establish, maintain, and  
11          administer a revolving loan fund in accordance with  
12          this subsection.

13          “(2) DEPOSITS.—A revolving loan fund shall  
14          consist of the following:

15               “(A) Amounts from grants awarded under  
16               this section.

17               “(B) All amounts held or received by the  
18               State incident to the provision of loans de-  
19               scribed in subsection (f), including all collec-  
20               tions of principal and interest.

21          “(3) EXPENDITURES.—Amounts in the revolv-  
22          ing loan fund shall be available for the provision and  
23          administration of loans in accordance with sub-  
24          section (f).

25          “(f) LOANS.—

1           “(1) IN GENERAL.—A State receiving a grant  
2           under this section shall use the amount in the re-  
3           volving loan fund to provide loans to small and me-  
4           dium-sized manufacturers as described in subsection  
5           (c)(1).

6           “(2) LOAN TERMS AND CONDITIONS.—The fol-  
7           lowing shall apply with respect to loans provided  
8           under paragraph (1):

9           “(A) TERMS.—Loans shall have a term de-  
10          termined by the State receiving the grant as  
11          follows:

12               “(i) For fixed assets, the term of the  
13               loan shall not exceed the useful life of the  
14               asset and shall be less than 15 years.

15               “(ii) For working capital, the term of  
16               the loan shall not exceed 36 months.

17           “(B) INTEREST RATES.—Loans shall bear  
18           an interest rate determined by the State receiv-  
19           ing the grant as follows:

20               “(i) The interest rate shall enable the  
21               loan recipient to accomplish the activities  
22               described in subparagraphs (A) and (B) of  
23               subsection (c)(1).

24               “(ii) The interest rate may be set  
25               below-market interest rates.

1                   “(iii) The interest rate may not be  
2                   less than zero percent.

3                   “(iv) The interest rate may not exceed  
4                   the current prime rate plus 500 basis  
5                   points.

6                   “(C) DESCRIPTION AND BUDGET FOR USE  
7                   OF LOAN FUNDS.—Each recipient of a loan  
8                   from a State under the Program shall develop  
9                   and submit to the State and the Secretary a de-  
10                  scription and budget for the use of loan  
11                  amounts, including a description of the fol-  
12                  lowing:

13                   “(i) Any new business expected to be  
14                   developed with the loan.

15                   “(ii) Any improvements to manufac-  
16                   turing operations to be developed with the  
17                   loan.

18                   “(iii) Any technology expected to be  
19                   commercialized with the loan.

20                   “(D) PRIORITY IN REVIEW AND PREF-  
21                   ERENCE IN SELECTION FOR CERTAIN LOAN AP-  
22                   PLICANTS.—

23                   “(i) REVIEW.—In reviewing applica-  
24                   tions submitted by small or medium-sized  
25                   manufacturers for a loan, a recipient of a

1 grant under the Program shall give pri-  
2 ority to small or medium-sized manufac-  
3 turers described in clause (iii).

4 “(ii) SELECTION.—In selecting small  
5 or medium-sized manufacturers to receive  
6 a loan, a recipient of a grant under the  
7 Program shall give preference to small or  
8 medium-sized manufacturers described in  
9 clause (iii).

10 “(iii) PRIORITY AND PREFERRED  
11 SMALL OR MEDIUM-SIZED MANUFACTUR-  
12 ERS.—A small or medium-sized manufac-  
13 turer described in this clause is a manufac-  
14 turer that—

15 “(I) is certified by a Hollings  
16 Manufacturing Extension Center or a  
17 manufacturing-related local inter-  
18 mediary designated by the Secretary  
19 for purposes of providing such certifi-  
20 cation; or

21 “(II) provides individuals em-  
22 ployed at the manufacturing facilities  
23 of the manufacturer—

24 “(aa) pay in amounts that  
25 are, on average, equal to or more

1 than the average wage of an indi-  
2 vidual working in a manufac-  
3 turing facility in the State; and  
4 “(bb) health benefits.

5 “(iv) CERTIFICATION BY HOLLINGS  
6 MANUFACTURING EXTENSION CENTER.—A  
7 Hollings Manufacturing Extension Center  
8 or other entity designated by the Secretary  
9 for purposes of providing certification  
10 under clause (iii)(I) shall only certify appli-  
11 cations for a loan after carrying out a  
12 qualitative and quantitative review of the  
13 applicant’s business strategy, manufac-  
14 turing operations, and technological ability  
15 to contribute to the purposes described in  
16 subsection (a).

17 “(E) REPAYMENT UPON RELOCATION OUT-  
18 SIDE UNITED STATES.—

19 “(i) IN GENERAL.—If a person re-  
20 ceives a loan under paragraph (1) to fi-  
21 nance the cost of reequipping, expanding,  
22 or establishing a manufacturing facility as  
23 described in subsection (c)(1)(A) or to re-  
24 duce the energy intensity of a manufac-  
25 turing facility and such person relocates

1 the production activities of such manufac-  
2 turing facility outside the United States  
3 during the term of the loan, the recipient  
4 shall repay such loan in full with interest  
5 as described in clause (ii) and for a dura-  
6 tion described in clause (iii).

7 “(ii) PAYMENT OF INTEREST.—Any  
8 amount owed by the recipient of a loan  
9 under paragraph (1) who is required to  
10 repay the loan under clause (i) shall bear  
11 interest at a penalty rate determined by  
12 the Secretary to deter recipients of loans  
13 under paragraph (1) from relocating pro-  
14 duction activities as described in clause (i).

15 “(iii) PERIOD OF REPAYMENT.—Re-  
16 payment of a loan under clause (i) shall be  
17 for a duration determined by the Sec-  
18 retary.

19 “(F) COMPLIANCE WITH WAGE RATE RE-  
20 QUIREMENTS.—Each recipient of a loan shall  
21 undertake and agree to incorporate or cause to  
22 be incorporated into all contracts for construc-  
23 tion, alteration or repair, which are paid for in  
24 whole or in part with funds obtained pursuant  
25 to such loan, a requirement that all laborers

1 and mechanics employed by contractors and  
2 subcontractors performing construction, alter-  
3 ation or repair shall be paid wages at rates not  
4 less than those determined by the Secretary of  
5 Labor, in accordance with subchapter IV of  
6 chapter 31 of title 40, United States Code  
7 (known as the ‘Davis-Bacon Act’), to be pre-  
8 vailing for the corresponding classes of laborers  
9 and mechanics employed on projects of a char-  
10 acter similar to the contract work in the same  
11 locality in which the work is to be performed.  
12 The Secretary of Labor shall have, with respect  
13 to the labor standards specified in this subpara-  
14 graph, the authority and functions set forth in  
15 Reorganization Plan Numbered 14 of 1950 (15  
16 F.R. 3176; 64 Stat. 1267) and section 3145 of  
17 title 40, United States Code.

18 “(G) ANNUAL REPORTS BY LOAN RECIPI-  
19 ENTS.—Each recipient of a loan issued by a  
20 State under paragraph (1) shall, not less fre-  
21 quently than once each year during the term of  
22 the loan, submit to such State a report con-  
23 taining such information as the Secretary may  
24 specify for purposes of the Program, including  
25 information that the Secretary can use to deter-



1 mine whether a recipient of a loan is required  
 2 to repay the loan under subparagraph (E).

3 “(3) ANNUAL REPORTS BY GRANT RECIPI-  
 4 ENTS.—Each recipient of a grant under the Pro-  
 5 gram shall, not less frequently than once each year,  
 6 submit to the Secretary a report on the impact of  
 7 each loan issued by the State under the Program  
 8 and the aggregate impact of all loans so issued, in-  
 9 cluding the following:

10 “(A) The sales increased or retained.

11 “(B) Cost savings or costs avoided.

12 “(C) Additional investment encouraged.

13 “(D) Jobs created or retained.

14 “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
 15 is authorized to be appropriated to carry out this section  
 16 \$15,000,000,000 for each of fiscal years 2010 and 2011.”.

17 **SEC. 3. CLEAN ENERGY AND EFFICIENCY MANUFACTURING**  
 18 **PARTNERSHIPS.**

19 (a) HOLLINGS MANUFACTURING PARTNERSHIP PRO-  
 20 GRAM.—Section 25(b) of the National Institute of Stand-  
 21 ards and Technology Act (15 U.S.C. 278k(b)) is amend-  
 22 ed—

23 (1) in paragraph (2), by striking “and” at the  
 24 end;

1           (2) in paragraph (3), by striking the period at  
2           the end and inserting “; and”; and

3           (3) by adding at the end the following:

4           “(4) the establishment of a clean energy manu-  
5           facturing supply chain initiative—

6                   “(A) to support manufacturers in their  
7                   identification of and diversification to new mar-  
8                   kets, including support for manufacturers  
9                   transitioning to the use of clean energy supply  
10                  chains;

11                  “(B) to assist manufacturers improve their  
12                  competitiveness by reducing energy intensity  
13                  and greenhouse gas production, including the  
14                  use of energy intensive feedstocks;

15                  “(C) to increase adoption and implementa-  
16                  tion of innovative manufacturing technologies;

17                  “(D) to coordinate and leverage the exper-  
18                  tise of the National Laboratories and Tech-  
19                  nology Centers and the Industrial Assessment  
20                  Centers of the Department of Energy to meet  
21                  the needs of manufacturers; and

22                  “(E) to identify, assist, and certify manu-  
23                  facturers seeking loans under section  
24                  27(e)(1).”.

1 (b) REDUCTION IN COST SHARE REQUIREMENTS.—  
2 Section 25(c) of such Act (15 U.S.C. 278k(c)) is amend-  
3 ed—

4 (1) in paragraph (1), by inserting “or as pro-  
5 vided in paragraph (5)” after “not to exceed six  
6 years”;

7 (2) in paragraph (3)(B), by striking “not less  
8 than 50 percent of the costs incurred for the first  
9 3 years and an increasing share for each of the last  
10 3 years” and inserting “50 percent of the costs in-  
11 curred or such lesser percentage of the costs in-  
12 curred as determined appropriate by the Secretary  
13 by rule”; and

14 (3) in paragraph (5)—

15 (A) by striking “at declining levels”;

16 (B) by striking “one third” and inserting  
17 “50 percent”; and

18 (C) by inserting “, or such lesser percent-  
19 age as determined appropriate by the Secretary  
20 by rule,” after “maintenance costs”.

21 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
22 are authorized to be appropriated to the Secretary of Com-  
23 merce for the Hollings Manufacturing Partnership Pro-  
24 gram authorized under sections 25 of the National Insti-  
25 tute of Standards and Technology Act (15 U.S.C. 278k)

1 and for the provision of assistance under section 26 of  
2 such Act (15 U.S.C. 278*l*)—

3 (1) \$200,000,000 for fiscal year 2010;

4 (2) \$250,000,000 for fiscal year 2011;

5 (3) \$300,000,000 for fiscal year 2012;

6 (4) \$350,000,000 for fiscal year 2013; and

7 (5) \$400,000,000 for fiscal year 2014.

8 **SEC. 4. TECHNICAL AMENDMENTS.**

9 (a) AMENDMENT TO NATIONAL INSTITUTE OF  
10 STANDARDS AND TECHNOLOGY ACT.—Section 25 of the  
11 National Institute of Standards and Technology Act (15  
12 U.S.C. 278k(b)) is amended—

13 (1) in subsection (a), by striking “(hereafter in  
14 this Act referred to as the ‘Centers’)”; and

15 (2) by adding at the end the following:

16 “(g) DESIGNATION.—

17 “(1) HOLLINGS MANUFACTURING PARTNERSHIP  
18 PROGRAM.—The program under this section shall be  
19 known as the ‘Hollings Manufacturing Partnership  
20 Program’.

21 “(2) HOLLINGS MANUFACTURING EXTENSION  
22 CENTERS.—The Regional Centers for the Transfer  
23 of Manufacturing Technology created and supported  
24 under subsection (a) shall be known as the ‘Hollings

1       Manufacturing Extension Centers’ (in this Act re-  
2       ferred to as the ‘Centers’).”.

3       (b) AMENDMENT TO CONSOLIDATED APPROPRIA-  
4       TIONS ACT, 2005.—Division B of title II of the Consoli-  
5       dated Appropriations Act, 2005 (Public Law 108–447;  
6       118 Stat. 2879; 15 U.S.C. 278k note) is amended under  
7       the heading “INDUSTRIAL TECHNOLOGY SERVICES” by  
8       striking “2007: *Provided further*, That” and all that fol-  
9       lows through “Extension Centers.” and inserting “2007.”.

○