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April 14, 2009

The Honorable Steven Chu
Secretary of Energy
U.S. Department of Energy
1000 Independence Ave., SW
Washington, D.C. 20585

Dear Mr. Secretary:

I write again seeking an update on the Department of Energy's progress implementing the Advanced Technology Vehicles Manufacturing Incentive Program and other advanced battery initiatives.

As you know, the money Congress appropriated for these vital programs represents the nation's first substantial federal commitment to electric drive transportation. It will create and save jobs, stimulate the economy, and decrease our dependence on foreign oil, while positioning the U.S. as a global manufacturing leader in advanced technology vehicles.

These are important goals that I know we are both committed to achieving as quickly as possible. Which is why I know you must have been troubled, as I was, by recent media reports indicating China has adopted an aggressive plan aimed at turning the country into one of the leading producers of hybrid and all-electric vehicles within three years. This commitment from the Chinese government comes as countries in Asia have already dedicated vast resources to build and support these industries.

This is discouraging.

The U.S. invented the plug-in hybrid electric vehicle (PHEV) and the lithium-ion battery. But Asia now manufactures the vast majority of lithium-ion batteries and a Chinese automaker rolled out the first mass-produced PHEV.

Our automotive industry, already struggling to remain relevant in the midst of these new global realities, now faces even stiffer foreign competition. The country or region that becomes the leading producer of batteries and electric drive vehicles may ultimately control green vehicle production worldwide.

While substantial funding resources have been made available by Congress—in the form of direct loans and grants—to develop advanced technology vehicles and batteries here in the U.S., DOE has not awarded a single dollar to domestic manufacturers developing these technologies.

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I understand that only a small amount of loan money may be forthcoming within the next month. Additionally, grant money allocated under the economic recovery package may not be disbursed until September. It appears that DOE's plan for a timely distribution of tax dollars is not keeping pace with rapidly evolving circumstances around the world.

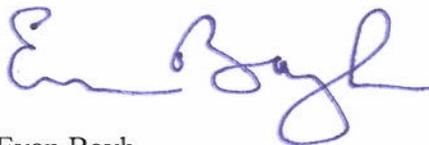
While I applaud the administration's recent announcement to purchase "commercially available" all-electric vehicles for the federal fleet by September 30, 2009, such a goal will be impossible to achieve because affordable, commercially available electric vehicles will not exist by that date. This is why DOE needs to accelerate lending to jumpstart electric drive technologies today. Each day of delay is a day lost to another country.

I am writing, once again, to urge a timely and transparent disbursement of advanced vehicle and battery funds. To that end, please provide me with a status report on the department's progress in awarding the loans and grants to domestic manufacturers of advanced vehicles and batteries.

If we fail to provide funding promptly, we will not only fail in an area of immediate and significant job creation, but we will end up substituting dependency on a different form of imported energy—batteries—for our current dependency on foreign oil.

Mr. Secretary, you wrote to me on February 4 and said the advanced technology vehicle program is one of your "highest personal priorities." I take you at your word and will continue to press this matter in the days ahead.

Sincerely,



Evan Bayh
United States Senator