S 1617 IS

111th CONGRESS

1st Session

S. 1617

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.

IN THE SENATE OF THE UNITED STATES

August 6, 2009

Mr. BROWN (for himself, Ms. STABENOW, Mr. BAYH, Mrs. GILLIBRAND, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the `Investments for Manufacturing Progress and Clean Technology Act of 2009' or the `IMPACT Act of 2009'.

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

(a) In General- Title I of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5201 et seq.) is amended by adding at the end the following:

`SEC. 137. CLEAN ENERGY MANUFACTURING REVOLVING LOAN FUND PROGRAM.

`(a) Purposes- The purposes of this section are as follows:

`(1) To develop the long-term manufacturing capacity of the United States.
(2) To create jobs through the retooling and expansion of manufacturing facilities to produce clean energy technology products and energy efficient products.

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

(4) To assist small and medium-sized manufacturers diversify operations to respond to emerging clean energy technology product markets.

(b) Definitions- In this section:

(1) CLEAN ENERGY TECHNOLOGY PRODUCT- The term ‘clean energy technology product’ means technology products relating to the following:

(A) Wind turbines.

(B) Solar energy.

(C) Fuel cells.

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

(E) Biomass equipment.

(F) Geothermal equipment.

(G) Advanced biofuels.

(H) Ocean energy equipment.

(I) Carbon capture and storage.

(J) Such other products as the Secretary determines--

(i) relate to the production, use, transmission, storage, control, or conservation of energy;

(ii) reduce greenhouse gas concentrations;

(iii) achieve the earliest and maximum emission reductions within a reasonable period per dollar invested;

(iv) result in the fewest non-greenhouse gas environmental impacts; and

(v) either--

(I) reduce the need for additional energy supplies by--

(aa) using existing energy supplies with greater efficiency; or
by transmitting, distributing, or transporting energy with greater effectiveness through the infrastructure of the United States; or

(II) diversify the sources of energy supply of the United States--

(aa) to strengthen energy security; and

(bb) to increase supplies with a favorable balance of environmental effects if the entire technology system is considered.

(2) ENERGY EFFICIENT PRODUCT- The term ‘energy efficient product' means a product that, as determined by the Secretary in consultation with the Secretary of Energy--

(A) consumes significantly less energy than the average amount that all similar products consumed on the day before the date of the enactment of this Act; or

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

(3) HOLLINGS MANUFACTURING EXTENSION CENTER- The term ‘Hollings Manufacturing Extension Center' means a center established under section 25 of the National Institute of Standards and Technology Act (15 U.S.C. 278k).

(4) HOLLINGS MANUFACTURING PARTNERSHIP PROGRAM- The term ‘Hollings Manufacturing Partnership Program' means the program established under sections 25 and 26 of such Act (15 U.S.C. 278k and 278l).

(5) PROGRAM- The term ‘Program' means the grant program established pursuant to subsection (c)(1).

(6) REVOLVING LOAN FUND- The term ‘revolving loan fund' means a revolving loan fund described in subsection (d).

(7) SECRETARY- Except as otherwise provided, the term ‘Secretary' means the Secretary of Commerce.

(8) SMALL OR MEDIUM-SIZED MANUFACTURER- The term ‘small or medium-sized manufacturer' means a manufacturer that employs fewer than 500 full-time equivalent employees at a manufacturing facility that is not owned or controlled by an automobile manufacturer.

(c) Grant Program-

(1) ESTABLISHMENT- Not later than 120 days after the date of the enactment of this section, the Secretary shall establish a program under which the Secretary shall award grants to States to establish revolving loan funds to provide loans to small and medium-sized manufacturers to finance the cost of--

(A) reequipping, expanding, or establishing (including applicable engineering costs) a manufacturing facility in the United States to produce--
(i) clean energy technology products;

(ii) energy efficient products; or

(iii) integral component parts of clean energy technology products or energy efficient products; or

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

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

(d) Criteria for Awarding Grants-

(1) MATCHING FUNDS- The Secretary may make a grant to a State under the Program only if the State agrees to ensure that for each loan provided by the State under the Program, not less than 20 percent of the amount of each loan will come from a non-Federal source.

(2) ADMINISTRATIVE COSTS- A State receiving a grant under the Program may only use such amount of the grant for the costs of administering the revolving loan fund as the Secretary shall provide in regulations.

(3) APPLICATION- Each State seeking a grant under the Program shall submit to the Secretary an application therefor in such form and in such manner as the Secretary considers appropriate.

(4) EVALUATION- The Secretary shall evaluate and prioritize an application submitted by a State for a grant under the Program on the basis of--

(A) the description of the revolving loan fund to be established with the grant and how such revolving loan fund will achieve the purposes described in subsection (a);

(B) whether the State will be able to provide loans from the revolving loan fund to small or medium-sized manufacturers before the date that is 120 days after the date on which the State receives the grant;

(C) a description of how the State will administer the revolving loan fund in coordination with other State and Federal programs, including programs administered by the Assistant Secretary for Economic Development;

(D) a description of the actual or potential clean energy manufacturing supply chains, including significant component parts, in the region served by the revolving loan fund;

(E) how the State will target the provision of loans under the Program to manufacturers located in regions characterized by high unemployment and sudden and severe economic dislocation, in particular where mass layoffs have resulted in a precipitous increase in unemployment;

(F) the availability of a skilled manufacturing workforce in the region served by the revolving loan fund and the capacity of the region's workforce and education systems to provide pathways for unemployed or low-income workers into skilled manufacturing employment;
(G) a description of how the State will target loans to small or medium-sized manufacturers who are--

(i) manufacturers of automobile components; and

(ii) either--

(I) increasing the energy efficiency of their manufacturing facilities; or

(II) retooling to manufacture clean energy products or energy efficient products, including manufacturing components to improve the compliance of an automobile with fuel economy standards prescribed under section 32902 of title 49, United States Code;

(H) a description of how the State will use the loan fund to achieve the earliest and maximum greenhouse gas emission reductions within a reasonable period of time per dollar invested and with the fewest non-greenhouse gas environmental impacts; and

(I) such other factors as the Secretary considers appropriate to ensure that grants awarded under the Program effectively and efficiently achieve the purposes described in subsection (a).

(e) Revolving Loan Funds-

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

(2) DEPOSITS- A revolving loan fund shall consist of the following:

(A) Amounts from grants awarded under this section.

(B) All amounts held or received by the State incident to the provision of loans described in subsection (f), including all collections of principal and interest.

(3) EXPENDITURES- Amounts in the revolving loan fund shall be available for the provision and administration of loans in accordance with subsection (f).

(f) Loans-

(1) IN GENERAL- A State receiving a grant under this section shall use the amount in the revolving loan fund to provide loans to small and medium-sized manufacturers as described in subsection (c)(1).

(2) LOAN TERMS AND CONDITIONS- The following shall apply with respect to loans provided under paragraph (1):

(A) TERMS- Loans shall have a term determined by the State receiving the grant as follows:

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

(ii) For working capital, the term of the loan shall not exceed 36 months.
(B) INTEREST RATES- Loans shall bear an interest rate determined by the State receiving the grant as follows:

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

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

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

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

(C) DESCRIPTION AND BUDGET FOR USE OF LOAN FUNDS- Each recipient of a loan from a State under the Program shall develop and submit to the State and the Secretary a description and budget for the use of loan amounts, including a description of the following:

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

(ii) Any improvements to manufacturing operations to be developed with the loan.

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

(D) PRIORITY IN REVIEW AND PREFERENCE IN SELECTION FOR CERTAIN LOAN APPLICANTS-

(i) REVIEW- In reviewing applications submitted by small or medium-sized manufacturers for a loan, a recipient of a grant under the Program shall give priority to small or medium-sized manufacturers described in clause (iii).

(ii) SELECTION- In selecting small or medium-sized manufacturers to receive a loan, a recipient of a grant under the Program shall give preference to small or medium-sized manufacturers described in clause (iii).

(iii) PRIORITY AND PREFERRED SMALL OR MEDIUM-SIZED MANUFACTURERS- A small or medium-sized manufacturer described in this clause is a manufacturer that--

(I) is certified by a Hollings Manufacturing Extension Center or a manufacturing-related local intermediary designated by the Secretary for purposes of providing such certification; or

(II) provides individuals employed at the manufacturing facilities of the manufacturer--

(aa) pay in amounts that are, on average, equal to or more than the average wage of an individual working in a manufacturing facility in the State; and

(bb) health benefits.

(iv) CERTIFICATION BY HOLLINGS MANUFACTURING EXTENSION CENTER- A Hollings Manufacturing Extension Center or other entity designated by the Secretary for purposes of providing certification under clause (iii)(I) shall only certify applications for a loan after carrying out a qualitative and quantitative review of the applicant's business strategy, manufacturing operations, and
technological ability to contribute to the purposes described in subsection (a).

`(E) REPAYMENT UPON RELOCATION OUTSIDE UNITED STATES-

`(i) IN GENERAL- If a person receives a loan under paragraph (1) to finance the cost of reequipping, expanding, or establishing a manufacturing facility as described in subsection (c)(1)(A) or to reduce the energy intensity of a manufacturing facility and such person relocates the production activities of such manufacturing facility outside the United States during the term of the loan, the recipient shall repay such loan in full with interest as described in clause (ii) and for a duration described in clause (iii).

`(ii) PAYMENT OF INTEREST- Any amount owed by the recipient of a loan under paragraph (1) who is required to repay the loan under clause (i) shall bear interest at a penalty rate determined by the Secretary to deter recipients of loans under paragraph (1) from relocating production activities as described in clause (i).

`(iii) PERIOD OF REPAYMENT- Repayment of a loan under clause (i) shall be for a duration determined by the Secretary.

`(F) COMPLIANCE WITH WAGE RATE REQUIREMENTS- Each recipient of a loan shall undertake and agree to incorporate or cause to be incorporated into all contracts for construction, alteration or repair, which are paid for in whole or in part with funds obtained pursuant to such loan, a requirement that all laborers and mechanics employed by contractors and subcontractors performing construction, alteration or repair shall be paid wages at rates not less than those determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code (known as the `Davis-Bacon Act'), to be prevailing for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the same locality in which the work is to be performed. The Secretary of Labor shall have, with respect to the labor standards specified in this subparagraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 3145 of title 40, United States Code.

`(G) ANNUAL REPORTS BY LOAN RECIPIENTS- Each recipient of a loan issued by a State under paragraph (1) shall, not less frequently than once each year during the term of the loan, submit to such State a report containing such information as the Secretary may specify for purposes of the Program, including information that the Secretary can use to determine whether a recipient of a loan is required to repay the loan under subparagraph (E).

`(3) ANNUAL REPORTS BY GRANT RECIPIENTS- Each recipient of a grant under the Program shall, not less frequently than once each year, submit to the Secretary a report on the impact of each loan issued by the State under the Program and the aggregate impact of all loans so issued, including the following:

`(A) The sales increased or retained.

`(B) Cost savings or costs avoided.

`(C) Additional investment encouraged.

`(D) Jobs created or retained.
(g) Authorization of Appropriations- There is authorized to be appropriated to carry out this section $15,000,000,000 for each of fiscal years 2010 and 2011.’.

(b) Clerical Amendment- The table of contents in section 1(b) of such Act (Public Law 110-343; 122 Stat. 3765) is amended by inserting after the item relating to section 136 the following:

‘Sec. 137. Clean energy manufacturing revolving loan fund program.’.

SEC. 3. CLEAN ENERGY AND EFFICIENCY MANUFACTURING PARTNERSHIPS.

(a) Hollings Manufacturing Partnership Program- Section 25(b) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(b)) is amended--

(1) in paragraph (2), by striking `and' at the end;

(2) in paragraph (3), by striking the period at the end and inserting `; and'; and

(3) by adding at the end the following:

`(4) the establishment of a clean energy manufacturing supply chain initiative--

`(A) to support manufacturers in their identification of and diversification to new markets, including support for manufacturers transitioning to the use of clean energy supply chains;

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

`(C) to increase adoption and implementation of innovative manufacturing technologies;

`(D) to coordinate and leverage the expertise of the National Laboratories and Technology Centers and the Industrial Assessment Centers of the Department of Energy to meet the needs of manufacturers; and

`(E) to identify, assist, and certify manufacturers seeking loans under section 137(e)(1) of the Emergency Economic Stabilization Act of 2008.’.

(b) Reduction in Cost Share Requirements- Section 25(c) of such Act (15 U.S.C. 278k(c)) is amended--

(1) in paragraph (1), by inserting `or as provided in paragraph (5)' after `not to exceed six years';

(2) in paragraph (3)(B), by striking `not less than 50 percent of the costs incurred for the first 3 years and an increasing share for each of the last 3 years' and inserting `50 percent of the costs incurred or such lesser percentage of the costs incurred as determined appropriate by the Secretary by rule'; and

(3) in paragraph (5)--

(A) by striking `at declining levels';
(B) by striking `one third' and inserting `50 percent'; and

(C) by inserting `, or such lesser percentage as determined appropriate by the Secretary by rule,' after `maintenance costs'.

(c) Authorization of Appropriations- There are authorized to be appropriated to the Secretary of Commerce for the Hollings Manufacturing Partnership Program authorized under sections 25 of the National Institute of Standards and Technology Act (15 U.S.C. 278k) and for the provision of assistance under section 26 of such Act (15 U.S.C. 278l)--

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

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

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

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

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

SEC. 4. TECHNICAL AMENDMENTS.

(a) Amendment to National Institute of Standards and Technology Act- Section 25 of the National Institute of Standards and Technology Act (15 U.S.C. 278k(b)) is amended--

(1) in subsection (a), by striking `(hereafter in this Act referred to as the `Centers')'; and

(2) by adding at the end the following:

`(g) Designation-

`(1) HOLLINGS MANUFACTURING PARTNERSHIP PROGRAM- The program under this section shall be known as the `Hollings Manufacturing Partnership Program'.

`(2) HOLLINGS MANUFACTURING EXTENSION CENTERS- The Regional Centers for the Transfer of Manufacturing Technology created and supported under subsection (a) shall be known as the `Hollings Manufacturing Extension Centers' (in this Act referred to as the `Centers').'.

(b) Amendment to Consolidated Appropriations Act, 2005- Division B of title II of the Consolidated Appropriations Act, 2005 (Public Law 108-447; 118 Stat. 2879; 15 U.S.C. 278k note) is amended under the heading `INDUSTRIAL TECHNOLOGY SERVICES' by striking `2007: Provided further, That' and all that follows through `Extension Centers.' and inserting `2007.'.

END