

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.

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 (a) IN GENERAL.—Title I of the Emergency Eco-
4 nomic Stabilization Act of 2008 (12 U.S.C. 5201 et seq.)
5 is amended by adding at the end the following:

6 **“SEC. 137. 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) diversify 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 of the National Institute of Standards and
9 Technology Act (15 U.S.C. 278k).

10 “(4) HOLLINGS MANUFACTURING PARTNERSHIP
11 PROGRAM.—The term ‘Hollings Manufacturing Part-
12 nership Program’ means the program established
13 under sections 25 and 26 of such Act (15 U.S.C.
14 278k and 278l).

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

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

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

24 “(8) SMALL OR MEDIUM-SIZED MANUFAC-
25 TURER.—The term ‘small or medium-sized manufac-

1 turer’ means a manufacturer that employs fewer
2 than 500 full-time equivalent employees at a manu-
3 facturing facility that is not owned or controlled by
4 an automobile manufacturer.

5 “(c) GRANT PROGRAM.—

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

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

17 “(i) clean energy technology products;

18 “(ii) energy efficient products; or

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

22 “(B) reducing the energy intensity or
23 greenhouse gas production of a manufacturing
24 facility in the United States, including using
25 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 (b) CLERICAL AMENDMENT.—The table of contents
18 in section 1(b) of such Act (Public Law 110–343; 122
19 Stat. 3765) is amended by inserting after the item relating
20 to section 136 the following:

“Sec. 137. Clean energy manufacturing revolving loan fund program.”.

21 **SEC. 3. CLEAN ENERGY AND EFFICIENCY MANUFACTURING**
22 **PARTNERSHIPS.**

23 (a) HOLLINGS MANUFACTURING PARTNERSHIP PRO-
24 GRAM.—Section 25(b) of the National Institute of Stand-

1 ards and Technology Act (15 U.S.C. 278k(b)) is amend-
2 ed—

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

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

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

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

10 “(A) to support manufacturers in their
11 identification of and diversification to new mar-
12 kets, including support for manufacturers
13 transitioning to the use of clean energy supply
14 chains;

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

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

21 “(D) to coordinate and leverage the exper-
22 tise of the National Laboratories and Tech-
23 nology Centers and the Industrial Assessment
24 Centers of the Department of Energy to meet
25 the needs of manufacturers; and

1 “(E) to identify, assist, and certify manu-
2 facturers seeking loans under section 137(e)(1)
3 of the Emergency Economic Stabilization Act of
4 2008.”.

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

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

11 (2) in paragraph (3)(B), by striking “not less
12 than 50 percent of the costs incurred for the first
13 3 years and an increasing share for each of the last
14 3 years” and inserting “50 percent of the costs in-
15 curred or such lesser percentage of the costs in-
16 curred as determined appropriate by the Secretary
17 by rule”; and

18 (3) in paragraph (5)—

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

20 (B) by striking “one third” and inserting
21 “50 percent”; and

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

1 (c) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Secretary of Com-
3 merce for the Hollings Manufacturing Partnership Pro-
4 gram authorized under sections 25 of the National Insti-
5 tute of Standards and Technology Act (15 U.S.C. 278k)
6 and for the provision of assistance under section 26 of
7 such Act (15 U.S.C. 278l)—

8 (1) \$200,000,000 for fiscal year 2010;

9 (2) \$250,000,000 for fiscal year 2011;

10 (3) \$300,000,000 for fiscal year 2012;

11 (4) \$350,000,000 for fiscal year 2013; and

12 (5) \$400,000,000 for fiscal year 2014.

13 **SEC. 4. TECHNICAL AMENDMENTS.**

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

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

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

21 “(g) DESIGNATION.—

22 “(1) HOLLINGS MANUFACTURING PARTNERSHIP
23 PROGRAM.—The program under this section shall be
24 known as the ‘Hollings Manufacturing Partnership
25 Program’.

1 “(2) HOLLINGS MANUFACTURING EXTENSION
2 CENTERS.—The Regional Centers for the Transfer
3 of Manufacturing Technology created and supported
4 under subsection (a) shall be known as the ‘Hollings
5 Manufacturing Extension Centers’ (in this Act re-
6 ferred to as the ‘Centers’).”.

7 (b) AMENDMENT TO CONSOLIDATED APPROPRIA-
8 TIONS ACT, 2005.—Division B of title II of the Consoli-
9 dated Appropriations Act, 2005 (Public Law 108–447;
10 118 Stat. 2879; 15 U.S.C. 278k note) is amended under
11 the heading “INDUSTRIAL TECHNOLOGY SERVICES” by
12 striking “2007: *Provided further, That*” and all that fol-
13 lows through “Extension Centers.” and inserting “2007.”.

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