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For media information, contact:

Ann McCulloch, MEMA
202-312-9242
202-494-7988 cell
amcculloch@mema.org

Motor Vehicle Parts Suppliers Message to Congress: Support \$25 Billion Auto Loan Program

WASHINGTON, D.C. – Representatives from the nation’s leading automotive and heavy duty suppliers visited the offices of over 40 Senators and Members of Congress urging quick action on funding for a provision approved in last year’s Energy Independence and Security Act (EISA). Section 136 of EISA authorizes for direct loans and other programs to provide U.S. investment in reequipping, expanding, or establishing a manufacturing facility for the manufacturing of new advanced technology vehicles and equipment. Supplier representatives strongly encouraged Congress to fund the Section 136 program in FY 2009 at the full \$25 billion authorization, to allow more domestic manufacturing plants to qualify for direct loans, and to give the bill immediately to the Department of Energy to draft regulations to implement the program.

“This program, which already has been approved by Congress and the President, needs its full funding,” said Ann Wilson, senior vice president for government relations for the Motor & Equipment Manufacturers Association. “We strongly believe that this program will give auto makers and their suppliers a needed shot in the arm as we all try to meet the new fuel efficiency mandates.”

Wilson said that suppliers would use these loans to add new facilities or to convert existing facilities to more flexible operations supporting a wider range of options required under the EISA – including light weight materials, dual clutch transmissions, key enablers for hybrids, plug-in hybrids, electric, clean diesel, fuel cell, turbo gas, and turbo diesel vehicles – and to develop components required for and compatible with the use of cellulosic and non-carbon fuel sources.

“Without these funds, it will prove difficult for many suppliers to participate in the new vehicle platforms mandated in the legislation,” Wilson said.

According to recent studies, motor vehicle suppliers employ 783,100 in the United States and contribute to 4.5 million domestic jobs. Suppliers provide 70 percent of the content of U.S.-built cars and trucks. Suppliers manufacture the parts and technology used in the production of more than 11 million new cars and trucks produced each year, and the aftermarket products necessary to repair and maintain more than 247 million vehicles on the road today. For more information on the motor vehicle parts

supplier industry, please visit www.mema.org or www.automotivesupplier.org.

About MEMA

MEMA supports its members through its three market segment associations, Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA), and Original Equipment Suppliers Association (OESA). For more information on the motor vehicle parts supplier industry, visit www.mema.org or www.automotivesupplier.org.