

**FINDING OF NO SIGNIFICANT IMPACT
DEPARTMENT OF ENERGY LOAN TO NEXT AUTOWORKS LOUISIANA, LLC
(FORMERLY V-VEHICLE COMPANY) FOR AN ADVANCED TECHNOLOGY
GASOLINE VEHICLE MANUFACTURING PROJECT IN MONROE, LOUISIANA**

AGENCY: U.S. Department of Energy, Loan Programs Office

ACTION: Finding of No Significant Impact

SUMMARY: The U.S. Department of Energy (DOE) has conducted an environmental assessment (EA) that analyzed the potential environmental impacts associated with the production of an advanced technology gasoline-powered four-door hatchback vehicle named the V Car. The Next Autoworks Louisiana, LLC (Next Autoworks Louisiana) project would include the expansion and reequipping of a Monroe, Louisiana, manufacturing plant and engineering integration of the V Car. When the plant is operational, Next Autoworks Louisiana proposes to manufacture plastic and vehicle body components and conduct final assembly of the V Car, utilizing components shipped to the facility by rail and truck. At full production, Next Autoworks Louisiana proposes to produce 150,000 V Cars annually.

DOE, through its Loan Programs Office (LPO), proposes to provide a Federal loan¹ pursuant to Section 136 of the Energy Independence and Security Act of 2007 (P.L. 110-140). Section 136 authorized the Advanced Technology Vehicles Manufacturing Incentive Loan Program to facilitate the development of energy-efficient vehicles. The purpose of DOE's action is to encourage the production of U.S. advanced technology vehicles that provide meaningful improvements in fuel economy performance.

As a result of fuel economy improvement, the V Car meets the definition of an advanced technology vehicle. The EA analysis indicates that compared to the average new passenger car produced in Model Year 2011, the fuel savings realized would result in an annual reduction of 162,600 metric tons per year of carbon dioxide equivalent (CO₂e) emissions. Assuming a typical service life of 7 years, minimal fleet attrition, and continued production and operation of V Cars, a total reduction of 4.1 million metric tons of CO₂e emissions is estimated. Savings would continue to grow as the vehicle fleet expands.

In accordance with applicable regulations and policies, DOE sent a notification letter regarding the Department's determination to prepare an EA to the Louisiana Department of Environmental Quality and Ouachita Parish, Louisiana, on January 8, 2010. The letter described the proposed action and stated that a draft EA would be sent to the State for review. On October 27, 2010, DOE sent the Draft EA to the Louisiana Department of Environmental Quality and Ouachita Parish inviting their comments on the draft. The Draft EA was also posted on the Loan

¹ The amount requested for the loan is not being disclosed at this time because it is business sensitive. Moreover, should DOE approve a loan, the amount may differ from the original request.

Programs Office website. DOE received no comments except for one letter from the Louisiana Department of Environmental Quality, which raised no objections to the proposed action, but supplied a central point of contact for future communications during project construction, and a general list of permits for informational purposes.

On February 24, 2010, DOE also invited the Alabama-Coushatta American Indian Tribe to engage in government-to-government consultation concerning the proposed loan to Next Autoworks Louisiana. The Historic Preservation Officer of the Tribe responded on March 10, 2010, stating that the proposed location was beyond their scope of interest and that no impacts to religious, cultural, or historical assets of their Tribe would occur in conjunction with the proposed project.

All discussion and analysis related to the potential impacts of construction and operation of the proposed Next Autoworks Louisiana project are contained in the Final EA (DOE/EA-1732), which is incorporated herein by reference. DOE examined potential impacts on the following resources and found none to be significant: floodplains; wetlands; water resources and water quality; threatened or endangered species and critical habitats; prime or unique farmlands; geology and soils; visual, recreational, and aesthetic resources; property of historic, archaeological, or architectural significance; Native American concerns; environmental justice; public health and safety; air quality; global climate change; waste management; transportation; socioeconomic conditions; noise; and terrorism-related impacts.

Among the resources analyzed, the DOE action is within a FEMA-designated 100-year floodplain. Per the provisions of Executive Order 11988, Floodplain Management, and DOE's implementing regulations found at 10 CFR 1022, DOE conducted a floodplain assessment and incorporated the analysis into the EA. A notice of floodplain action was published in the Monroe, Louisiana, *The News-Star* on January 17, 2010. On January 21, 2010, FEMA issued a conditional letter of Map Revision indicating that the action would not be located in a Special Flood Hazard Area due to Next Autoworks Louisiana's plans to construct a sump area for flood storage to compensate for floodplain capacity reduced by construction fill. The floodplain statement of findings is attached to this Finding of No Significant Impact, and its availability will be announced in *The News-Star*.

After a project review by the Army Corps of Engineers (Corps), the Corps issued a permit with mitigation provisions requiring Next Autoworks Louisiana to offset wetland impacts associated with the proposed project by restoring 46 acres of degraded wetlands at a mitigation project in Madison Parish, Louisiana. The permit also requires that Next Autoworks Louisiana preserve the remaining wetlands at the project site through the use of a mitigation covenant.

DETERMINATION: On the basis of the Final EA, DOE has determined that providing a Federal loan to Next Autoworks Louisiana to support engineering integration of the V Car and construction and startup of the proposed manufacturing facility in Monroe, Louisiana, will not have a significant effect on the human environment. The preparation of an environmental impact statement is therefore not required, and DOE is issuing this Finding of No Significant Impact.

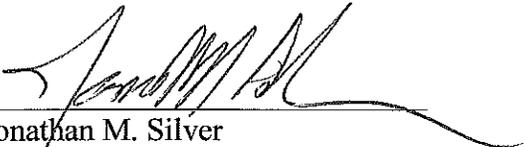
A copy of the Final EA is available at the DOE Loan Programs Office website at http://www.lgprogram.energy.gov/NEPA_EA.html or from

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Additional information on the DOE NEPA process is available from:

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U.S. Department of Energy
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Issued in Washington, DC on the 24 day of Jan. in the year 2011.



Jonathan M. Silver
Executive Director
Loan Programs Office

ATTACHMENT
FLOODPLAIN STATEMENT OF FINDINGS
DEPARTMENT OF ENERGY LOAN TO NEXT AUTOWORKS LOUISIANA, LLC
(FORMERLY V-VEHICLE COMPANY) FOR AN ADVANCED TECHNOLOGY
GASOLINE VEHICLE MANUFACTURING PROJECT IN MONROE, LOUISIANA

The U.S. Department of Energy (DOE) proposed action is to issue a loan to Next Autoworks Louisiana, LLC (Next Autoworks Louisiana) – formerly V-Vehicle Company – for the production of an advanced technology gasoline-powered vehicle named the V Car. Next Autoworks Louisiana’s project would include the expansion and reequipping of a Monroe, Louisiana manufacturing plant, formerly the Guide Plant (see Figure 1). The existing facility is 425,000 square feet, and would be increased to approximately 800,000 square feet. Out of three planned construction phases, and under the terms of environmental permits obtained, Next Autoworks Louisiana has almost completed Phase 1 activities, which included performing demolition and remediation activities to address waste materials left from Guide Plant operations, and the relocation of Bennett Bayou channel, a perennial stream that runs through the property. Phase 1 activities were undertaken using sources of funding other than a DOE loan. Construction Phases 2 and 3 are expected to be initiated shortly after the loan closes, and would include renovation of the existing building and expansion of the existing facility, respectively.

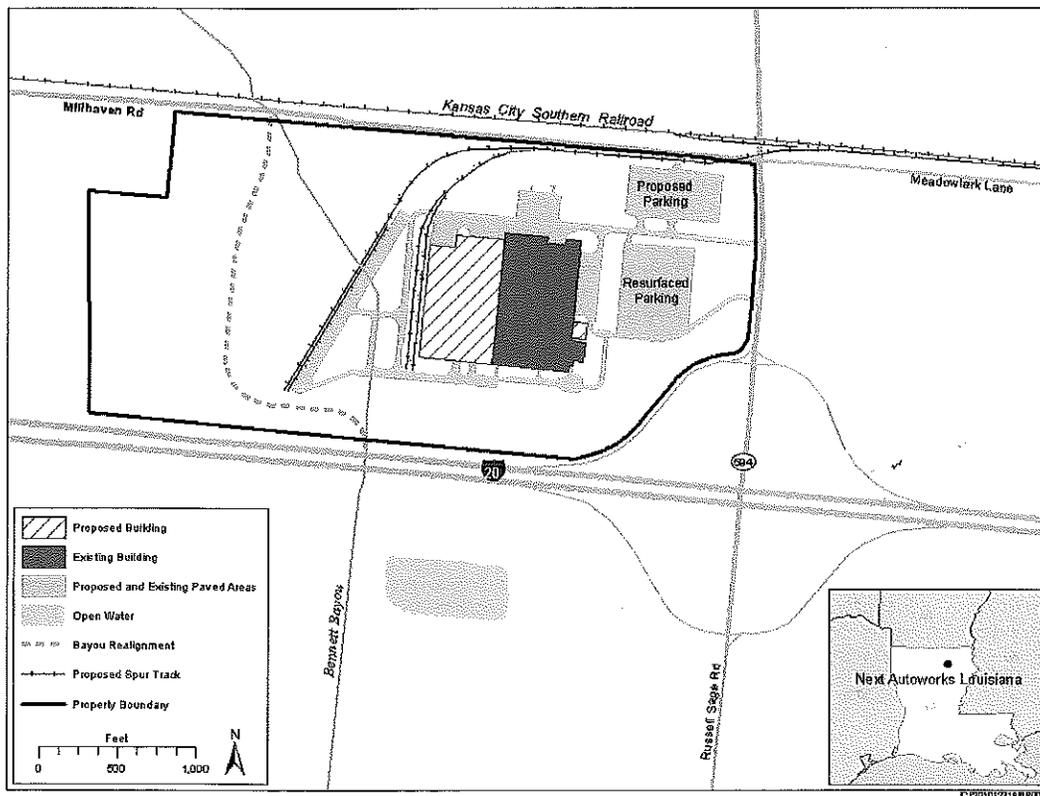


Figure 1. Map of Proposed Next Autoworks Louisiana Automotive Assembly Facility, Monroe, Louisiana

The 182.2-acre project property is part of the Lafourche Bayou floodplain and is within the 100-year and 500-year floodplains, as determined by the Federal Emergency Management Agency (FEMA). The 500-year floodplain is mapped where the existing 425,000-square-foot building sits, while the 100-year

floodplain is mapped throughout the rest of the property (see Figure 2). The site does not fall within a designated floodway area.

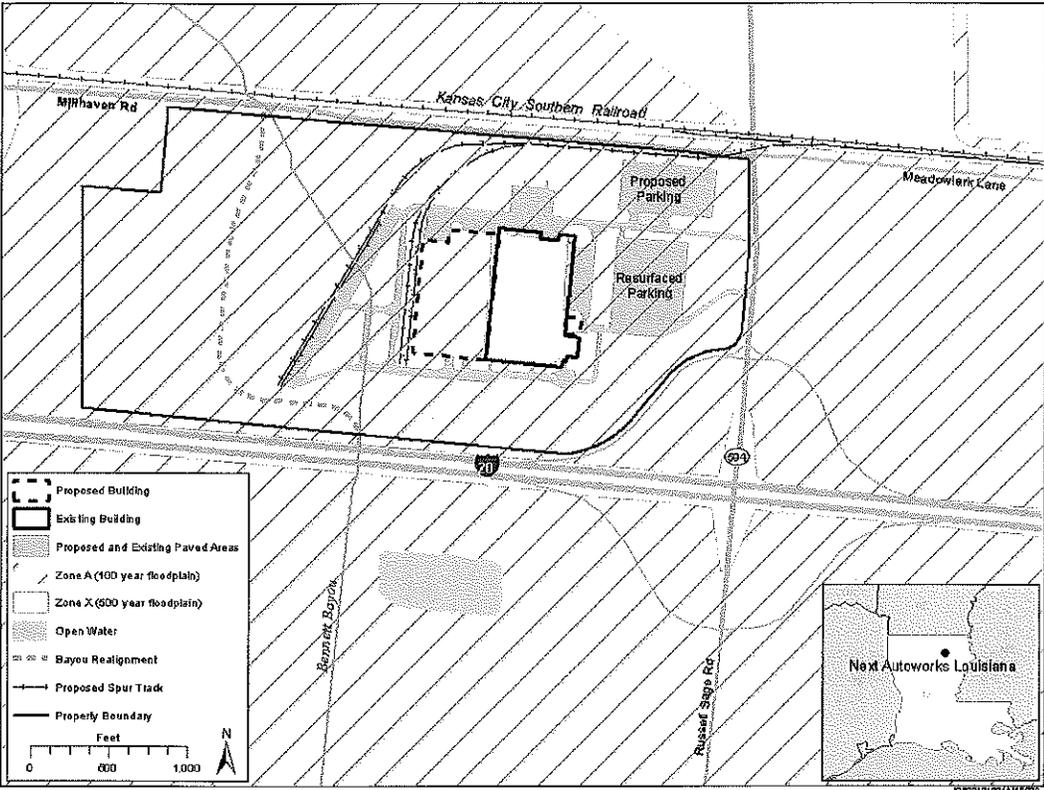


Figure 2. Floodplains at the Project Site

Next Autoworks Louisiana considered several alternative locations using a site-selection process for its proposed automotive plant. The Next Autoworks Louisiana preferred option was to re-tool and re-use an existing industrial facility in the southeast United States in accordance with Next Autoworks Louisiana’s business and logistical models. To assist with site selection, Next Autoworks Louisiana hired a site-selection consultant, a construction, development and environmental advisory service, and a design/build general contractor. Utilizing these resources and comprehensive site-selection criteria, Next Autoworks Louisiana executed an 11-state search that examined more than 400 existing facilities, and performed due diligence visits to more than 15 specific sites in 9 states. Site-selection criteria included available acreage, plant size, road and rail access, labor-force availability, labor costs, environmental considerations, and socioeconomic impacts.

Based on these criteria Next Autoworks Louisiana selected three finalist locations - two re-use sites and one development-ready site. The re-use locations were the former General Motors Guide Division facility in Monroe, Louisiana, and a former Pillowtex textile plant in Phenix City, Alabama (in the Columbus, Georgia, metropolitan area). The development-ready site was the Crossroads mega site in Lowndes County, Mississippi, approximately 10 miles west of Columbus, Mississippi. In considering potential sites, Next Autoworks Louisiana weighed environmental benefits and costs against economic benefits and costs, while also considering infrastructure, technological constraints, and procedural (permitting) requirements. The State of Louisiana and local Monroe entities have provided Next Autoworks Louisiana with more than \$133 million in incentives, including \$87 million in performance-

based grants for the Monroe site. Next Autoworks Louisiana selected the Monroe site because of the combination of the re-use of an existing industrial site, state and local financial support, and favorable logistics conditions.

Given the extensive reach of the 100-year floodplain in Ouachita Parish, it would be difficult to find a practicable non-floodplain alternative location in the project area where a new facility could be built or with similar existing facility and infrastructure that could be expanded and utilized. According to floodplain maps, the eastern half of Ouachita Parish and large areas of western Ouachita Parish are within 100-year floodplains.

Next Autoworks Louisiana also looked at all expansion configuration options within the Monroe site. However, the entire undeveloped portions of the site are located within the 100-year floodplain.

DOE has determined that the proposed action conforms to applicable floodplain protection standards. DOE/EA-1732 Section 3.6.2.2 contains the floodplain assessment summarized in this statement of findings.

Construction of the addition to the facility, rail spurs, and parking lots would require the placement of fill on the property to raise the ground that is below the Base Flood Elevation (BFE)². The footprint of the expansion is estimated to include approximately 25 acres of 100-year floodplain. This would result in a loss of floodplain capacity. However, as part of the Bennett Bayou relocation, a new storm-water retention sump area has been excavated to replace 100-year floodplain capacity that would be lost as a result of the proposed action. Analysis confirmed that the sump area would compensate for the anticipated 88,250 cubic yards of fill material that would be required for the proposed building addition and the associated facilities, such as the rail spurs and parking lots. The sump area would also compensate for the estimated 9,300 cubic yards of additional storm water runoff volume generated by converting portions of the site from its existing use to impervious surface. The flood storage provided by the sump area will avoid aggravating existing upstream and downstream conditions.

The relocated Bennett Bayou channel has been sized to accommodate the 10-year storm event as required by Ouachita Parish Ordinances. Additional analysis indicated that the 100-year storm can also be conveyed without overtopping the channel during periods when there is no backwater flooding due to downstream drainage conditions. Analysis concludes that no measurable impacts on flooding conditions upstream, downstream or in adjacent areas are anticipated as a result of the project.

On January 6, 2010, the Director of Public Works for the Ouachita Parish Police Jury issued a Development Permit certifying that the proposed project would not adversely affect upstream, downstream, or adjacent properties. Due to the restoration of the floodplain capacity resulting from the storm-water retention sump area, on January 21, 2010, FEMA issued a Conditional Letter of Map Revision based on a Fill Comment Document. The letter indicated that, based on the plans submitted by Next Autoworks Louisiana concerning fill levels for the new construction, the proposed facility would not be located in a Special Flood Hazard Area. The Special Flood Hazard Area is defined by FEMA as "the area that would be inundated by the flood having a one-percent chance of being equaled or exceeded in any given year (base flood)."

Flood protection measures that have been and will be implemented include the following:

² Base Flood Elevation (BFE) is the computed elevation to which floodwater is anticipated to rise during the base flood. The base flood is the flood having a one percent chance of being equaled or exceeded in any given year. This is also referred to as the 100-year flood. BFE's are typically shown on Flood Insurance Rate Maps (FIRMs).

- Construction of a storm-water retention sump area to replace 100-year floodplain capacity;
- Building addition floor slab to be constructed at 2.25 feet above BFE;
- Parking lots for storing new cars to be constructed 1.25 feet above BFE;
- Re-located Bennett Bayou channel is 15 percent larger than the original filled channel;
- Site drainage will be sloped towards the re-located Bennett Bayou channel, away from buildings and equipment;
- Existing ditches on the north, east, and south sides of the existing building will be maintained in order to preserve drainage patterns;
- Storm sewer piping to collect roof drainage, pavement runoff, and sheet flow were sized using a 25 year storm event.