



November 6, 2009

The Honorable Scott Blake Harris  
General Counsel  
US Department of Energy  
1000 Independence Avenue, S.W.  
Washington, DC 20585

Reference: Executive Order 13490

Dear Mr. Harris,

Thank you for taking the time to meet with us on October 22<sup>nd</sup> to review that various areas of cooperation between the Siemens and the Department including a review of the ARAP-E Program. By way of background, Siemens activities in the US and in the renewable fields are extensive. With 69,000 employees in 800 locations throughout all 50 states, Siemens is one of the largest employers in the United States. Siemens invests \$1.6 billion annually in research and development in the US the Company maintains corporate R&D facilities in Princeton and Berkeley, with more than 7,000 people engaged in research in the U.S. The Siemens Foundation also invests \$7 million annually in science, technology, engineering and mathematics education.

As the largest single market for Siemens, the US plays a pivotal role in the company's goal to be the world's leading provider of innovative environmental and sustainable technologies. A prime example is the company's expansion in the area of wind power in the US The company is helping the U.S. meet its clean energy goals while creating "green collar" jobs and revitalizing the country's industrial base. Siemens expanded its manufacturing capability in the US, starting with its blade manufacturing facilities in Fort Madison, Iowa. This plant opened in 2007 and already expanded in 2008, employing 350 people in the production of blades for 2.3-MW wind turbines. In November 2009, Siemens broke ground on a new facility in Hutchinson, Kansas, that will manufacture the nacelles that house the wind turbines gears and internal machinery. The 300,000-square-foot wind turbine nacelle facility is scheduled to become operational in fall 2010 and will employ approximately 400 green-collar employees. The plant's annual planned output will be approximately 650 nacelles – or 1,500 megawatts

Committed to developing the next generation of wind turbines in the US, Siemens opened a US wind turbine R&D competence center in Boulder, Colorado. Siemens and the National Renewable Energy Lab (NREL) entered into a Department of Energy

Cooperative Research and Development Agreement (CRADA) for the installation of a Siemens 2.3-MW pilot wind turbine with a 101-meter rotor at the National Wind Technology Center (NWTC). Siemens will test basic wind turbine characteristics and verify new performance-enhancing features and turbine reliability under severe weather conditions over a minimum period of three years. With a \$9 million R&D investment by Siemens over the three-year test program, this is the largest wind turbine test program undertaken by a US government and industry collaboration in history and will employ the new aerodynamically designed SWT-2.3-101 wind turbine. At its conclusion, it is expected that we will be able to lower the cost of electricity and pave the way for further improvements in blade aerodynamics.

As we discussed, despite Siemens investments in US based renewable R&D and recent cooperation with the National Renewable Energy Laboratory, we are precluded from fully participating in the Department's ARAP-E program due to restrictions placed on US subsidiaries on foreign based companies, unlike any other Department R&D program whether funded by the American Recovery and Reinvestment Act fund or not. Earlier this year, ARPA-E issued its first Funding Opportunity Announcement (FOA) which included a provision that took an extraordinary step in expanding the definition of "foreign entities" to include the US subsidiaries of foreign companies. As we discussed, Siemens believes those restrictions undermine the effectiveness of the program, and the US historic commitment to non discriminatory environment for foreign investment that ultimately lead to American clean energy jobs. We urge you to reconsider these restrictions and issue an amendment to the FOA that removes these restrictions for the remainder of this program and ensure that going forward ARPA-E allows all U.S.-domiciled companies, regardless of ultimate ownership, to compete on a level playing field for available ARPA-E funds.

Representatives of our company would be pleased to meet with you and your staff to provide further information on how their participation from similar programs has provided continued expansion and job creation in the US.

Again thank you for your time and consideration.

Sincerely,



Kathleen Ambrose  
Senior Vice President  
Siemens Corporation