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All Programs, including: Photovoltaics	\$2111 \$2021, 2013, 2024, 2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111 \$2111
Electric Energy Systems including: Superconductivity. Energy Storage Systems Environmental Rest & Waste Management: Facility Transition—Fast Flux Test Facility. Civilian Waste R & D Electric & Magnetic Fields Research and Public Dissemination Program. Spark M. Matsunaga Renewable Energy & Ocean Technology Center.	§ 2117, 2111 § 2111 § 2116 § 2113 § 2118 § 2111, 2119

The term "parent company" is defined as a company that exercises ultimate ownership of the applicant company. The parent company would be identified by first determining whether any company owns a majority of the applicant company's voting securities. If so, then the same test would be applied to that company, *i.e.*, does any company own a majority of that company's voting securities? The parent company would be the company that exercises control over the applicant company by means of this chain of majority stock ownership, and which itself is not subject to the majority stock ownership of any other company.

DOE would interpret the term "parent company" to mean the ultimate parent company as just described in order to avoid confusion in cases where an applicant company and its immediate parent are both organized in the U.S., but where the immediate parent is, in turn, owned by a company organized abroad.

The Department recognizes that there may be situations in which one company effectively controls the actions of another without owning a majority of

its voting securities. However, given that the sole purpose of this inquiry into corporate lineage would be to identify the foreign country with which a non-U.S.-owned applicant can be most directly associated, this approach is felt to be both adequate and appropriate.

The definition of "United States" is a standard definition used in many of the Department's programs. It includes the 50 States, the District of Columbia, and all commonwealths, territories and possessions of the United States.

The term "United States-owned company" is a key part of section 2306(2). The Department proposes to permit an applicant to use either of two alternative definitions of this term: (1) A company that has majority ownership by individuals who are citizens of the United States, or (2) a company organized under the laws of a State that either has no parent company or has an ultimate parent company that is organized under the laws of a State.

The first alternative is based on the statutory definition of the term "United States-owned company" used in a similar eligibility limitation, which defines United States-owned company in terms of majority ownership or control by citizens of the United States. 15 U.S.C. 278n(j)(2). This test of ownership is based on the citizenship of individual owners or shareholders. Where an applicant company is a wholly- or majority-owned subsidiary of a parent company, or a majority of its stock is held by other corporations or institutional investors rather than individuals, the ownership analysis would be applied to these corporations or institutional investors to determine whether they are owned by individuals who are citizens of the United States.

The second alternative definition of United States-owned company is a company organized under the laws of a State that either has no parent company or has an ultimate parent organized under the laws of a State. This alternative is based on a presumption that companies incorporated or organized in the U.S. that are not majority-owned by a foreign company will not have sufficiently strong connection to any foreign country to justify using the section 2306(2)(B) reciprocity determinations. The Department will request applicants claiming to be U.S.-owned companies to make a certification to that effect.

The term "voting security," which is used in the definition of parent company, is defined by reference to the statutory definition in the Public Utility Holding Company Act. 15 U.S.C. 15b(17). This broad definition includes any security that gives the holder a vote