

Bright Automotive, electric-car manufacturer, says it's closing due to DOE loan process



Plug-in vehicle manufacturer Bright Automotive is closing after waiting more than three years for a decision on a DOE loan.

Samantha Stainburn (<http://www.globalpost.com/bio/samantha-stainburn>) February 29, 2012 22:30

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Bright Automotive, a Rochester Hills, Mich.-company that hoped to build a plug-in hybrid light commercial delivery van, said today that it is closing after waiting in vain for more than three years for the US Department of Energy to decide whether to give it a loan, Fox News reported (<http://www.foxnews.com/leisure/2012/02/28/gm-backed-electric-car-company-folds-slams-doe-loan-process/>) .

The company said it had withdrawn its application for a \$400 million low-interest loan from DOE's Advanced Technology Vehicle Manufacturing program, Fox News reported.

"Last week we received the fourth 'near final' Conditional Commitment Letter since September 2010," Bright CEO Ruben Munger and COO Mike Donoughe wrote in a letter to Energy Secretary Steven Chu, Fox News reported. "Each new letter arrived with more onerous terms than the last. The first three were workable for us, but the last was so outlandish that most rational and objective persons would likely conclude that your team was negotiating in bad faith."



(/photo/5694164/electric-car-2012-02-29)

The Nissan E NV200 electric vehicle is displayed during the press preview day at the 2012 North American International Auto Show in Detroit, Mich., on Jan. 10, 2012. (Stan Honda/AFP/Getty Images)

Bright follows Aptera Motors, a California-based start-up, in shutting down because of DOE's lengthy loan process, the Wall Street Journal reported (http://online.wsj.com/article/SB10001424052970203753704577253483780855426.html?mod=googlenews_wsj) . And Chrysler recently withdrew a \$3 billion application for loan funding due to what it said were onerous terms from the Energy Department.

According to the Wall Street Journal:

As it stands, the \$25 billion loan program funded in 2008 to help kick start investment in manufacturing for fuel-efficient vehicles has funded \$8.4 billion in investments. The bulk of the loans—\$5.9 billion—have gone to Ford Motor Co. to renovate plants.

"We understand that this is a difficult day for Bright Automotive and their workers. Over the last three years, the Department has worked with the company to try to negotiate a deal that supported their business while protecting the taxpayers," Energy Department spokesman Damien LaVera, said in a statement, the Wall Street Journal reported. "In

the end, we weren't able to come to an agreement on terms that would protect the taxpayers."

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[Samantha Stainburn](#) February 29, 2012 22:30

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