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Carbon Motors' \$310 million DOE loan for police-car production rejected



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[Carbon Motors](#), maker of the purpose-built E7 police car, won't receive the \$310 million in U.S. Department of Energy (DOE) loans under the Advanced Technology Vehicle Manufacturing (ATVM) program that it applied for almost three years ago, and said that it's a victim of politics.

"We are outraged by the actions of the DOE and it is clear that this was a political decision in a highly-charged, election year environment," Carbon Motors William Santana Li said in a statement. The company added that it was "actively examining its strategic and financing alternatives."

Carbon Motors says its vehicles will save government entities money because they get better fuel economy and they're purpose-built, meaning that factory vehicles don't need to be retrofitted. Carbon Motors has said its diesel-powered cars may cut law-enforcement fuel use and greenhouse-gas emissions by as much as 40 percent, and that building such cars may create as many as 10,000 jobs. The car was to feature a BMW 3.0-liter turbodiesel engine.

The company says it's received about \$200 million worth of financial commitments from private and public sources and has taken orders from more than 500 law-enforcement agencies for more than 20,000 cars.

Last December, the company [sent an open letter](#) urging the Obama Administration to push the DOE to approve the loan.

The federal loan process has vexed other automotive companies. Bright Automotive, which was to make extended-range plug-in utility vehicles, publicly pleaded with the government to process its application for a \$400 million loan in January. Last month, that company [went out of business](#).

Meanwhile, [Fisker Automotive](#), maker of the extended-range plug-in sports sedan [Karma](#), has been fielding

questions about its future after the company in early February [laid off workers](#). Fisker has received less than \$200 million of the \$529 million loan it was slated to get from the DOE.

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