

CLASSIFIEDS: CARS JOBS HOMES APARTMENTS CLASSIFIEDS SHOPPING E-CIRCULARS DAILY DEALS ADVERTISE SUBSCRIBE

Local News Sports Autos/Biz Classifieds Entertainment Life Opinion Obits Help

Sign up Log in

FEATURED: Detroit Self Portrait Politics/Elections e-Edition MitchAlbom.com

Find what you are looking for ...

SEARCH

ADVERTISEMENT

Carbon Motors calls Department of Energy loan rejection political fallout

2:35 PM, March 8, 2012 | 2 Comments

Recommend

2 recommendations. Sign Up to see what your friends recommend.

Recommend 2

Tweet 1

0

A A



By Todd Spangler

Detroit Free Press
Washington Staff

FILED UNDER

Local News
Politics/Election 2012
Fred Upton

WASHINGTON – Officials with an Indiana company intent on producing a vehicle solely for law enforcement reacted angrily this week to news that the U.S. Department of Energy rejected its request for a \$310-million loan after more than two years of deliberations.

In a statement Wednesday, Carbon Motors Chairman and CEO William Santana Li said he and others at the company were “outraged by the actions of DOE.” The statement said “it is clear that this was a political decision in a highly charged, election-year environment” and went on to cite the controversy surrounding loans made to bankrupt solar-company Solyndra, which have fueled Republican criticism on Capitol Hill.

DOE spokesman Damien LaVera said the agency and Carbon Motors tried but failed to “negotiate a deal that supported their business while protecting the taxpayers.” The department does not comment on the specific rationale behind funding decisions.

Carbon Motors was pursuing its loan under a program – unlike the one for the Solyndra loan – aimed at investing in companies working on advanced vehicle technology. But the company suggested that the fallout from Solyndra has been widespread with the agency rejecting one ATVM loan it had previously offered on a conditional basis – a \$730-million loan to Dearborn-based steel-maker Severstal North America – and ignoring other “viable loans under active consideration.”

Li, a former Ford Motor executive, said Carbon “simply appears to be the last victim of this political gamesmanship” and said failing to award money still in the Advanced Technoogy Vehicle Manufacturing Program “represents a glaring failure of the Obama administration to create jobs that are clearly within its power to create.” He said the company spent more than 30 months answering DOE requests for information and was never told that the application had deficiencies.

No ATVM loans have been made in more than a year, even though it has authorization to make up to \$25 billion in loans and has only made four, worth about \$8.4 billion. (The largest, worth \$6 billion, went to Ford in 2009.)

But Carbon Motors is taking a big step into a market that has been dominated by Ford, General Motors and Chrysler. U.S. law enforcement agencies purchase only about 75,000 vehicles a year, a small percentage of the approximately 13 million cars and trucks sold in the U.S. last year.

Speaking to FoxNews.com in January, Daniel Sperling, a director at the University of California-Davis’ Institute of Transportation Studies, questioned Carbon Motors’ plan, saying, “It makes no sense to start from scratch with a vehicle, given the massive scale economies and expertise of the big original equipment manufacturers. Frankly, nothing I read convinces me this is a

Ford Focus Electric MOST POPULAR
Gas-Free, 100% Electric! The 2012 Ford



Ford@ SUV Dealer

Now! leather's Hellbound at I-Rock
Visit your Local Ford Dealer for 2012 Hybrid Offers Now!
www.YouGetFord.com
More from Metromix

1. 'Kony 2012' video from adv Children goes viral
2. Godzilla the wild turkey ter township woman
3. Judge orders Moroun's bri surrender Gateway projec million
4. Plan B: Michigan State to replace Branden Dawson with 2 players
5. Michigan's Al Borges expe keep on running in 2012
6. 3 new NFL choices in ha different players

Most Popular Most Commented More Headlines

- 1 'Kony 2012' video from advocacy group Invisible Children goes viral
- 2 With video: Godzilla the wild turkey stalks Commerce Township woman
- 3 Judge orders Moroun's bridge company to surrender Gateway project to MDOT, pay \$16 million
- 4 Plan B: Michigan State to replace Branden Dawson with 2 players
- 5 Michigan's Al Borges expects Denard Robinson will keep on running in 2012

Most Viewed



Two suspects in police custody in connection with Hamtramck abduc...
Mar. 01, 2012

Putnam Chevrolet
All The New 2012 Models Here. Make An Appointment Call Now!
putnam.com AdChoices ▶

PHOTO GALLERIES



Possible Lions free agent targets



Tigers 5, Braves 1

FREE TRAINING
COMING TO THE
SAN FRANCISCO AREA
Santa Clara,
Pleasanton & More!

March 13 - 17
SAVE A SEAT!



RICH DAD.
EDUCATION

ADVERTISEMENT

ADS BY PULSE 360

AdChoices 

Dublin: Mom Makes Botox Doctors Angry

California: Mom Reveals Clever \$5 Wrinkle Therapy That Makes Botox Doctors Furious
SmartConsumerLiving.com

President Lowers Amount Homeowners Owe

Homeowners in California are using this 1 Program to get a 2.5% Refinance Rate.
FinancialInquire.com

51-Year-Old Now Looks 27 Again!

Mom Reveals Clever \$5 Wrinkle Therapy That Makes Botox Doctors Furious Read More
consumerlifestyletrends.com/

ADVERTISEMENT

[Site Map](#) | [Back to Top](#)

LOCAL NEWS

[Detroit](#)
[Metro Detroit](#)
[Wayne County](#)
[Oakland County](#)
[Macomb County](#)
[Michigan](#)
[Politics/Election 2012](#)
[Rochelle Riley](#)
[Weather](#)

ENTERTAINMENT

[Detroit Metromix](#)
[Music](#)
[Restaurants](#)
[Movies](#)
[Arts](#)
[TV and radio](#)
[Names & Faces](#)
[Sylvia Rector](#)
[Julie Hinds](#)
[Mark Stryker](#)
[Ese Esan](#)
[Rachel May](#)
[Brian McCollum](#)

SPORTS

[Lions](#)
[Tigers](#)
[Red Wings](#)
[Pistons](#)
[Wolverines](#)
[Spartans](#)
[High School Sports](#)
[Mitch Albom](#)
[Michael Rosenberg](#)
[Drew Sharp](#)
[Outdoors](#)
[Other colleges](#)
[Golf](#)
OBITS
[Death Notices](#)
[Submit a Death Notice](#)
[Estate Services](#)

AUTOS/BIZ

[Auto news](#)
[Auto reviews](#)
[General Motors](#)
[Ford](#)
[Chrysler](#)
[Detroit auto show](#)
[Michigan business](#)
[Real estate](#)
[Tom Walsh](#)
[Susan Tompor](#)
[Mark Phelan](#)
[Nation/world business](#)

OPINION

[Editorials](#)
[Letters to the editor](#)
[Commentary](#)
[Mike Thompson cartoons](#)
[Stephen Henderson](#)
[Ron Dzwonkowski](#)
[Brian Dickerson](#)
[Editorial page blog](#)
[Columnists](#)
[MitchAlbom.com](#)

CLASSIFIEDS

[Cars](#)
[Homes](#)
[Jobs](#)
[Rentals](#)
[Shopping](#)
[Advertise](#)
LIFE
[Food](#)
[Travel](#)
[Health](#)
[Shopping](#)
[Crossword puzzle](#)
[Comics](#)
[Technology](#)
[Relationships](#)
[Books](#)
[Civil Rights](#)
[Georgea Kovanis](#)
[Jeff Seidel](#)
[Ellen Creager](#)

HELP

[Advertise](#)
[Archives](#)
[Contact us](#)
[Subscriber services](#)
[e-Edition](#)
[Got a question?](#)
[Bookstore](#)
[Reading Works](#)
[Free Press Charities](#)
[Page and photo reprints](#)

FOLLOW US

[Twitter](#)
[Facebook](#)
[Mobile](#)
[RSS](#)
[E-mail Alerts](#)
[Text Alerts](#)

[News](#) | [Jobs](#) | [Cars for Sale](#) | [Homes for Sale](#) | [Apartments for Rent](#) | [Real Estate](#) | [Shopping](#)

GANNETT

Copyright © 2012 www.freep.com. All rights reserved.
Users of this site agree to the [Terms of Service](#), [Privacy Notice/Your California Privacy Rights](#), and [Ad Choices](#)

ADVERTISEMENT