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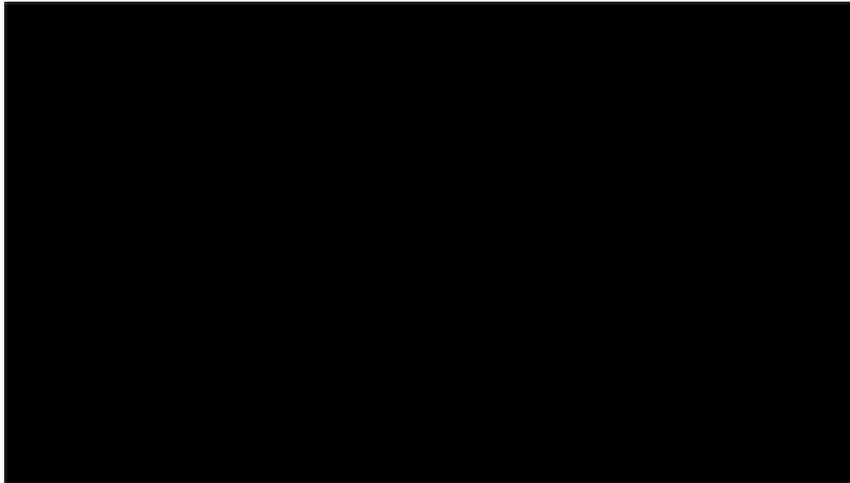
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JULY 18, 2012 AT 7:07 AM

## Romney targets Obama, loan for electric vehicle startup in new ad

BY DAVID SHEPARDSON DETROIT NEWS WASHINGTON BUREAU COMMENTS



Republican presidential candidate Mitt Romney is criticizing the Obama administration's decision to loan an electric vehicle startup Fisker \$529 million.

In a new 30-second advertisement released Wednesday morning, Romney criticizes the Obama administration's use of billions of dollars of stimulus funds to aid green energy efforts.

The ad shows what appears to be burning \$100 bills and criticizes the Obama administration for using government funds to buy "windmills from China" and "electric cars from Finland."

It also criticizes the Obama administration's support for Solyndra LLC, a solar panel startup that received \$535 million from one of the Energy Department's clean energy loan programs and laid off 1,100 workers after it filed for bankruptcy. The ad suggests the administration favored campaign donors and friends for green energy loans, a charge the White House denies.

California-based Fisker Automotive Inc. has been a target of Romney's ire for more than six months. He also has criticized the Obama administration for loaning another electric vehicle startup, Tesla Motors Inc., nearly \$465 million.

Fisker assembled its first vehicle, the Karma, in Finland by contracting with Valmet to build the vehicle. It has insisted it did not use any of the U.S. loans for production but for U.S. development work.

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In 2010, Fisker won \$529 million in low-cost Energy Department loans, and has drawn \$193 million, mostly for use in developing the Karma.

The Energy Department froze the rest of the loan last year amid talks about the company's business plan.

In April, Fisker said it was delaying production of its next-generation family sedan and may not build the vehicle in Wilmington, Del., after suffering several setbacks with its first plug-in hybrid batteries.

Fisker's battery supplier, A123, said it will replace about 600 batteries at a cost of \$55 million after it said it found manufacturing flaws.

The Energy Department heralded the loan in 2010, when it said it would create 2,000 factory jobs at a former General Motors assembly plant in Delaware that Fisker bought during GM's bankruptcy restructuring. Vice President Joe Biden traveled to Wilmington after the department announced the loan for Fisker to tout the project for his home state.

The Project Nina vehicle, now renamed the Fisker Atlantic, was to start production this summer in Wilmington. Fisker CEO Tom LaSorda said in April he won't decide where to build the vehicle until the end of summer, and said it might not come out late this year or next.

Canceling the Wilmington project would be another blow to the Energy Department's \$25 billion struggling auto bailout program, which hasn't made a new loan in more than a year. Many companies say politics are to blame for the lack of loans.

Fisker laid off 26 workers in Delaware and 45 workers in California in February.

In a Detroit News interview last month, Romney said he wants to end government efforts to provide loans and guarantees to private businesses.

"The government is now picking winners and losers — or in the case of this president — it's picking losers and the private sector does a much better job," Romney said in the wide-ranging interview, adding that the Obama administration was playing "venture capitalist, but the government is taking all of the risk and getting none of the returns.

"I would cease and desist sending out money," Romney said.

The loan program that funded Solyndra was shuttered in September 2011, but a similar program is still operating. A third green energy program — the \$25 billion Advanced Technology Vehicle Manufacturing Program, created by Congress in 2007 — has awarded just \$8.5 billion in loans, including \$5.9 billion to Ford Motor Co. and \$1.4 billion to Nissan Motor Co.

The Energy Department hasn't made a new auto sector loan in 15 months and withdrew a proposed loan to Russian steelmaker Severstal OAO's Dearborn unit in January.

Energy Department spokesman Damien LaVera defended the program last month.

"As Fisker works through those issues and incorporates lessons learned from the production of the Karma, the department is working with Fisker to review a revised business plan and determine the best path forward so the company can meet its benchmarks, produce cars and employ workers here in America," LaVera said.

Last week, the Romney campaign targeted the Fisker investment, saying it was an example of the administration "outsourcing U.S. jobs" using government stimulus funds.

The Obama campaign said last month that Romney was ignoring "his own record of using taxpayer money to pick winners and losers — some who were donors to his campaign — when he was governor of Massachusetts."

"The reality is that Solyndra received funding through a Department of Energy program created under the Bush administration — a program that has supported tens of thousands of jobs across the country and is moving

forward with investments in innovative projects like the first nuclear plant built in the U.S. in decades and the world's largest wind farm," campaign spokeswoman Lis Smith said. "In fact, both Republican and Democratic administrations advanced Solyndra's application, and the company was widely praised as successful and innovative both before and after receiving the Department of Energy loan guarantee."

Last month, two U.S. senators said they want the Energy Department to answer new questions about the decision to loan \$529 million to Fisker.

Roger Ormisher, a spokesman for California-based Fisker, said the company has investors all over the world and has sold more than 1,000 cars worldwide, generating more than \$100 million in revenue. He said the company was focused on creating American jobs and wanted to stay out of politics.

"We're focused on our business," Ormisher said.

The company suffered a setback when Consumer Reports bought a Fisker and it died soon after. Fisker also issued a recall for the first 240 Fisker Karma vehicles in December to address coolant leaks that could have led to a battery fire.

To see the ad, go to <http://www.youtube.com/watch?v=8KbSXkPOdLw&feature=youtu.be>

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