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[Another company out of the running for Obama's 'green car' program](#)

[Economy](#) | [admin](#) | March 8, 2012 4:14 am

Carbon Motors officials said they had been assured their application to build a new plant, and create an estimated 1,500 jobs, was nearing approval.

“We are outraged by the actions of the DOE,” said William Santana Li, Carbon Motors’ chairman and chief executive officer. “In failing to deploy the tax dollars that Congress allocated for the creation of advanced technology manufacturing jobs in the U.S., the DOE [clean car] program represents a glaring failure of the Obama administration to create jobs that are clearly within its power to create.”

President Obama made government investment in clean energy companies an early hallmark of his administration, including a [\\$25 billion loan program](#) to support the manufacture of fuel-efficient and electric cars and fleet trucks. The Advanced Technology Vehicle Manufacturing program had been started under President George W. Bush, but gained new life under Obama with a major appropriation from Congress.

Department of Energy spokesman Damien LaVera said in a prepared statement Wednesday that the department was honoring its dual missions in considering Carbon’s application — supporting innovation and clean vehicles but at the same time ensuring government loans will be repaid.

“Over the last two and a half years, the Department has worked with Carbon Motors to try to negotiate a deal that supported their business while protecting the taxpayers,” the statement said. “While we were not able to come to an agreement on terms that would protect the taxpayers, we continue to believe that Carbon Motors is an innovative company with an interesting project and we wish them luck.”

The DOE in 2009 approved [green car loans](#) worth nearly \$8.5 billion under the program for four companies, but since has approved just one \$50 million loan. (The bulk of the early money went to Ford Motor Co. — \$5.9 billion — to retrofit assembly lines for fuel-efficient cars.)

That leaves roughly \$16.5 billion remaining from the amount Congress authorized for loans for advanced technology vehicles. LaVera said 10 companies continue to seek program funding.

Carbon Motors officials blame the department’s decision to turn its project down — and failure to approve any recent loans — on skittishness in the wake of the [failure of Solyndra](#). The now-shuttered solar firm won a \$535 million federal loan in the first two months of the Obama administration despite staff concerns about a rushed process and the company’s questionable financial prospects.

“They’re sitting on billions of dollars,” Li said.

Energy Secretary Steven Chu [was in Indianapolis](#)

on Monday, and said he supported the Carbon Motors project but needed to be careful the loan was repaid.

Last week, Connersville Mayor Leonard Urban told local reporters he was trying to get a face-to-face meeting with Chu to stress the importance of the project to his community.

“I would tell Secretary Chu we deserve that. We have put millions into it ourselves, and 33 months of our time,” Urban said.

Carbon, whose officials say they plan to proceed with their project, is the [second company](#) to recently leave the green-car program. Bright Automotive announced last month that it was shutting down, saying it had run out of money trying to meet the department’s increasing requirements.

The department said it could not approve Bright’s plans and properly safeguard federal funds.

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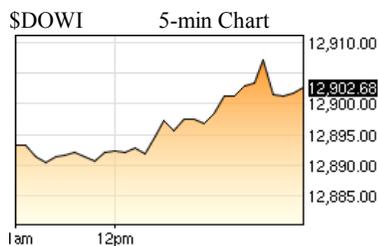
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Nasdaq Composite	2967.01	+31.32
TSX Composite Index	12428.50	+78.34
TSX Venture Composite Index	1627.65	+5.98

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