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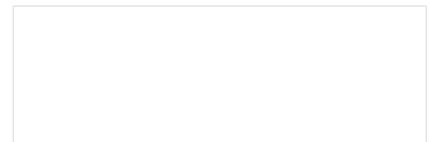
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according to DOE. The company has drawn \$193 million of the DOE loan funding thus far, according to press reports.

The Grassley-Thune letter to Chu questions the portion of the funding that supported the overseas manufacture of the Karma model, even though the money was used for U.S.-based work.

It also asks a series of other questions about the funding for the two Fisker projects, such as what “technical expertise” the Energy Department brought to bear in evaluating, granting and monitoring the loan to Fisker.

A DOE spokesman did not provide immediate comment on the GOP senators’ April 20 letter.

But the department’s public affairs chief, in a **blog post last October**, defended the Fisker financing despite delays in the Delaware project, as well as the \$465 million loan for Tesla Motors, a California-based manufacturer of high-performance and costly electric vehicles.

Dan Leistikow, the DOE official, struck back. “Critics have complained that the first vehicles introduced by Fisker and Tesla are more expensive, high-end vehicles.”

“This complaint misses the mark in several respects. First, both manufacturers plan to start with high end vehicles and then quickly move to more affordable product lines,” Leistikow wrote in October.

“These are start-up companies that intend to grow over time, so they are following a common pattern for emerging companies: starting with a premium product for a smaller customer base, and eventually moving to lower cost, mass marketed products as they gradually scale up operations,” he added.

Leistikow also noted that other loans under the ATVM program have supported less expensive vehicles. Ford and Nissan have received the largest loans under the ATVM program.

But Grassley, in a statement, questioned the DOE support for Fisker.

“It’s important to know what went into the Energy Department’s decision to fund the production of expensive luxury vehicles. The riskiness of loans to companies that may or may not be able to pay them back deserves scrutiny. The taxpayers can’t and shouldn’t have to subsidize these decisions,” he said in a statement Monday.

Update: An Energy Department spokesman defended the loan program and the Fisker support specifically in a statement to The Hill.

“The Department’s loan program invests in advanced hybrid electric vehicles because they have the potential to significantly improve performance and fuel economy for American consumers. Our loans and loan guarantees have strict conditions in place to protect taxpayers,” spokesman Damien LaVera said Monday.

Addressing the Fisker project, he added:

Our loan documents require borrowers to meet certain milestones and other conditions prior to receiving loan proceeds. As has been widely reported, Fisker has experienced some delays in its sales and production schedule — which is common for start-ups. 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.

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They still haven't provided any concrete reasons as to why companies like Next Autoworks Company, who needed nearly \$400M in ATVM funds to manufacture it's high-efficiency, low-cost vehicles, were rejected. Presumably, a project like that would be more practical and less risky than pursuing technologies that are quite a ways off from being considered mass-market options such as Tesla and Fisker. Seriously, how long will it take for them to drive the cost of the vehicles down to be accessible to the average American, and if they do, and that many Americans are "plugging in", where is the infrastructure for that and where does the additional energy come from on an already strained grid?

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 **Pete** 1 hour ago

Going all the way to Reagan Republicans have done nothing but obstruct alternative energy. If Reagan had implemented Carter's plan we would now have radically produced dependence on foreign oil.

And we also could be dominating the solar market but instead China is rapidly developing a global monopoly with half of all panels built in the world.

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 **emasee** 1 hour ago in reply to Pete

China pays their population pennies on the dollar for their slave workers, so the cost is less. You wonder why stuff from china is cheaper and is cheaper for the consumer?

Like Reply

 **Ken** 2 hours ago

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Poll - 10042 - Mitt Romney vs. Ron Paul

Who would you vote for, Mitt Romney or Ron Paul

- 1. Mitt Romney (4.40%)
- 2. Ron Paul (92.2%)
- 3. Neither (1.73%)
- Not Answered (1.56%)

Whom do you believe has better solutions for the nation's economic problems?

- 1. Conservatives (47.4%)
- 2. Liberal (8.50%)
- 3. Neither (41.2%)
- Not Answered (2.83%)

National Polls – Ron Paul vs Barack Obama

Poll Date: 2/24 – 2/25 2012

Ron Paul-43%

Barak Obama-41%

Pollster: Rasmussen

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Truthyness 2 hours ago in reply to Ken

Ron who?

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