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Bright Automotive closes up shop after failing to get fed loan money

BY DAVID SHEPARDSON DETROIT NEWS WASHINGTON BUREAU 8 COMMENTS

Washington —Rochester Hills auto startup Bright Automotive said Tuesday it is closing operations after it failed to receive a federal retooling loan.

The company, backed in part by General Motors Co., said talks with the U.S. Energy Department since September 2010 had resulted in a fourth "near final" conditional commitment letter from the government.

The company has about 60 employees in total in Michigan and Indiana. Many are former executives and workers from General Motors Co., Ford Motor Co. and Chrysler Group LLC.

"We have been forced to say 'uncle.' As a result, we are winding down our operations," the company's CEO Reuben Munger and chief operating officer Mike Donouge wrote Energy Secretary Steven Chu in a letter Tuesday.

The decision means the loss of hundreds of planned jobs in Indiana and Michigan, and thousands of indirect jobs, the letter said.

Bright operated out of a former Chrysler call center in Rochester Hills and spent millions of dollars trying to win low-cost government loans, said Jason Vines, a spokesman for the company. The company plans to shut down operations over the next few days.

An Energy Department spokesman didn't immediately return a call seeking comment.

The letter called the \$25 billion Advanced Technology Vehicle Manufacturing Program — created in 2007 and funded in 2008 — a "debacle." Just \$8 billion has been awarded, and only \$50 million in loans have been made since October 2009.

The pair said each letter from the government "arrived with more onerous terms than the last. The first three were workable for us, but the last was so outlandish that most rational and objective persons would likely conclude that your team was negotiating in bad faith," the company wrote. "We continued to play by the rules, even as you and your team were changing those rules constantly — seemingly on a whim."

Bright is at least the second auto startup to close up shop since December while awaiting a loan. California-based Aptera Motors Inc. closed in December after failing to win a government loan.

Last week, the pair sent Chu an urgent letter saying "time is running out" and commiserating with the department against political attacks on loan programs. "We understand the political assault and the often misguided and partisan criticism unfairly waged against you and your team," the Feb. 23 letter said, warning it could close by March 2 without action. "Irrationality and petty politics have paralyzed your agency at a time America needs you most. One cannot score if one does not shoot."

This month, Chrysler Group LLC abandoned its application for up to \$3.5 billion in loans after the Energy Department proposed very restrictive terms and reduced the amount of the proposed loan to under \$2 billion. The Energy Department canceled a planned \$730 million loan to the Dearborn unit of Russian steelmaker Severstal OAO.

On Dec. 27, Bright sent a letter to the Energy Department requesting "the DOE's senior leadership's direct and immediate involvement in moving our application forward to completion."

The company has been in talks for three years to win a loan. The company had planned to produce a lightweight road-coupled plug-in [commercial work truck](#) in the U.S. that would have created more than 675 American-based

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