

Title

Connersville company and Indiana governor slam feds for refusing loan



Submitted by Richard Todd, Reporter
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Governor Mitch Daniels at Carbon Motors in 2009

CONNERSVILLE, IN (FOX19) – A car maker that was expected to create 1500 jobs building police cars in Connersville says it has been denied an the Advanced Technology Vehicle Manufacturing loan by the Department of Energy.

“We are outraged by the actions of the DOE and it is clear that this was a political decision in a highly-charged, election year environment. Since Solyndra became politicized last fall, the DOE has failed to make any other loans under the ATVM program, has pulled back one loan that it previously committed and, as of this month, the DOE has pushed aside the three remaining viable loans under active consideration,” said William Santana Li, chairman and chief executive officer, Carbon Motors Corporation.

Solyndra was a solar company that quickly used up more than half a billion dollars in Department of Energy loans before going bankrupt, leading to massive criticism of the Obama administration for making the loans.

Carbon Motors police cars are planned to run on diesel fuel, saving vast amounts of energy compared to gasoline cars while lasting for hundreds of thousands of miles. The cars are planned to be shielded against rear impact crashes, always a worry for police officers, and are designed with places to plug in cameras, built-in push bumpers, and other equipment that local police departments have traditionally had to install themselves. The company also plans to recycle all vehicles it sells. Carbon Motors already had about 20,000 reservations for their cars.

The company says it had every indication that DOE was planning to go forward with the loans until recently. The DOE has killed or not acted on all other large motor vehicle manufacturing loans recently.

Indiana Governor Mitch Daniels was on hand in Connersville two years ago when the company, which then had a headquarters in Georgia but no plant, announced it would move to Connersville. Today Daniels issued this statement:

“We’re deeply disappointed for the people of Connersville and those who tried to bring this promising business here. It would have been far better if the federal government had never gone into the banking business. Companies like Carbon that might have proceeded and succeeded with a conventional business plan were seduced into wasting irreplaceable years chasing federal subsidies that never happened. As President Reagan once said, ‘When you get in bed with the federal government, you get a lot more than a good night’s sleep.’”

Indianapolis TV station WRTV reports that DOE Secretary Steven Chu, who visited there this week, refused to talk about the loan for Carbon Motors.

The company says it is now looking for other sources of financing. Their release can be seen [here](#)

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Carbon Motors e7 on display in Michigan. Photo: Carbon Motors.

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