



HOME TODAY'S GLOBE NEWS YOUR TOWN BUSINESS SPORTS LIFESTYLE A&E THINGS TO DO TRAVEL CARS JOBS REAL ESTATE

Technology Healthcare Markets Personal finance Columnists

HOME / COLLECTIONS

Ads by Google

Li-Ion Rechargeable

Battery Sale, Huge Variety Shop Online Save Big

www.batteryjunction.com

2011 Prius Clearance

Massive Toyota Price Cuts To Lift Sales! See Your Toyota Price Now.

www.toyota.autosite.com

Advertisement

Try BostonGlobe.com today and get two weeks FREE (already subscribe? [log in](#)).

THIS STORY APPEARED IN *The Boston Globe*

Electric cars might not carry the day for A123

February 15, 2012 | By Erin Ailworth

Recommend Tweet 0 Share E-mail Print

Is the battery maker A123 Systems' electric-car play starting to stall?

The Waltham company recently cut its revenue forecast for 2011 by about 20 percent and laid off a few hundred employees at its Michigan factory after one of its biggest customers, electric-car maker Fisker Automotive, unexpectedly reduced the number of batteries it had ordered from the company.

Fisker was recently cut off from hundreds of millions in federal funds because it failed to meet the terms of its government loan.

Ads by Google

2012's Best Hybrids

Read Reviews On 2012's Best Hybrids & Drive Away In A New Hybrid!

Odometer.com

TAMIFLU® Official Site

(oseltamivir phosphate) Get the Facts About TAMIFLU Here.

TAMIFLU.com

MORE LIKE THIS »

[Fisker recalls Karmas after A123 reports battery defect](#)

December 30, 2011

[Fisker recalls Karmas after A123 reports battery defect](#)

December 30, 2011

[Chrysler plan heats up race for electric cars](#)

September 24, 2008

Advertisement

While company officials say A123 is already diversifying its business, it remains dependent on the electric-car business; sales to the transportation sector accounted for nearly 60 percent of its revenue in the first nine months of 2011, according to A123 financial statements.

A123's troubles are emblematic of the struggle of the nascent clean-technology industry, which currently relies on government subsidies as it labors away at developing commercially viable products.

In addition to Fisker's misfortune, at least two other alternative energy companies that received hefty financial backing from the Energy Department are in bankruptcy: Beacon Power Corp., a Tyngsborough energy storage company that sold its factory to repay the government \$39 million; and Solyndra, a California solar panel manufacturer that is under investigation and owes the United States more than \$500 million.

For now, the Obama administration remains a strong proponent of clean-technology companies. In the budget plan he released Monday, the president requested \$588 million to help the industry fulfill his goal of having 1 million electric cars in use by 2015.

Moreover, a recent outside review of the two main Department of Energy loan programs to clean-energy companies found that the government's potential losses, while still hefty, have lessened over time, to \$2.68 billion. (A123 received substantial public aid, but the company says it has fulfilled the terms of those obligations so far.)

But the Solyndra case and other failures are likely to heighten scrutiny of Obama's proposals, as they provide more ammunition to critics who have questioned the wisdom of Washington funding specific companies with taxpayer dollars.

vehicle, the Karma, but some analysts question whether the company will ever get the remaining \$330 million or so in funding from the Department of Energy.

Ads by Google

[2012's Best Hybrids](#)

Read Reviews On 2012's Best Hybrids & Drive Away In A New Hybrid!

[Odometer.com](#)

[TAMIFLU® Official Site](#)

(oseltamivir phosphate) Get the Facts About TAMIFLU Here.

[TAMIFLU.com](#)

1 2 Next