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## Does Obama Have Another Solyndra on His Hands? [Updated]

By Noreen Malone



The Fisker Karma

There is another spot of trouble on the horizon for the Obama administration's much-vaunted green jobs initiative. This time, it's not green energy (as in l'affaire Solyndra) but electric cars. In 2009, the Energy Department issued a \$529 million loan to Fisker, an electric-car start-up that Vice-President Biden, in touting the move, said would help create American manufacturing jobs. Except now Fisker is making its Karma sports cars in Finland.

According to Henrik Fisker, the company's founder, there were simply no American facilities with the technical capability to build the machines, and so instead, he outsourced the 500 production jobs to the Finnish company Valmet Automotive. Engineering and design for the vehicle, he adds, are still U.S.-based. (Only 40 Karmas have been produced so far.) But the problem from a PR standpoint is that the project was very specifically meant to bring manufacturing jobs back. This mildly Sheen-esque explanation probably won't win Fisker much sympathy, either:

"We're not in the business of failing; we're in the business of winning. So we make the right decision for the business," Fisker said. "That's why we went to Finland."

In 2009, Fisker purchased a closed GM plant in Delaware, after heavy lobbying from both Republicans and Democrats in the state, which it still says will someday produce electric cars in bulk. Right now, the plant only employs about 100 workers.

The remainder of the \$1 billion the DOE earmarked for electric-car investments went to Tesla, founded by Elon Musk, a big-ticket Democratic donor, and backed by Googlers Larry Page and Sergey Brin (more big Democratic donors) and Obama bundler Steve Westly. Fisker, meanwhile, counts among its top investors Kleiner Perkins, which has both former Vice-President Al Gore and John Doerr, a very big-ticket Obama donor, on its board of directors. Of course, it's not entirely surprising that people involved in green manufacturing happen to be left-leaning and wealthy, but the optics of those monetary ties aren't great. And unless Tesla and Fisker can demonstrate that they are on the steady road to profitability — which neither appears to be right now, though of course it's still early — the administration is probably going to face even more Solyndra-esque scrutiny.

**Update:** Shortly after this post went up, a Department of Energy spokesman emailed Intel with a statement, eager to nip any comparisons to Solyndra in the bud. "The fact is this: no DOE loan money is being spent in Finland. The company's operations there are supporting hundreds of suppliers in more than

a dozen US states. And the bulk of Fisker's loan is supporting their effort to build a manufacturing plant at a closed GM facility in Delaware. That project will employ 2500 Americans." He also pointed out that the *Wall Street Journal* reported that the Karma would be made in Finland as early as 2009 and pointed us to a statement on the DOE's Web site.

Car Company Gets U.S. Loan, Builds Cars In Finland [ABC News]

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