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Another Indiana company abandons electric-vehicle plans

Bright Automotive blames Energy Department loan program, cites bureaucracy and delays

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The IDEA, a vehicle produced by Bright Automotive (Brightautomotive.com / February 29, 2012)

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By **Julie Wernau**, Chicago Tribune reporter

9:09 p.m. CST, February 29, 2012

Indiana's once bright future as the electric vehicle capital dimmed Wednesday with the loss of yet another plug-in company.

Bright Automotive, based in Anderson, Ind., and with plans to deliver 300 manufacturing jobs to the state by this year, announced Wednesday that it will wind down operations after withdrawing an application for a loan from the Department of Energy's Advanced Technology Vehicle Manufacturing program.

The developer of a lightweight plug-in electric truck said it may decide to develop its technology in China.

Bright Automotive's failure is the latest setback for Indiana Gov. **Mitch Daniels** who set out in January 2010 to make Indiana "the electric vehicle state."

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Last year, Think, an electric vehicle manufacturer in Elkhart propped up by government incentives, filed for bankruptcy. A month ago, Ener1, the battery-maker that was to supply the Think vehicle from three manufacturing facilities in Indiana, filed for bankruptcy reorganization. In addition to Bright Automotive, an unrelated plug-in manufacturer the state tried to nurture has yet to get off the ground.

"Business is risky and new technologies more so. That's why, unlike the federal government, Indiana's incentives are always conditional on new jobs actually happening," Daniels said in a statement Wednesday.

Bright Automotive incorporated in 2008 after being spun out of a consortium of Google.org, the Rocky Mountain Institute, the Turner Foundation, **Alcoa** and **Johnson Controls**. It said its loan application had been pending since it was deemed "substantially complete" in December 2008. At the Energy Department's request, the company said it formed a strategic partnership with **General Motors** and had lined up private capital commitments exceeding \$200 million. But it still needed a \$314 million Energy Department loan to move forward with production plans.

"We understand that this is a difficult day for Bright Automotive and their workers. Over the last three years, the department has worked with the company to try to negotiate a deal that supported their business while protecting the taxpayers. In the end, we were not able to come to an agreement on terms that would protect the taxpayers," said Energy Department spokesman Damien LaVera.

In a scathing letter dated Tuesday to Energy Secretary **Steven Chu**, Bright Automotive Chief Executive Reuben Munger and Chief Operating Officer Mike Donoughe described an overly bureaucratic process and called the department ineffective in its mission to meet President **Barack Obama's** goal of adding 1 million plug-in vehicles to the road by 2015.

The company said the department's constantly changing terms, outlined in a series of "near final" commitment letters, forced the company "to say 'uncle.'"

"The actions — or better said 'lack of action' — by your team means hundreds of great manufacturing and technical jobs, union and non-union alike, and thousands of indirect jobs in Indiana and Michigan will not see the light of day," the executives said in their letter.

Bright had received incentive packages at the state, county and local levels in Indiana and Michigan in its quest to build a plug-in hybrid commercial vehicle. Officials in Indiana and Michigan did not respond to requests for information about the status of incentives.

The company said it was told several times that it was weeks away from approval.

"We asked our team members on countless occasions to work literally around the clock whenever yet another new (Energy Department) requirement came down the pike," they wrote.

The department's most recent set of conditions, combined with the long wait, the company told Chu, were "so outlandish that more rational and objective persons would likely conclude that your team was negotiating in bad faith."

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