

THE BIG FAIL

AN EXAMINATION OF THE FAILED OBAMA RECORD



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202-863-8614



Dead Batteries Draining Tax Dollars

New Figures Show Obama's Pursuit Of Electric Cars Has Cost Taxpayers Over \$158,000 Per Job To Build Batteries No One Wants

OBAMA SPENT \$158K FOR EVERY JOB CREATED BY THE STIMULUS' \$2 BILLION ELECTRIC BATTERY-POWERED VEHICLE PROGRAM

The Obama Administration Spent \$158,556 For Every Job Created By Their Electric Vehicle Battery Program. "The Obama administration's advanced battery manufacturing program through the federal stimulus package cost \$158,556 per job created, and many of those jobs likely were temporary, according to an analysis released today by Sen. Chuck Grassley of Iowa and Sen. John Thune of South Dakota." (Press Release, "Grassley, Thune: Administration's Battery Program Cost \$158,556 Per Job Created," [Sens. Chuck Grassley and John Thune](#), 10/31/12)

- The Department Of Energy Estimates The \$2 Billion Program Only Created 12,613 Jobs.**

"This table shows that a total of 12,613.77 jobs were 'created' by the EDVBM Initiative from the signing of the Recovery Act on February 13, 2009, to the present." (Memo To Sen. Chuck Grassley and Sen. John Thune, "[Job Creation By The Recovery Act's Electric Drive Vehicle Battery And Manufacturing Initiative \('EDVBM Initiative'\)](#)," 10/31/12)

"Many Of The Battery Plants Funded By The Obama Administration Have Not Produced As Many Jobs As Initially Promised In The Face Of Dramatically Lower Demand For Electric Vehicle Batteries." "Many of the battery plants funded by the Obama administration have not produced as many jobs as initially promised in the face of dramatically lower demand for electric vehicle batteries. Earlier this month, a Department of Energy spokesman released an update on the advanced battery manufacturing program in response to the bankruptcy of A123 Systems, one of the grant recipients." (David Shepardson, "GOP: Stimulus Battery Grants Created Few Jobs," [The Detroit News](#), 10/31/12)

The Washington Post: "The American Taxpayer Has Gotten Precious Little For The Administration's Investment In Battery-Powered Vehicles, In Terms Of Permanent Jobs Or Lower Carbon Dioxide Emissions." "No matter how you slice it, the American taxpayer has gotten precious little for the administration's investment in battery-powered vehicles, in terms of permanent jobs or lower carbon dioxide emissions. There is no market, or not much of one, for vehicles that are less convenient and cost thousands of dollars more than similar-sized gas-powered alternatives — but do not save enough fuel to compensate. The basic theory of the Obama push for electric vehicles — if you build them, customers will come — was a myth. And an expensive one, at that." (Editorial, "GM's Vaunted Volt Is On The Road To Nowhere Fast," [The Washington Post](#), 9/14/12)

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- **The Failures Of Subsidized Car Manufacturers Are Dragging U.S. Advanced-Battery Industry Down With Them.** “As these companies flail, they are taking the much-ballyhooed U.S. advanced-battery industry down with them. A Chinese company had to buy out distressed A123, to which the Energy Department has committed \$263 million in production aid and research money. Ener1, which ran through \$55 million of a \$118 million federal grant before going bankrupt, sold out to a Russian tycoon.” (Editorial, “GM’s Vaunted Volt Is On The Road To Nowhere Fast,” [The Washington Post](#), 9/14/12)

BANKRUPT BATTERY MAKER A123 SYSTEMS COST OVER \$317K FOR EVERY JOB CREATED, NOW IT IS BEING BOUGHT OUT BY A CHINESE CONGLOMERATE

Taxpayer-Backed A123 Systems, A Maker Of Rechargeable Lithium-Ion Batteries For Electric Cars, Filed For Bankruptcy. “A123 Systems Inc. (AONE), a maker of rechargeable lithium-ion batteries for electric cars, filed for bankruptcy after failing to make a debt payment that was due yesterday. The company listed assets of \$459.8 million and debt of \$376 million as of Aug. 31 in Chapter 11 documents filed today in U.S. Bankruptcy Court in Wilmington, Delaware. Chapter 11 is the section of the Bankruptcy Code used by companies to reorganize.” (Dawn McCarty and Craig Trudell, “Electric Car Battery Maker A123 Systems Files Bankruptcy Papers,” [Bloomberg Businessweek](#), 10/16/12)

- **The Obama Administration Estimated That A123 Systems Created 408.05 Jobs Before Going Bankrupt, A Cost Of \$317,435 Per Job.** “According to Recovery.gov, A123 was awarded a \$249,090,000 Recovery Act grant. Recovery.gov also states that A123 created 408.05 jobs. ... DOE may claim that the cost per job is lower because it has only obligated \$129,529,710 to A123 so far. However, even using that figure, DOE spent \$317,435.88 per job created.” (Memo To Sen. Chuck Grassley and Sen. John Thune, “[Job Creation By The Recovery Act’s Electric Drive Vehicle Battery And Manufacturing Initiative \(‘EDVBM Initiative’\)](#),” 10/31/12)

China’s Wanxiang Group Corp. Has Outbid Johnson Controls To Become The Debtor-In-Possession Of A123’s Assets. “Lawyers for A123 Systems said Sunday in a bankruptcy court filing that Chinese auto parts maker Wanxiang Group Corp. will provide the so-called debtor-in-possession financing, replacing initial lender Johnson Controls Inc. Wanxiang’s bankruptcy loan, which cuts the interest rate to 12% from 15% from Johnson Controls’ initial offer, comes as a bidding war heats up between the two companies vying for the Massachusetts-based battery maker’s assets.” (Patrick Fitzgerald, “Chinese Firm to Provide A123 Funds,” [The Wall Street Journal](#), 10/29/12)

- **China’s Wanxiang Attempted To Take An 80 Percent Stake In A123 Systems Before The Company Went Bankrupt.** “China’s largest automotive parts supplier is poised to take control of U.S. battery maker A123 Systems (AONE.O), which received \$249 million green-technology grant from the Obama administration in 2009. China’s Wanxiang Group Corp plans to invest up to \$450 million in A123 Systems, taking an 80 percent stake in the U.S. company, A123 said on Wednesday.” (A. Ananthalakshmi and Paul Lienert, “China’s Wanxiang To Take Control Of Battery Maker A123,” [Reuters](#), 7/8/12)

AT ANOTHER STIMULUS FUNDED BATTERY MAKER, WORKERS SPEND THEIR DAYS PLAYING BOARD GAMES AND WATCHING MOVIES

Workers At The LG Chem Battery Plant In Holland, Michigan “Have So Little Work To Do That They Spend Hours Playing Cards And Board Games, Reading Magazines Or Watching Movies.” “Workers at LG Chem, a \$300 million lithium-ion battery plant heavily funded by taxpayers, tell Target 8 that they have so little work to do that they spend hours playing cards and board games, reading magazines or watching movies. They say it’s been going on for months.” (Ken Kolker, “Volt No Jolt: LG Chem Employees Idle,” [WOOD-TV \[Holland, MI\]](#), 10/18/12)

- **“‘There’s No Work, No Work At All. Zero Work,’ Another Current Employee Said. ‘It Is What It Is. What Do You Do When There’s No Work?’”** (Ken Kolker, “Volt No Jolt: LG Chem Employees Idle,” [WOOD-TV \[Holland, MI\]](#), 10/18/12)

Taxpayers Have Spent \$7 Million Paying The Idle Workers. “A Target 8 analysis of federal records shows taxpayers spent \$7 million to train workers and have paid more than \$700,000 for workers' health and dental insurance.” (Ken Kolker, “Volt No Jolt: LG Chem Employees Idle,” [WOOD-TV \[Holland, MI\]](#), 10/18/12)

- **40 Percent Of The \$133 Million Spent By The Company So Far Has Gone To Foreign Companies.** “The company has spent \$133 million so far, most for construction and equipment, records show. About 40% has gone to foreign companies -- mostly to Korea, a Target 8 analysis shows.” (Ken Kolker, “Volt No Jolt: LG Chem Employees Idle,” [WOOD-TV \[Holland, MI\]](#), 10/18/12)
- **\$533,000 From The Stimulus Award Was Spent On The Groundbreaking Ceremony.** “The company also spent more than \$533,000 of that federal grant for the groundbreaking, records show.” (Ken Kolker, “Volt No Jolt: LG Chem Employees Idle,” [WOOD-TV \[Holland, MI\]](#), 10/18/12)

“[Workers] Say The Last Of The Materials Needed To Make Battery Cells, Including Chemicals, Was Shipped Back To Korea.” “They say the last of the materials needed to make battery cells, including chemicals, was shipped back to Korea. It's not clear if that includes any of the \$1.8 million in materials paid for with that federal Recovery Act money. Workers say they made test battery cells, starting late last year, perhaps 100,000 or more, and that they did a good job. They say they produced perhaps 4,000 a week. But, they say, that worked ended for the most part last December.” (Ken Kolker, “Volt No Jolt: LG Chem Employees Idle,” [WOOD-TV \[Holland, MI\]](#), 10/18/12)