



# Great Moments In Obama's Binge Spending

## *On This Day In 2009, Secretary Chu Flushed An Astonishing Amount Of Taxpayer Money Down The Drain Chasing Obama's Green Dreams*

### **CHU ANNOUNCED A LOAN TO FISKER AUTOMOTIVE, PROMISING THOUSANDS OF JOBS IN THE U.S. BUT THE ONLY PLACE THEY ARE MAKING CARS IS FINLAND**

On September 22, 2009, Energy Secretary Steven Chu "Announced A \$528.7 Million Conditional Loan For Fisker Automotive For The Development Of Two Lines Of Plug-In Hybrids." "Energy Secretary Steven Chu today announced a \$528.7 million conditional loan for Fisker Automotive for the development of two lines of plug-in hybrids that will save hundreds of millions of gallons of gasoline and offset millions of tons of greenhouse gas emissions by 2016. The project will result in approximately 5,000 jobs created or saved for domestic parts suppliers and thousands more to manufacture a plug-in hybrid in the U.S." (Press Release, "US Energy Secretary Chu Announces \$528 Million Loan For Advanced Vehicle Technology For Fisker," [US Department Of Energy](#), 9/22/09)

- **DOE Said Fisker Was "Anticipated To Create Thousands Of Jobs In The U.S. And Provide Substantial Support For Domestic Parts Suppliers Saving Or Creating Approximately 5,000 Jobs."** "The project will result in approximately 5,000 jobs created or saved for domestic parts suppliers and thousands more to manufacture a plug-in hybrid in the U.S." (Press Release, "US Energy Secretary Chu Announces \$528 Million Loan For Advanced Vehicle Technology For Fisker," [US Department Of Energy](#), 9/22/09)

### ***The Obama Administration Gave Fisker Permission To Build Its First Line Of Cars In Finland***

"With The Approval Of The Obama Administration," Fisker Began Assembling Its First Line Of Cars In Finland. "With the approval of the Obama administration, an electric car company that received a \$529 million federal government loan guarantee is assembling its first line of cars in Finland, saying it could not find a facility in the United States capable of doing the work." (Matthew Mosk and Brian Ross, "Car Company Gets U.S. Loan, Builds Cars In Finland," [ABC News](#), 10/20/11)

- **"Fisker Used The First \$169 Million In Taxpayer Funds To Bring To Market The Karma, A Flashy \$100,000 Hybrid Sports Sedan That It Assembles In Finland."** (Matthew Mosk, "Fisker May Never Build Electric Cars In US," [ABC News](#), 5/30/12)

### ***Now Fisker Says It May Never Build Its Cars In The United States***

**Fisker Automotive May Not Build Its Hybrid Electric Vehicles In The United States Despite Receiving The \$200 Million In Taxpayer Funds.** "The luxury carmaker Fisker Automotive continues to

signal it could ditch plans to build its next generation hybrid electric vehicle in the United States, despite the nearly \$200 million in Obama administration loan money it has already received.” (Matthew Mosk, “Fisker May Never Build Electric Cars In US,” [ABC News](#), 5/30/12)

**In February 2012, Fisker Halted Work At Its Delaware Plant And Laid Off More Than 60 Workers After It Failed To Meet Production And Sales Milestones Promised In Its Loan Agreement.** “Fisker Automotive, developer of luxury electric cars, halted work at a former GM plant in Delaware and laid off 26 workers there because it ran out of government loan money. Fisker had failed to meet production and sales milestones it had promised in the loan agreement with the Department of Energy, so loan cash was shut off last May. Fisker went on a cash diet, and solicited private investors, while it negotiated a new timetable with the DOE. The cash shortage finally forced the layoff of 26 people at the Delaware factory, which was most of the crew working there to get the former GM plant back into service. Fisker also sped up the layoffs of 40 to 45 engineers at its Anaheim, Calif., headquarters.” (James R. Healy, “Fisker, Out Of Government Money, Begins Layoffs,” [USA Today](#), 2/7/12)

- **The Layoffs Include 26 Workers At Its Wilmington, Delaware Plant And Another 40 Developing Its Luxury Car Line In Anaheim, California.** “The layoffs include 26 workers at a former General Motors plant in Wilmington that Fisker is retooling to manufacture its Nina plug-in hybrid sedan. Another 40 contractors and employees who were working in design and development of Fisker’s Karma luxury car in Anaheim, Calif., also have been cut. The layoffs come as Fisker is seeking to renegotiate its loan agreement with the Department of Energy.” (“Electric Car Maker Fisker Announces Layoffs In Del., Calif. As It Renegotiates Loan Agreement,” [The Associated Press](#), 2/6/12)
- **FLASHBACK: Biden Said The Loan Fisker Was “Seed Money That Will Return Back To The American Consumer In Billions And Billions And Billions Of Dollars In Good, New Jobs.”** BIDEN: “This is seed money that will return back to the American consumer in billions and billions and billions of dollars in good, new jobs.” (ABC News’ “Nightline,” 10/25/11)

**In April 2012, Fisker Laid Off 12 More Workers At Its Delaware Plant.** “Fisker Automotive, the startup hybrid-electric carmaker backed by the state and federal governments, has laid off another dozen workers at its Newport-area factory. The layoffs, which occurred quietly Friday, come as the company continues closed-door negotiations with the U.S. Energy Department for a loan that could determine whether Fisker ever builds a car in Delaware. Meanwhile, the state continues to pay the utility bills for the factory, holding out hope that the automaker will still put scores of Delawareans back to work.” (Jonathan Starkey, “Fisker Plant ‘Absolutely Empty,’” [The News-Journal](#), 4/17/12)

- **“Today, Fisker Employs Only A Small Maintenance Team At The Site ‘Protecting Plant Assets And Maintaining The Facility,’ Said Fisker Spokesman Russell Datz.”** (Jonathan Starkey, “Fisker Plant ‘Absolutely Empty,’” [The News-Journal](#), 4/17/12)

## **THAT SAME DAY, CHU ANNOUNCED THE SECOND ROUND OF 1603 CASH GRANTS, A PROGRAM WHICH SENT BILLIONS TO FOREIGN MANUFACTURERS**

**On September 22, 2009, Secretary Chu Attended A Roundtable To Present A Second Round Of 1603 Awards.** (Secretary Chu’s Schedule, Department Of Energy, Accessed 9/21/12)

**Representatives From First Wind, Horizon Wind Energy, Vestas Americas, Gamesa, Cardinal Fastener, And Solyndra Participated In The Roundtable And Received 1603 Awards.** (Secretary Chu’s Schedule, Department Of Energy, Accessed 9/21/12)

**FIRST WIND:** Since Obama Took Office, First Wind's Received A \$117,330,968 Loan Guarantee From Through The 1705 Program And Over \$452 Million In Grants Through The Stimulus' 1603 Program. The Grants Went To First Wind's Stetson Wind Farm In Maine, 40,441,471; Cohocton Wind Farm In New York, \$52,352,334; Dutch Hill Wind Farm In New York, \$22,296,494; Milford Wind Corridor Phase I In Utah; \$120,147,809; Milford Wind Corridor Phase II In Utah, \$80,436,803; Rollins Wind Farm In Maine; \$53,246,347; Sheffield Wind Farm In Vermont, \$35,914,864; Kahuku Wind Farm In Hawaii, \$35,148,839; Steel Winds II Wind Farm In New York, \$12,778,751. ([Department Of The Treasury](#), Accessed 9/21/12; [Recovery.gov](#), Accessed 9/21/12)

- [First Wind Has Ties To Obama Bundler And Biden Confidant Larry Rasky](#)

**HORIZON WIND ENERGY:** Horizon Is Owned By The Spanish Energy Company EDP Renewables. EDP Received Over \$720 Million In 1603 Grants, \$429 Million Went To Wind Farms Using Foreign Turbines. (Analysis Of 1603 Award Information From The [U.S. Department Of Treasury](#) Wind Market Reports By The [American Wind Energy Association](#), July 2012)

**VESTAS AMERICAS:** Subsidiaries Of Denmark-Based Vestas Received Over \$51 Million In Section 48C Advanced Energy Manufacturing Tax Credit Through The Stimulus. ([Internal Revenue Service](#), Accessed 6/4/12)

- **Wind Farms Using Vestas Turbines Received \$1.1 Billion In 1603 Awards.** (Analysis Of 1603 Award Information From The [U.S. Department Of Treasury](#) Wind Market Reports By The [American Wind Energy Association](#), July 2012)

**CARDINAL FASTENER:** In June 2011, Cardinal Fastener Filed For Chapter 11 Bankruptcy Protection. "Cardinal Fastener & Specialty Co., the Bedford Heights bolt-maker that became a supplier to the U.S. and European wind turbine industry in 2007, filed for Chapter 11 bankruptcy Thursday and suspended operations. Company president John Grabner, in an emailed statement, said the voluntary filing was necessary 'largely as a result of an impasse in negotiations with Wells Fargo, our primary lender, regarding working capital financing.'" (John Funk, "Cardinal Fastener Files For Chapter 11 Bankruptcy Protection From Creditors," [The Cleveland Plain-Dealer](#), 6/30/11)

- **In January 2012, Cardinal Fastener Was Acquired By Germany's Wurth Group For Just \$3.9 Million.** "Cardinal Fastener & Specialty Co. of Bedford Heights, a maker of bolts and fasteners that became a poster child for the wind-power industry, ran into financial problems, filed for Chapter 11 bankruptcy protection and then in late October was sold to Germany's Wurth Group for just \$3.9 million. The new owner's goal for 2012: Get Cardinal close to where it was before its June bankruptcy." ("Deals That Matter," *Crain's Cleveland Business Journal*, 1/2/12)
- **In January 2009, Obama Visited Cardinal And Said The Stimulus Meant The Company Would Go "From Operating At 50 Percent Capacity To 90 Percent Capacity And Creating Even More Good, Made-In-America Jobs Right Here In Ohio."** OBAMA: "That's why, as part of our Recovery and Reinvestment plan, we're committing to double the production of renewable energy in the next three years, and to modernize more than 75% of federal buildings and improve the energy efficiency of two million American homes. In the process, we'll put nearly half a million people to work building wind turbines and solar panels; constructing fuel-efficient cars and buildings developing the new energy technologies that will lead to new jobs, more savings, and a cleaner, safer planet in the bargain. Here at Cardinal Fastener, that could mean going from operating at 50 percent capacity to 90 percent capacity and creating even more good, made-in-America jobs right here in Ohio." (President-Elect Obama, [Remarks At Cardinal Fastener](#), Bedford Heights, OH, 1/16/09)

**SOLYNDRA: A Total Of 1,861 Workers Were Laid Off By Solyndra As It Went Bankrupt.** “Since September 1, 2010 (impact date), an estimate 1,861 workers have been separated from the firm. This total includes an estimated 649 temporary workers as well as leased workers from West Valley, Aerotek, Oxford Global, GES and Lighthouse Management. Most of these separations occurred at the time of the shut-down of the Fremont, CA facility on August 31, 2011. An additional 85 workers are threatened with separation as the company’s operations wind down.” (Employment And Training Administration, “Investigative Report TA-W-80,410; Solyndra LLC,” [Department Of Labor](#), 9/12/11)

### ***Billions From The 1603 Grant Program Went To Foreign Wind Turbine Manufacturers***

**Of The 8,317 Turbines Installed At Major Wind Projects That Received 1603 Awards, 4,513**

**Turbines (54.3%) Came From Foreign Manufacturers.** (Analysis Of 1603 Award Information From The [U.S. Department Of Treasury](#) Wind Market Reports By The [American Wind Energy Association](#), July 2012)

- **Mitsubishi Was The Most Active Foreign Supplier, Accounting For 14.3 Percent Of All Turbines Installed (1,192 Turbines).** (Analysis Of 1603 Award Information From The [U.S. Department Of Treasury](#) Wind Market Reports By The [American Wind Energy Association](#), July 2012)
- **Note: Mitsubishi Has No Active Domestic Manufacturing Facilities. In April 2012, It Decided To “Mothball” What Would Have Been Its First, A \$200 Million Nacelles Factory In Fort Smith, AR, Citing Weak Demand.** “Fort Smith’s \$100 million Mitsubishi wind turbine assembly plant, which has been sitting vacant since its completion last fall, will remain vacant awhile longer. Officials of Mitsubishi Heavy Industries have announced a one-time, \$250 million inventory write down, which will include the ‘mothballing’ of the Fort Smith plant, according to Mitsubishi spokeswoman Sonia Williams.” (Rusty Garrett, “Mitsubishi ‘Mothballs’ Fort Smith Wind Turbine Plant,” [The Times Record \[OK\]](#), 4/2/12)

**Five Foreign Manufacturers Accounted For 48 Percent Of All Turbines Installed By 1603**

**Recipients.** Mitsubishi of Japan (1,192 Turbines, 14.33%), Vestas of Denmark (956 Turbines, 11.49%), Siemens of Germany, (650 Turbines, 7.82%), Gamesa of Spain (628 Turbines, 7.55%) and Suzlon of India (594 Turbines, 7.14%). (Analysis Of 1603 Award Information From The [U.S. Department Of Treasury](#) Wind Market Reports By The [American Wind Energy Association](#), July 2012)

- **Foreign Manufacturers Accounted For 59.3 Percent (8,791 MW) Of The Megawatt Capacity Installed At Wind Farms Awarded 1603 Grants.** (Analysis Of 1603 Award Information From The [U.S. Department Of Treasury](#) Wind Market Reports By The [American Wind Energy Association](#), July 2012)
- **1603 Grants Created 26,314 Jobs At Foreign Manufacturers Versus 18,159 Created At Domestic Manufacturers.** A Renewable Energy Policy Project Study Found That Every MW Of Capacity Installed Creates Three Manufacturing Jobs. (Analysis Of 1603 Award Information From The [U.S. Department Of Treasury](#) Wind Market Reports By The [American Wind Energy Association](#), July 2012; “Wind Turbine Development,” Renewable Energy Policy Project, September 2004)

**Wind Projects Using Foreign Turbines Received \$4.8 Billion (57.3%) Of The \$8.5 Billion Awarded To Wind Projects Through The 1603 Grant Program.** (Analysis Of 1603 Award Information From The [U.S. Department Of Treasury](#) Wind Market Reports By The [American Wind Energy Association](#), July 2012)

- **Wind Projects Using Foreign Turbines Accounted For 87 Of The 153 Major Wind Projects That Received 1603 Grants.** (Analysis Of 1603 Award Information From The [U.S. Department Of Treasury](#) Wind Market Reports By The [American Wind Energy Association](#), July 2012)

### ***The Jobs Obama Promised The Program Would Create Have Failed To Materialize***

**Obama Administration’s Claims That The Stimulus’ 1603 Green Energy Loan Program Created**

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**Over 100,000 Jobs But “A Wall Street Journal Investigation Found Evidence Of Far Fewer.”** “On federal applications, companies said they created more than 100,000 direct jobs at 1603-funded projects. But a Wall Street Journal investigation found evidence of far fewer. Some plants laid off workers. Others closed.” (Ilanthe Jeanne Dugan and Justin Scheck, “Cost Of \$10 Billion Stimulus Easier To Tally Than New Jobs,” [The Wall Street Journal](#), 2/24/12)

- **The Congressional Research Service Said “It Is Recommended That Any Job Creation Estimate Be Viewed With Skepticism.”** “Jobs figures reported by grant recipients were full of errors, the Congressional Research Service said in a report last year: “Thus it is recommended that any job creation estimate be viewed with skepticism.” (Ilanthe Jeanne Dugan and Justin Scheck, “Cost Of \$10 Billion Stimulus Easier To Tally Than New Jobs,” [The Wall Street Journal](#), 2/24/12)

**36 Wind Farms That Received 40 Percent Of The Funding, \$4.3 Billion, Now Only Employ About 300 People.** “About 40% of the funding, \$4.3 billion, went to 36 wind farms. During the peak of construction, they employed an average of 200 workers apiece—a total of roughly 7,200 jobs. Now, those projects employ about 300 people, according to the companies and economic development officials. Their parent companies employ many more, both in the U.S. and abroad.” (Ilanthe Jeanne Dugan and Justin Scheck, “Cost Of \$10 Billion Stimulus Easier To Tally Than New Jobs,” [The Wall Street Journal](#), 2/24/12)

- **Despite Lobbying To Extend The 1603 Program, And Receiving \$7 Billion, The Wind Energy Industry Shed 10,000 Jobs.** “The American Wind Energy Association lobbied successfully in late 2010 to extend the 1603 program through 2011, predicting it would create thousands of jobs. Wind companies wound up with more than \$7 billion of the 1603 money, yet industry payrolls declined to 75,000 last year from a peak of 85,000 in 2009, according to the association.” (Ilanthe Jeanne Dugan and Justin Scheck, “Cost Of \$10 Billion Stimulus Easier To Tally Than New Jobs,” [The Wall Street Journal](#), 2/24/12)