



Stimulus Failure Clouds Obama's Michigan Trip

Obama Visits Michigan Just One Day After A Chinese Company Buys Bankrupt A123 Systems, Which Received Millions In Stimulus Funds

Today, Obama Will Visit An Auto Plant In Michigan. "President Obama is headed to Michigan on Monday, where he will meet with autoworkers in his ongoing effort to pressure Republicans amid 'fiscal cliff' negotiations. Obama's visit to a Daimler Detroit Diesel plant in Redford will come the same day the company announces a new \$100 million investment to produce engines for heavy-duty trucks." (Alicia Cohn, "Obama Takes Tax Fight To Michigan Auto Plant," [The Hill's Blog Briefing Room](#), 12/10/12)

OBAMA WON'T BE VISITING BANKRUPT A123 SYSTEMS

Previously, Obama Predicted That A123 Systems, Which Received \$380 Million In Government Support, Would Create 3,000 Jobs But It Announced Layoffs Last Year And Reduced Its Workforce. "A123 Systems, a battery maker that received \$380 million in government support, announced recently that declining orders had forced layoffs. Instead of up to 3,000 new Michigan jobs as Obama and the company had predicted, it now has 690 employees." (Carol D. Leonnig, and Joe Stephens, "For Obama's Green-Car Revolution, Fits And Starts," [The Washington Post](#), 12/7/11)

- **In September 2010, Obama Phoned In A "Congratulations" To A123 Systems, Recipient Of A \$249 Million Recovery Act Grant.** "This morning, President Barack Obama called A123 Systems from the Oval Office to congratulate them on opening the nation's first manufacturing facility to mass-produce electric vehicle batteries. Today's plant opening was made possible by a \$249 million Recovery Act advanced battery grant the company received last August, an award the company matched dollar-for-dollar with private capital." (President Barack Obama, [Remarks By The President In A Phone Call To Recovery Act Advanced Battery Grant Recipient, A123 Systems in Livonia, MI](#), Washington, DC, 9/13/10)
- **In July 2011, Obama Touted A123 Systems As A Job-Creating Company With Soaring Demand For Its Vehicle Components.** OBAMA: "As these companies look for ways to boost efficiency, they'll be conducting research and development on test tracks. They're going to look to startups working on biofuels and new engine technologies. They're going to continue to invest in advanced battery manufacturing. They're going to spur growth in clean energy. And that means

new jobs in cutting-edge industries all across America. I'll give you a couple of examples. There's a company called Celgard in North Carolina that's expanding its production line to meet demand for advanced batteries. And they've hired 200 employees and they're adding 250 more. There's A123, a clean-energy manufacturer in Michigan that just hired its 1,000th worker as demand has soared for its vehicle components. Companies like these are taking root and putting people to work in every corner of the country." (President Barack Obama, [Remarks By The President On Fuel Efficiency Standards](#), Washington, DC, 7/29/11)

In October 2012, Michigan's A123 Systems, "Which Was Awarded Nearly \$250 Million" Of Tax Dollars, Filed For Chapter 11 Bankruptcy. "A123, which was awarded nearly \$250 million in grants from the Department of Energy in 2009 to build a factory in Michigan, filed for Chapter 11 bankruptcy in October with a plan to sell its automotive-business assets, including the plant, to Johnson Controls." (Patrick Fitzgerald, "China's Wanxiang Wins U.S.-Backed Battery Maker A123," [The Wall Street Journal](#), 12/8/12)

THIS PAST WEEKEND, A CHINESE-OWNED COMPANY BOUGHT MICHIGAN'S TAXPAYER-BACKED A123 SYSTEMS

Yesterday, Chinese-Owned Wanxiang Group "Won A High-Stakes Auction On Sunday For Assets Of A123 Systems, The Bankrupt American Battery Maker That Was A Centerpiece Of The Obama Administration's Loan Program For Electric Vehicles." "Wanxiang Group, a large Chinese auto parts maker, won a high-stakes auction on Sunday for assets of A123 Systems, the bankrupt American battery maker that was a centerpiece of the Obama administration's loan program for electric vehicles. A123, which filed for bankruptcy in October after chronic losses and a damaging battery recall, said Wanxiang agreed to pay \$256 million for its automotive and commercial operations, including its three factories in the United States." (Bill Vlasic, "Chinese Firm Wins Bid For Auto Battery Maker," [The New York Times](#), 12/10/12)

"A123's Bankruptcy Has Been A Black Eye For The Obama Administration's Efforts To Foster A Domestic Market For Electric Vehicles." "While A123's bankruptcy has been a black eye for the Obama administration's efforts to foster a domestic market for electric vehicles, the entire battery industry in the U.S. is struggling as demand for electric vehicles hasn't lived up to expectations so far. The cars being built still are using Japanese and Korean suppliers that have more manufacturing expertise and bigger scale." (Patrick Fitzgerald, "China's Wanxiang Wins U.S.-Backed Battery Maker A123," [The Wall Street Journal](#), 12/8/12)