

# BIDEN TO ANNOUNCE FISKER AUTO PLANT IN WILMINGTON DELAWARE

Vice President Joe Biden is set to make an appearance in his home state of Delaware today to make an announcement that Fisker Automotive will be purchasing, retooling and opening up operations in a shuttered former General Motors facility in Wilmington. From the Washington Post:



Vice President Biden will make the announcement that Fisker Automotive of Irvine, Calif., is expected to invest \$175 million to retool the plant.

Fisker, which will pay the old GM \$18 million for the facility and equipment, is getting tax incentives from the state of Delaware, although officials there declined Monday to say how much.

Fisker plans to make a car in Delaware that is being developed under the name "Project Nina" after the ship belonging to explorer Christopher Columbus. Russell Datz, a Fisker spokesman, said that the project's name is meant to be "symbolic of the transfer from the old world to the new in terms of auto technology." The car is expected to cost about \$39,900 after tax incentives.

The Fisker facility is expected to create 2,000 jobs and will likely be operational by 2011. Administration officials said the deal will indirectly create another 3,000 jobs once the plant is fully operational, expected in 2014. Administration officials say that Fisker expects many of the jobs will go to former GM or Chrysler auto workers.

Time will tell, but on the front end this looks

like a wonderful deal in a lot of ways. Fisker is a company that has been putting the pieces together behind the scenes for a couple of years for a major production move, and their initial prototype, and soon to be production model, the Karma, is absolutely stunning and, from all reports, technologically sound. Wilmington is an area that, while not as hard hit as Detroit, is certainly depressed and has been further decimated by the recent closing of the large GM plant there as well as a separate Chrysler plant. When fully up and running, the Fisker Nina plant in Wilmington may be able to reemploy many, if not most, of those orphaned workers.

The Fisker Nina will sell for approximately \$39,000 after an anticipated \$7,500 tax credit and has been described by the company as follows:

#### **Design**

"Nina is the project name for a family oriented, user friendly plug-in hybrid featuring cutting edge technology, radical styling and world-class quality," said Euslberg

It seems likely Fisker already has some significant design development underway, but perhaps no sold models. However, we are going to have to wait a while before seeing any of them. "We are not currently releasing designs," he said.

#### **Battery**

The car will use lithium ion batteries for energy storage. Like the Karma, the new vehicle will also source its batteries from Indiana-based EnerDel (NASDAQ: HEV).

#### **Charger**

Fisker will be using level 2 or 240 Volt home chargers built by Lear.

#### **Engineering Architecture**

The Karma is utilizing an extended-range electric architecture wherein the car is always powered by the electric motor,

and can deliver up to 50 all electric miles, with the gas range extender going on after that.

Even more interesting is the synergy and interplay at work by the government (presumably with Ed Montgomery having a large hand) below the surface. Fisker will be paying GM \$18 million for the plant and is expected to invest up to \$175 million to retool and fit the plant for their needs and, conveniently, Fisker was awarded last month a \$528 million loan from the US Department of Energy's \$25 billion Advanced Technology Vehicles Manufacturing Program. The ATVMF is designed to encourage the domestic design and manufacture of new battery technology and electric cars. And, of course, the US government is now a substantial stakeholder in GM itself. If this works, it is a marvelous and efficient interjection of government seed and green stimulus money and everybody will benefit.

It is nice to get this project for Wilmington Delaware, and it is surely needed there. Now that Vice President Biden's backyard has been greened, how about Michigan? If there is any place in America that could use just this kind of stimulus more than Michigan, it is hard to figure where it would be. And Michigan would have been prime for Fisker as they just opened a design and engineering facility in Pontiac Michigan last year. Fisker may not be able to handle a second new facility this quickly, but surely the Obama Administration can find some analogous love to spread around in the state most desperate for it.