



# ANOTHER TESLA MOTORS TAXPAYER RAPING CRONY POLITICAL PAYOLA SCAM EXPOSED

| About: Tesla Motors (TSLA)



**Investor Gator**

Alternative energy, industrials, long/short  
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## Summary

- The latest on the Tesla-linked \$7B federal loan application. Is nascent criticism of the project a sign of bigger problems to come?
- Just how large is the market for range-extended electric hybrid four wheel drive pickup trucks? I have no idea. And neither do you.
- But the US government must know. Why else would it consider a \$250M taxpayer loan to a company with just \$3.3M in sales and a \$12.7M net loss last quarter?
- Tying it all together is the DOE's big mistake of using debt to finance risky companies - a practice that has spawned an ugly Tesla imitator.
- Misallocation of capital to Tesla and its ilk could have serious consequences for the financing of worthwhile energy projects.

## Your Tax Dollars at Work?

With April 17th fast approaching, it's timely to give some thought to how our hard earned tax dollars are spent. On December 11, 2017, I wrote that [Tesla \(NASDAQ:TSLA\)](#) was linked to a \$7B federal loan application for a steel plant in Michigan. The sponsors behind Project "Tim," an ambitious project to supply steel to the auto industry while generating renewable electricity as a by-product, had applied to the Department of Energy's Advanced Technologies Vehicle Manufacturing Loan Program [according to a report](#) from Crain's Business Detroit.

The project sponsor, New Steel International, Inc., has been busy since then assembling options to acquire 1,000 acres of

land in Durand, MI, for the massive plant. Neither New Steel nor Tesla have issued any material public updates on the project.

However, during the same time the company was ramping up its efforts to acquire land and further develop the project, skeptics and local critics also stepped up their own activities related to the project.

Skeptics of the project have gone on the record to say it is an odd time for taxpayers to make such a large commitment given industry dynamics and lower-priced Chinese imports. In a [follow-on December article](#), Crain's quoted Wally Wilson, of industry consultant Steel Insights, LLC, as saying "The idea of putting a blast furnace (steel mill) in North America, given the high cost, just doesn't make sense to me... [t]he problem is, the economics don't work."