

Korean Plans To Build EVs In Three States Falter

Mark Niese, Associated Press

HONOLULU (AP) — Korean electric car company CT&T made a splash in three states when it rolled shiny, tiny vehicles off big rigs and announced with smiling governors that it would hire hundreds of Americans to build them in new factories.

But those plans have stalled in Hawaii, Pennsylvania and South Carolina without anyone hired, any plants constructed or any electric cars assembled.

The South Korean electric car and golf cart manufacturer has apparently abandoned its pledge to the three states — without notice — and deserted its new U.S. markets amid financial difficulties, The Associated Press has learned.

Meanwhile, an American subsidiary, CT&T United, is in the process of separating from Seoul-based CT&T and hopes to take on North American ownership and attract more U.S. investors, James Park, vice president of the subsidiary, told the AP in a phone interview Thursday.

He said CT&T United is abandoning plans for facilities in Pennsylvania, but the company still wants to build in Hawaii and South Carolina. Park said the U.S. subsidiary hopes to raise \$250 million to move forward with its plans.

But there have been no signs of any progress, state and business leaders said.

Since the governors of all three states attracted publicity and news coverage for CT&T, the company has gone silent. Its phone lines in Atlanta and Los Angeles have been disconnected, and the website for CT&T United remains under construction.

CT&T had said in May of last year it intended to build an assembly facility in Hawaii that would employ up to 400 people and produce up to 10,000 vehicles a year. Hawaii hailed the automaker as it has struggled for years to diversify its tourism-dependent economy and shed its image as a difficult place to do business because of high costs, taxes and red tape.

But, said Maria Tome, renewable energy program manager for the Hawaii Energy Office, "They did their thing and they left, and I haven't heard anything since."

The same is true in Pennsylvania, said Theresa Elliott, a spokeswoman for the state's Department of Community & Economic Development. "There hasn't been any movement on this project since the initial announcement," she said.

Pittsburgh and Philadelphia anticipated two production and distribution centers from CT&T, each hiring 200 workers, following the September 2009 exhibition.

In South Carolina last July, CT&T said it intended to assemble cars in the town of

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Duncan and create 370 jobs, but that project also has been delayed indefinitely.

The small two-seaters — with models including a hatchback, mini pickup and police parking enforcement vehicle — could reach speeds up to 40 mph for driving on city and neighborhood roads. They would cost between \$8,000 and \$20,000, depend on the model and accessories, with batteries lasting up to 60 miles.

Park insisted that the deals aren't dead, at least for Hawaii and South Carolina.

"We are in very close negotiations and the final stage of funding," he said. "Once that is due, the main purpose is to establish factory operations in Honolulu and South Carolina, but the funding must be in place prior to making any commitment."

CT&T in Seoul said it's facing "liquidity issues," and no schedule has been set for the resumption of its plans in the U.S.

CT&T's stock price on the Korean stock exchange has plunged 89 percent this year, from 1,030 won on Jan. 3 to 115 won, or 11 cents, when markets closed Thursday.

The states aren't holding their breaths and have all but given up.

"We have not heard from CT&T since October 2010. Given their stock decline, there is no indication that CT&T will be coming to Hawaii anytime soon," said Mark McGuffie of Enterprise Honolulu, the Oahu Economic Development Board, which worked to bring CT&T to Hawaii.

Even CT&T's business partner in South Carolina, 2AM Group, didn't know if or when the project could start.

"They're still getting everything together to be able to set up the manufacturing operations. So far, their marketing systems have to be improved to be able to justify production here," said Brian Jones, business unit manager for 2AM Group, which provides technical services to the auto industry. "They have a good product, that's the sad thing about it."

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Ary Kim from Seoul contributed to this report.

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