Fisker To Cut Workers At Headquarters

Tom Krisher, AP Auto Writer

DETROIT (AP) — Troubled electric car maker Fisker Automotive plans to lay off a large number of the workers at its California headquarters on Friday, a person briefed on the matter said.

The person, who did not want to be identified because a formal announcement hasn't been made, said the layoffs will be effective at 8 p.m. Pacific time. The exact number was unknown.

Anaheim, Calif.-based Fisker has struggled with financial and production problems, and its co-founder resigned last month. In March, Fisker furloughed its staff of about 220 for one week. At one time the company employed about 600 workers.

The company has hired a Los Angeles communications firm to answer questions about its operations, and a spokesman said the company would have a statement soon. A telephone message was left for Fisker CEO Tony Posawatz.

Fisker makes the $100,000 Karma, a plug-in hybrid sports car. It has sold about 1,800 of them but stopped production last year after its battery maker filed for bankruptcy protection. The Karma car is Fisker's only model, but it was developing a lower-cost car — the Atlantic coupe — which would sell for around $55,000.

In late March, co-founder Henrik Fisker left the company in a disagreement over business strategy. Fisker didn't give further details for the resignation.

In 2011, the U.S. Department of Energy suspended a $529 million loan to Fisker after introduction of the Karma was delayed due to trouble with battery packs. Fisker got $193 million from the government before the payments were stopped in May of 2011.

In August, the company brought in Posawatz, a former General Motors electric car chief, who has favored alliances or sale of the company. There have been reports that some Chinese automakers are interested.

Fisker said last month in a statement that Henrik Fisker's departure won't affect its pursuit of "strategic partners" and additional financing. "The company has a strong and experienced management team and its strategy has not changed," the statement said.

Fisker's troubles show just how difficult and costly it is to start a car company and introduce a new technology. Gas-electric powertrains allow the cars to go 30 to 40 miles on battery power before a backup engine kicks in. The engine eliminates anxiety over running out of electricity.

The company was started in 2007 by Henrik Fisker and a business partner. It has raised more than $1.2 billion from private investors — including actor Leonardo DiCaprio. However, production was suspended last fall after battery supplier A123 Systems Inc. sought bankruptcy court protection. The company was negotiating a new battery contract with A123's new owners.

Fisker has had other stumbles. Consumer Reports magazine last year gave the Karma a failing grade, citing numerous dashboard glitches and a battery that failed while the car was being tested.

Posawatz said Fisker was overly ambitious and tried to bring the Karma to market too quickly.

Last fall, in an appearance in Detroit, Posawatz declined to say which companies Fisker is negotiating with as potential buyers or partners. But he said the company's hybrid system is very valuable to other companies. Fisker uses an engine from General Motors in the Karma and plans to use a BMW engine in the Atlantic.

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