

Van Startup Strikes Deal For Assembly

By [MIKE RAMSEY](#)

DETROIT, Mich.—Bright Automotive Inc., a startup developing plug-in, hybrid-electric delivery vans, reached an agreement to have its vehicles assembled by AM General LLC, the military contractor that produced the original Hummer.

Bright, based in Rochester Hills, Mich., is one of several small companies looking to develop electric technology for commercial vehicles. Delivery trucks, work vans and other commercial vehicles are seen as more suited for electric vehicle technology than passenger cars because of the way companies use their fleets.

Commercial fleets typically travel consistent routes with lots of stops and starts and many miles. That type of driving lends itself to faster payback because of the fuel savings is greater than with consumer electric vehicles.

Commercial vehicles often are parked at night and on weekends, allowing for regular recharging. Two of the limitations of electric cars such as [Nissan Motor](#) Co.'s Leaf are the range they can travel and time it takes to recharge them. The Leaf can go about 80 miles before needing a charge that can take between four and eight hours.

The manufacturing agreement is an important step. Last year the company received a \$5 million investment from [General Motors](#) Co.'s investment arm, GM Ventures. AM General, of South Bend, Ind., develops military vehicles.

Bright applied for a loan guarantee from the Department of Energy's Advanced Technology Vehicles Manufacturing Loan Program in 2008. Its application seeks a loan guarantee of "less than \$400 million" to bring the van to market, said Reuben Munger, chairman and chief executive officer.

Bright's application may be hindered by the scrutiny now being paid to loans made to Fisker Automotive and [Tesla Motors](#) Inc., electric car startups. Some lawmakers have asked the energy department to pause new loan guarantees in the wake of the bankruptcy of California solar power company Solyndra LLC, which had a \$527 million U.S. loan guarantee.

Mike Donoughe, Bright's chief operating officer, said the company requires the loans to move forward in the United States, but might consider moving the venture to China if the loan guarantee isn't approved.

Bright's IDEA work van could be ready for production as soon as 2014, it says. The company estimates the vehicle could reduce diesel or gasoline consumption for many fleet customers by as much as 80%.

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