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[http://money.cnn.com/2009/02/05/news/economy/stimulus\\_batteries/?postversion=2009020515](http://money.cnn.com/2009/02/05/news/economy/stimulus_batteries/?postversion=2009020515)

# Recharging a high-tech battery industry

**The country is behind when it comes to advanced vehicle batteries, but innovation and a little stimulus money could head off another OPEC scenario.**

NEW YORK (CNNMoney.com) -- There's a saying as the nation pushes for cleaner electric cars: The United States will end up trading dependence on Saudi oil for dependence on Asian batteries.

Most of the big players in advanced batteries - the ones used to power the cars of tomorrow - are from Japan, South Korea or China. America's battery industry is in need of a shock. Enter Stimulus.

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## **King of battery hill**

The company or companies that nail the technology are potentially set for big profits and big hiring sprees. And currently, while many foreign firms have manufacturing operations in the United States, most of those companies are not headquartered here.

Japan's Panasonic, NEC, and GS Yuasa; South Korea's LG; and China's BYD are the main players in this market, and account for nearly all current lithium ion sales.

"The United States is alarmingly vacant from this list," said Rob Wilder, manager of the WilderHill clean energy index, an investment fund. "It's painful as a patriotic American to see just how far behind we are."

That said, U.S. firms are not out of the game.

Companies like Johnson Controls (JCI, [Fortune 500](#)), Ener1 ([HEV](#)), Maxwell ([MXWL](#)), Valence ([VLNC](#)), and privately held A123 Systems are noted for innovative, advanced-vehicle battery technology, if not a

huge amount of current sales.

General Motors is working with A123 Systems on the Volt, although it seems LG will make most of the initial batteries.

There's also an array of smaller American startups that are scraping by while they search for venture capital funding.

Wilder said that for the stimulus money to be effective, it should be available to these smaller companies that might have good designs but lack lobbying power.

"They just don't have the resources to get the money like GM or Ford, who came late to the game anyway," he said.

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A spokesperson for the House subcommittee that wrote the battery portion of the bill said those specifics would be hammered out by the Department of Energy if and when the bill gets approved.

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