

# Automotive News

CHARLES CHILD

## That huge auto plant in Alabama? Actually, it's a visa factory

**Charles Child**

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Promoters share a little secret that they rarely tell the rest of us: People often prefer grandiose plans to sensible, easy-to-achieve ones -- particularly if good-paying jobs are promised.

That seems to be the case with **Hybrid Kinetic Motors Corp.'s** pie-in-the-sky plan to assemble cars in Alabama.

The company says that in 2018, it will be producing 3 million hybrids *per year* in the United States. But last year General Motors Co. was the top-selling automaker in the United States, with sales of 2.1 million units. So HK Motors will exceed GM's current sales in just eight years? Absurd.

But wait, there's more.

CEO Chuantao Wang says, with a straight face, that he is benchmarking the quality of Mercedes-Benz.

Let's see: HK Motors, a startup based in Pasadena, Calif., has designed and assembled exactly zero cars in its brief history. And yet it plans to match the superbly trained engineers at the proudest name in the business? Again, absurd.

So what is HK Motors seeking with its grand assertions and a press conference with Alabama Gov. Bob Riley two weeks ago?

Actually, the answer is easy: green cards for rich Chinese.

The company acknowledges that it is using a special U.S. visa program called EB-5. Each \$500,000 invested in an economically distressed area generates a permanent-resident green card for a foreign family.

And where is HK Motors raising its cash? China, of course, home to thousands of newly minted millionaires. For them, \$500,000 is an acceptable price to move to the United States. And they will care little how their money is spent or if only a handful of cars are ever built.

"Our investment in Alabama creates the potential" for 15,723 EB-5 visas, thus allowing the company to raise as much as \$7.86 billion, says Charles Huang, vice chairman of HK Motors.

So I guess HK Motors is being entirely straightforward about its plans. Unfortunately, those plans have little to do with making cars.

### COMMENTARY



Charles Child is news editor of Automotive News.

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