

Tesla CEO vows to pay off US loan early

27 February 2013, by Matthew Daly

The chief executive of electric car maker Tesla Motors says his company plans to pay back an Energy Department loan in half the time required by the U.S. government.

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CEO Elon Musk said Tesla plans to pay off the \$465 million federal loan in five years, rather than 10 years. Musk made the comment Tuesday at a summit on energy innovation, where he appeared on stage with [Energy Secretary Steven Chu](#) and defended the Obama administration's clean energy program.

Noting the firestorm of criticism aimed at the Energy Department after the bankruptcy of solar company Solyndra, which received a \$528 million federal loan, Musk said it was only fair that the administration wins praise for success stories such as Tesla. He said the company is on course to earn a small profit this quarter.

In his appearance at the ARPA-E summit, Musk also said the Palo Alto, California, company lost as much as \$100 million in [market valuation](#) as a result of a public spat with The New York Times following a negative review of its all-electric Model S car.

Musk accused the newspaper of faking results of an East Coast road test and traded shots with the paper and its reporter for more than a week on Twitter and in blogs. The Times said the test was an honest account of what happened on the drive.

Tesla received an [Energy Department](#) loan in 2010 under a program similar to the one that benefited Solyndra. The first payment was due late last year, with final payment in 2022. A company spokeswoman said Tesla hopes to pay off the loan by 2017.

The company made its first payment of nearly \$13 million in December. A second payment is due in March.

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