



June 20, 2011

Ms. Meri Miles
Air Pollution Specialist
California Air Resources Board
1001 I Street, P.O. Box 2815
Sacramento, CA 95812

Dear Ms. Miles,

On behalf of CODA Automotive, a Southern California-based developer of all-electric vehicles, electric propulsion systems and energy storage systems, I would like to commend the efforts taken by the Air Resources Board (ARB) to accelerate the adoption of electric vehicles in California. The Clean Vehicle Rebate Project (CVRP) is central to these efforts, and this support is recognized and greatly valued.

One of the most significant achievements of the ARB has been the policies and programs it creates that improve the air Californians breathe while cultivating industries that create jobs and economic development throughout the State. As a result of your leadership in Sacramento, a number of emerging companies that produce clean vehicles and motorcycles have headquartered their operations in California, including CODA Automotive, Tesla Motors, Fisker Automotive, Miles Electric Vehicles, Vantage Vehicle International, Electric Vehicles International and Zero Motorcycles. These companies will play an increasingly significant role in California's economy as the adoption of clean transportation expands both in California and abroad.

We are pleased with the proposed modifications to the CVRP program as outlined in last week's press release, as they will help ensure that the rapid adoption of clean vehicles in California continues. In addition to these changes, CODA Automotive requests that the ARB consider modifications to the Air Quality Improvement Program (AQIP) FY 2011-12 funding plan that would make the program a more effective job creator, while maintaining its effectiveness at improving air quality.

To make the program a more effective job creator, we propose that the ARB "set-aside" 20% of CVRP rebate funds for vehicles purchased from California suppliers. Additionally, the ARB may consider offering a "premium rebate" for the purchase of vehicles from California suppliers.

These approaches are supported by Assembly Bill 118 (Núñez) and California precedent. For example, section 1 (g) declares: ("commercialization of alternative... vehicle technologies in California have the potential to strengthen California's economy [by]... stimulating high-quality job growth..."). Under Section 44272 (b) (1), (2), (3), (7), (9), (11) clean vehicles qualify for "preferences". In particular, section (7) stipulates a preference for projects that ("provide economic benefits for California by promoting California-based technology firms, jobs and businesses"). This approach is consistent with many other State programs. In addition to much needed



tax revenue that is earned from California companies, the economic growth and job creation potential is invaluable, particularly to a state with an unemployment rate approaching 12%.

Given the landscape of California vehicle suppliers today, CODA believes that "California Supplier" (in relation to clean vehicles) should be defined as: "Any sole proprietorship, partnership, joint venture, corporation, or other business entity whose permanent, principal office or place of business from which the supplier's trade is directed or managed is located in California and which produces, builds, researches, develops or manufactures a product in California that qualifies for CVRP funds."

Again, we thank you for demonstrating the kind of leadership California needs to improve air quality and stimulate the economy. We appreciate your thoughtful consideration and will be following-up with you shortly.

Respectfully yours,

A handwritten signature in black ink, appearing to read "K. Forrest Beanum", written in a cursive style.

K. Forrest Beanum
Vice President, Government Relations

cc: Mary D. Nichols, Chair, California Air Resources Board
cc: Michael Robinson, Sr. Manager Compliance and Regulatory, CODA Automotive