



April 21, 2009

The Honorable Mary Nichols  
Chair, California Air Resources Board  
1001 "I" Street  
Sacramento, CA 95812

**Re: Inclusion of Zero Emission Motorcycles in the AB118 AQIP Zero Emission Vehicle (ZEV) Clean Vehicle Rebates Program**

Dear Chairman Nichols:

Zero Motorcycles is a new business that has created more than 30 "green" jobs in Santa Cruz, California. We make high performance electric motorcycles which are extremely fun and environmentally friendly. We need your assistance on driving forward California incentives for electric vehicles, specifically electric motorcycles.

We support the ARB Staff efforts to include Zero Emission Motorcycles (ZEMs) in the AQIP ZEV Clean Vehicle Rebate Program. This class of vehicles was highly successful in the previous Air Resources Board AFIP Program. We urge the ARB to keep these vehicles in the new AQIP program, and fund the program appropriately to support the additional ZEM vehicles.

Highway capable Zero Emission Motorcycles can significantly impact ARB's goals to both reduce VMT and improve air quality. With a range of 60 miles and a top speed of 70 mph, our Zero-S Supermoto Street Bike (Available Q2-2009) is freeway capable and could serve more than 75% of California commuters. Hundreds of thousands of motorcycles are sold each year in California, often to replace cars for commuting. Doesn't it make sense to incentivize the most affordable type of zero emission vehicle?

We anticipate that the Zero S will be priced at \$10,000. The stated goal of the AQIP ZEV rebate program is to reduce the incremental cost of ZEV vehicles by 50%. With a \$1500 rebate we would nearly reach that goal, as the typical commuter street bike retails for approximately \$6,000. A rebate of \$2000 per ZEM would be even more effective. Early consumer incentives have proved extremely important in creating new markets. The State of California has ambitious goals for both air quality improvement and GHG reduction. Zero Motorcycles can make a meaningful contribution with the help of these rebates. We estimate that we could increase our sales volume in California by as much as 50%, if these rebates are available, which in turn will allow us to add hundreds of new jobs here in California over the next few years.

Please feel free to contact me if you have any questions and thank you again for all the great work you to improve our air quality.

Sincerely,

Gene Banman  
CEO, Zero Motorcycles

Cc: Tom Cackette, Deputy Executive Officer, California Air Resources Board  
Robert Cross, Chief, Mobile Source Control Division  
Lucina Negrete, Manager AQIP Section, California Air Resources Board  
Joe Calavita, Lead Staff, AQIP  
Stella Ling-Taylor, ZEV Clean Vehicle Rebates Program

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