



December 11, 2017

Subject: Comments on Proposed Fiscal Year 2017-18 Funding Plan for Clean Transportation Incentives

Background

Arcimoto, Inc. (NASDAQ: FUV) was founded in 2007 to catalyze the shift to a sustainable transportation system. Headquartered and manufactured in Eugene, Oregon, Arcimoto is devising new technologies and patterns of mobility that together raise the bar for environmental efficiency, footprint and affordability. Our flagship product, the pure electric, three-wheeled Fun Utility Vehicle (FUV) is available for preorder today, and packs the utility needed for the vast majority of daily transportation trips into a platform that is 1/4 the weight, 1/3 the footprint and 10X the efficiency of today's average car (target 230 MPGe).

Classification

As a three-wheeled vehicle, the Arcimoto Fun Utility Vehicle is classified as a motorcycle. Unlike typical two-wheeled motorcycles, however, the FUV is suitable for a wide range of daily trips: it seats two people comfortably on a stable, nimble and very visible platform, it features a full roll cage and the ability to be fully enclosed, and it has an expandable architecture that makes it ideal as a small, task-oriented vehicle (STOV).

Although the FUV is more than twice as efficient as today's battery electric cars, and is equally suitable for many daily single- and dual-occupant trips, Arcimoto's customers are not treated equally, from an incentive perspective, with purchasers of less efficient, larger vehicles in California. Under current CVRP rules, Arcimoto's product would be classified as a ZEM (Zero Emission Motorcycle) and thus eligible for a maximum credit of \$900. Further, low and moderate income purchasers would find themselves excluded from increased rebates granted for less efficient, larger vehicles.

Recommendation

We strongly support the truly global leadership position that the California Air Resources Board has taken in the fight for clean air and the reduction in carbon emissions. As new ultra-light daily-use vehicle topologies enter the market, such as the three-wheeled enclose-able motorcycle from Arcimoto, the self-balancing enclosed motorcycle from Lit Motors, and ultra-efficient zero-emission autocycles from other market players such as Electra Meccannica, we recommend CARB afford purchasers of such vehicles the same \$2,500 incentive benefits (\$4,500 for the Low/Moderate Income category) offered to purchasers of Light-Duty Zero-Emission Vehicles. Thank you for your consideration and the great work you do!

Respectfully,

Mark Frohnmayer
Founder and President, Arcimoto, Inc.