

**Smith Electric Vehicles Testimony
California Air Resources Board
December 10, 2009**

Good morning, my name is Marianne McInerney, and I am the VP of Sales and Marketing for Smith Electric Vehicles U.S. Corporation. Smith Electric Vehicles is pleased to have the opportunity to provide comments to the proposed revisions to the ARB Zero Emission Vehicle Regulation ("ZEV Rule"). Smith is an all-electric zero emissions commercial truck manufacturer who licenses its proprietary technology from Smith Electric Vehicles in the U.K., the world's largest and oldest manufacturer of commercial electric vehicles. In the US and in particular for the California marketplace, Smith U.S. is gearing up to manufacture and sell all-electric medium-duty, Class 5 and 6 commercial trucks for a variety of applications encompassing route delivery and service fleets. Smith vehicles feature the latest in lithium-ion battery cell technology, power management and direct drivetrains. The "Newton" model Class 5 and 6 ZEV trucks are in full production at Smith's new production facility in Kansas City, Missouri where for the first time all-electric trucks will be assembled and distributed by American workers. Eighteen Newton models have been approved for sale in California by ARB.

Smith Electric Vehicles Request of ARB Board and Staff

Currently under California law only light-duty ZEV vehicles less than 14,000 gross vehicle weight rating (GVWR) can be formally certified by ARB for sale in California. Medium and heavy-duty ZEVs with GVWRs in excess of 14,000 lbs. cannot be formally certified since no protocol exists in any California statute. To rectify this situation, Smith is petitioning ARB to consider inclusion of a process that would lead to formal, official, ARB certification of commercial ZEV vehicles greater than, or equal to 14,000 GVWR. We believe there are six compelling reasons for the Board and Staff to consider this request:

Rationale:

1. Equal Playing Field For The Commercial ZEV Manufacturer

At present, other commercially available alternative fuels and powertrain platforms that compete in the same space as commercial ZEVs, benefit from a proscribed test protocol that results in a formalized, codified ARB certification. Manufacturers of commercial medium duty and heavy-duty ZEVs have no such certification process; rather we must rely on an extrapolation of the ARB codified light-duty certification process to receive not a formal certification, but an "approval." While an approval provides some measure of assurance that competitive technologies are equally evaluated, it lacks the same rigorous attention that a formal certification provides. This puts manufacturers of medium and heavy-duty ZEVs at a competitive disadvantage in demonstrating to prospective customers, thinking of purchasing alt-fuelled or alt powertrain vehicles, that we have undergone the same rigorous certification program that other alternative powertrain providers are able to demonstrate.

2. Equal Playing Field For The Commercial (Fleet) Consumer

This concept of seeking a formal certification affects the commercial consumer as well, who need to be assured that advertised claims of vehicle performance are valid. A formal certification ensures that a product being sold in the California marketplace meets proscribed ARB standards of vehicle performance such as vehicle mileage range, display of smog and greenhouse gas emissions labels, durability and warranty precepts, a well-defined dealer network, and so on. As with any certification – light-duty or heavy-duty – it ensures that the customer is purchasing a fully-vetted product, regardless of the powertrain or fuel type.

3. The Timing Is Right

As recently as perhaps a few short years' ago, I may not have been able to make this request. However, our product, as perhaps is the case with our competitors, is not in an advanced development, or R & D stage, but is a fully commercialized, U.S.-manufactured vehicle strategically positioned to compete with other alternative powertrain vehicles that benefit from being able to receive certification.

4. ARB Staff Support

In May of this year, Smith Electric Vehicles received ARB approval for no less than 18 models of our Newton range of Class 5 and 6 commercial all-electric heavy-duty trucks. During the course of that process, and indeed as noted in the approval letter itself, the ARB Certification Staff strongly encouraged us to petition for a codified medium and heavy-duty cert process to ensure that all manufacturers would be held to the same proscribed set of requirements. Additionally, we have been in discussions with other ARB Staff responsible for incentives programs, and they have voiced their commitment to work with us in this regard.

5. Credit Mechanisms

Ultimately, Smith, and we suspect other commercial ZEV manufacturers, seek to be able to bank, and otherwise use emissions and potentially carbon credits garnered from fleet use of commercial ZEVs. At this juncture we do not seek to incorporate these mechanisms into any procedure. Rather we seek to engage in a dialogue to start addressing credit mechanisms. As with the test procedures, described above, we seek a "level playing field" with other alternative powertrain choices in being able to garner and subsequently use valuable emissions and carbon credits, in the future.

6. Use the Heavy-Duty Hybrid Template

Programmatically, Smith is suggesting that the heavy-duty “hybrid template”, in which a series of established test cycles have already been established, be applied to medium and heavy-duty commercial ZEVs. There is an extraordinary level of similitude between the operating characteristics of ZEV and hybrid truck designs, with a complimentary series of hybrid test cycles having already been developed. To enable this process, it strikes us that commercial ZEV protocols should mirror those of commercial hybrids, and that no technical testing “reinvention” is necessary.

Conclusion

Smith realizes that this regulation may not be the most appropriate venue to make this request, yet we appreciate the opportunity to bring this issue before the Board. Similarly, we look forward to working with Staff to make commercial ZEV certification a reality. In a sense this request may be a bit foreign coming from a vehicle manufacturer – we are, indeed, asking you to regulate us!...for our benefit no doubt, but also to ensure that California consumers breathe clean air and get the products they deserve.

Thank you.

