

## **Stockton truck plant grows**

### **EVI also opens Michigan facility for marketing, sales**

By Reed Fujii, staff writer

Stockton Record, Feb. 2, 2012

Electric Vehicles International is expanding its Stockton assembly plant and has opened a Michigan office to support national marketing and sales efforts, company officials announced this week.

A visit to the plant on Army Court north of Dr. Martin Luther King Jr. Boulevard revealed computerized machine tools being installed and a 30,000-square-foot plant expansion being readied for an assembly line where EVI will produce electric-powered, walk-in vans for delivery giant UPS.

"It's really a work in progress over the next 60 to 90 days," said Robert Falcon, EVI's general manager.

He expects to see 70 to 75 workers employed at the plant by the end of that period, compared with the roughly 40 now on staff.

"We made a commitment to increase our production capacity and modernize our plant and bring in more people," said Frank Jenkins, EVI's vice president of sales and marketing. "We're doing that."

At about \$178,000 apiece, according to government reports, the 100 electric vans EVI will produce for UPS cost nearly three times what conventional delivery vans fetch. A good portion of the difference is being made up by government incentives, aimed at curbing air pollution, reducing carbon releases to the atmosphere and stimulating the economy.

"We need incentives to help us sell the vehicles," Jenkins said.

But that investment is helping jump-start the electric vehicle industry and, in particular, boosting production and development of batteries, which should eventually lead to lower prices.

Forecasters predict battery costs will drop 50 percent over the next five years, Jenkins said.

"We will get to where we need to be where we don't need the incentives anymore," he said.

Jenkins is also helping oversee the development of the new EVI office in Michigan, which will help extend the company's reach, particularly to the East Coast and Midwest, as well as provide insight into the latest developments in the nation's automotive hub.

Besides the walk-in delivery van, privately held EVI offers a wide range of electric vehicles, including medium-duty trucks, small utility trucks and multipassenger resort vehicles.

Jenkins said it is also starting development of a new hybrid truck based on a Ford F-550 chassis. The drive train would be fully electric, with a fossil fuel-electric generator to keep its batteries charged.

The promise there is the fuel efficiency of an electric motor but with the range of a gas or diesel engine.

## **Supervisors set to vote on whether to oppose rail project**

By John Cox, staff writer

Bakersfield Californian, Friday, Feb. 3, 2012

County supervisors are scheduled to vote Tuesday on whether to oppose California's high-speed rail project as currently proposed.

Two competing resolutions -- either of which would be the county's first official position on the \$98 billion project -- were released Thursday as part of the board's agenda packet. One of the resolutions would explicitly oppose construction of the project; the other would merely withhold

the county's support until more information about its cost and environmental impacts comes forward.

County Supervisor Mike Maggard said the board could also vote to support the project. He predicted that which way the vote goes will depend on what kind of answers the board gets from rail project staff invited to make a presentation at Tuesday's meeting.

"Based on answers to those questions," Maggard said, "I will be evaluating whether I ... can support or whether I cannot support in its current form this package that is high-speed rail."

The proposed resolutions come amid heavy local criticism as well as estimates out of Sacramento that the project would be far more expensive and take much longer to build than officially estimated even a year ago. A county staff report released Thursday said that although the project holds potential local benefits such as jobs, improved air quality and better connectivity with the rest of the state, it would also incur substantial debt and probably disrupt local schools, churches and other property owners.

If the board were to oppose the project, it would add Kern County to a growing list of local governments up and down the proposed bullet train route -- including Bakersfield, Wasco, Hanford and Chowchilla -- explicitly against what would be the largest single infrastructure project in California history. Merced and Fresno counties officially support the project.

A vote of opposition by the board would represent a turnaround of sorts. At a downtown luncheon in May, county officials stood with local economic development and transportation planners in an informal but very public pledge of support for the project.

That event was part of a countywide lobbying effort to support Kern's three bids -- two in Shafter, one in Wasco -- for a train maintenance facility projected to create 1,500 or more direct jobs and some \$250 million a year in economic benefits. The rail project's executive leadership had called for communities vying for the facility to express their support for the rail proposal or risk falling out of favor with project staff.

Even now county officials are mindful of what impact the board's vote next week could have on Kern's chances for the maintenance facility.

County administrative analyst Teresa Hitchcock said she hopes that any vote by the supervisors "would really not affect the direction of the project."

A similar sentiment came from Richard Chapman, head of the Kern Economic Development Corp., which has worked to build support for the Wasco and Shafter facility proposals. He said he believes Kern has the best proposals anywhere in the state, and "I don't see why (a vote by county supervisors) would have an impact" on Kern's site proposals.

Maggard said it may be a moot point. The project may run out of money before it gets as far south as Kern, he said, and so the maintenance facility may need to be built further north.

"What has become pretty apparent is that it's very, very unlikely that we're ... going to get the heavy maintenance facility," he said.

The rail authority's outgoing CEO, Roelof van Ark, disputed this assertion in 2010, saying no decision on where to build the maintenance facility will be made until long after high-speed rail tracks run through Bakersfield.

The rail project is planned to connect San Francisco and Anaheim with trains traveling as fast as 220 mph by 2030. Construction on an initial, \$6 billion segment is scheduled to begin in the Central Valley later this year.

[Sacramento Bee commentary, Thursday, Feb. 2, 2012:](#)

**Head to Head: Are California's emission rules for new cars reasonable?**

THE ISSUE: The California Air Resources Board last week approved sweeping new vehicle efficiency rules requiring, among other things, that 15 percent of cars sold in the Golden State by 2025 are "zero-emission vehicles," such as a plug-in electric.

Are California's emission rules for new cars reasonable?

**Ben Boychuk: No**

CARB's mandate that one in seven new cars sold by 2025 be "zero-emission" is utopian public policy fueled by green fantasies housed in a frame of pure crony capitalism. But think of the savings!

True, zero-emission vehicles, or ZEVs, haven't much of a market today, and certainly not one that can compete without heavy-duty subsidies and tax rebates. But please think of the savings!

Chevrolet's vaunted Volt, for example, starts at about \$40,000. But the federal government – read: taxpayers like you and me – will kick back \$7,500 in rebates. Throw in a \$1,500 credit from California for the 2012 model, and the price is a more proletarian \$31,000 – plus tax, title and license.

Rich Karlgaard of Forbes called this arrangement "welfare for the sanctimonious" – an apt characterization, as General Motors reports the average income of a Volt buyer is \$170,000 a year. Hey, at least they're still part of the "99 percent." And, by the way, think of the savings!

The feds and various state governments showered \$3 billion on the Volt's development – a fraction of the \$67 billion the Obama administration is putting into advanced battery research and development. Mind you, the Volt isn't even a pure plug-in ZEV – it has a backup gasoline engine. Chevy has sold 7,671 of the cars in two years, which means each of those cars rolls off the line with a six-figure taxpayer subsidy.

But won't you please think of the savings?

Auto industry experts estimate California's new mandates will add about \$3,200 to the average price of a new car. CARB disputes that number, figuring the rules will add \$1,900 at most. That's \$1,300 in savings right there!

Perhaps Californians can use that incredible windfall to help offset their rising electricity bills. AB 32 and a mandate requiring one-third of California's energy needs be met through renewables such as solar, wind and geothermal, guarantee substantial rate hikes for years to come, even with subsidies.

And those plug-in vehicles CARB wants you to buy are going to raise your electric bill, too, in ways not immediately obvious.

Your average neighborhood transformer, for example, services about 10 houses. According to Southern California Edison, buying an electric car is akin to adding one-third of a house. Utilities anticipate spending billions on new infrastructure – costs that will be passed on to ratepayers. But try hard to imagine the savings!

What is reasonable and what may be achievable are two different questions, of course. Anything is achievable when you have gobs of money to throw around. Now think of all the money you don't have. Then think of the savings.

*Ben Boychuk is associate editor of the Manhattan Institute's City Journal, [www.city-journal.org/california](http://www.city-journal.org/california).*

**Pia Lopez: Yes**

Hey, Ben, in your speed to denounce imagined "utopia," you've forgotten a few real-world issues.

Because of mountain ranges that trap air, California has a unique problem with air pollution. And while we've made headway in reducing emissions per person, we still have a problem with air quality.

That's why California has taken on the role as the nation's leader in trying to reduce auto emissions.

The same naysaying we hear today was said about the catalytic converter in the 1970s, one of California's first "technology-forcing" regulations that went nationwide.

At the time, Ford president Lee Iacocca claimed the catalytic converter rule would "cause Ford to shut down." We would see "reduction of gross national product by \$17 billion"; "increased unemployment of 800,000"; and "decreased tax receipts of \$5 billion at all levels of government so that some local governments would become insolvent."

In fact, industry stepped up to produce pollution control capability on deadline. The doomsday predictions came and went, like preacher Harold Camping's predictions of the end of the world.

Yes, today's all-electric zero-emissions vehicles are more expensive than conventional cars. But Ben doth protest too much. Of the best-selling vehicles in 2011, the Ford F-Series costs \$30,000 to \$50,000; Toyota Camry, \$22,000 to \$29,000.

By comparison, the all-electric Nissan Leaf costs \$35,000 to \$37,000 before rebates, with batteries the biggest cost. However, advances in energy storage systems continue apace. Expect prices to drop over time.

In operating costs, all-electric cars beat conventional gasoline-powered cars hands-down. Southern California Edison, contrary to Ben's claims, does not anticipate being overwhelmed. It encourages people to charge electric cars in off-peak hours between 9 p.m. and noon.

The utility has a nice calculator comparing costs. Assume you live in Long Beach and drive 12,000 miles a year. With your conventional car getting 25 miles per gallon and a gallon costing \$3.71, you pay \$137 a month for gas. An all-electric car would cost \$55 for electricity each month.

That's a savings of \$82 a month, \$984 a year – or \$4,984 over the life of the typical five-year car loan. Yet Ben scoffs.

Ben conspicuously does not mention that Ford, Chrysler, General Motors, Nissan and other auto companies support the new standard. They know that having 1.4 million zero-emission cars on California roads in 13 years (out of 30 million) is entirely feasible.

A dystopia with no technological advances and smog continuing to hang over our cities and valleys is not what California is about.

*Pia Lopez is an editorial writer at The Bee.*