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Subject: Comment on the 2011-2012 Advisory Committee Meeting

Attachments: CEC comment 2011.doc

Please find attached my written comments to augment my testimony on March 7, 2011 meeting of the CEC Advisory Committee for the Alternative and Renewable Fuel and Vehicle Technology Program.

Best regards, Jim

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Please accept my written comments to augment my testimony on March 7, 2011 meeting of the CEC Advisory Committee for the Alternative and Renewable Fuel and Vehicle Technology Program.

At the meeting I stressed the importance of the CEC moving forward on their 2010-2011 Investment Plan to fund one or more Centers of Excellence for Medium and Heavy Duty Vehicles. As I pointed out in the meeting, a consortium of over 50 public and private organizations began to develop their plans for a potential Center of Excellence in the Bay Area in reliance on the CEC's 2010-2011 Investment Plan. We urge the CEC to move forward during this plan year, and to add funding for continuing support of one or more such Centers of Excellence in your 2011-2011 Investment Plan.

The funding a Medium and Heavy Duty Vehicle Center of Excellence is critical for the following reasons:

- 1. Historical analysis shows that the strongest innovation centers form when a nexus of public and private sector organizations work together to develop solutions to technology problems (think of Silicon Valley itself as such an example over the years). Funding of isolated technology development projects is helpful, but not as powerful a model.
- 2. Emerging technology companies, established companies and research organizations benefit from a neutral site where they can work on technology demonstrations and trials together.
- 3. Centers of Excellence and innovation clusters focus attention on sectors, attract participants and funding and help eliminate redundancies in efforts.
- 4. A physical facility as part of a Center of Excellence allows for development of common labs and equipment that can be used for multiple projects over time, and the facility itself can be offered as part of the match for federal grant opportunities.
- 5. Centers of Excellence as a form of regional innovation cluster, and as such they fit the federal economic development model currently being funded by federal agencies, including Dept. of Energy, Dept. of Commerce, SBA, NSF and others.

- 6. Centers of Excellence tend to foster repeated funding cycles with federal agencies and foundations because they view the Centers as evidence of an ongoing expertise and interest in the specific technology sector, such as Medium and Heavy Duty Vehicle development.
- 7. Centers of Excellence bring together stronger partnerships between private and public sector organizations because they see longer term potential in the partnerships compared to single projects, as evidenced by the tremendous interest in the Electronic Transportation Development Center as a Clean Transportation Center of Excellence in the Bay Area.

Thank you for considering these issues as you determine when and how to fully fund your 2010-11 and 2011-12 CEC Investment Plans.

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