

### 1.1.1 CARB Verification (California Air Resources Board)

Cost: \$50,000

Company status: will be obtained within 6 months.

CARB verifications opens up the California market even further than the Executive Order—over 20 million machines in the 6<sup>th</sup> or 7<sup>th</sup> largest economy on earth.

The benefit of the verification is greater than sales in California—it is industry-recognized independent proof of the Company’s claims for emissions control and fuel economy. California is recognized as a leader in environmental legislation and CARB verification is recognized throughout the United States. In some states, such as Oregon, no further testing is required in order to obtain tax credits.

CARB classifies its verification process into three levels of achieved pollution reduction:

- Level 1 is a 25% or greater reduction of PM
- Level 2 is a 50% or greater reduction of PM
- Level 3 is an 85% reduction of PM or less than 0.01 g/bhp-hr (Grams per Brake Horse Power – Hour) of PM

CARB also administers an optional NO<sub>x</sub> reduction verification that is separate from the Level of PM reduction. The NO<sub>x</sub> reduction verifications begin at 15% reduction and for every 5% reduction above 15%, there are tax credits available in the State of California.

Based on the test results from Olson-EcoLogic Laboratories, management believes the Company’s CCS diesel products will easily qualify for a Level 1 verification. As the results are close to Level 2 and with improvements made since the test was conducted, the Company has filed for Level 2 verification with expectations that the products will also meet the optional NO<sub>x</sub> verification criteria and thus allowing the customer to qualify for available energy tax credits. Negotiations are underway to finalize the test protocol for verification.

The Company will obtain verification for off-road diesel engines and subsequent verification for onroad diesel and gasoline automobiles and trucks.

### 1.1.2 Mine Safety and Health Administration (MSHA) for the Underground Mining Industry ([www.msha.gov](http://www.msha.gov))

Cost: \$50,000

Company status: will be obtained within 3 months

A criterion for the MSHA certificate is technology that achieves at least 5% reduction in exhaust pollutants for diesel engines in mines. New laws in the United States in 2003 made it virtually impossible



“The TMC/SAE tests remain the gold standard for fuel economy testing. Every time someone approaches me at a truck show or through e-mail about how their new fuel-saving device is so absolutely terrific that I ‘just have to write about it to do my readers a favor,’ I ask to see the results of their TMC/SAE tests.”

Paul Abelson, senior technical editor, Land Line Magazine