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February 15, 2019

Representative John Lively, Chair
House Committee on Economic Development
900 Court St. NE
Salem, OR 97301

RE: Support for the Oregon Innovation Council (Oregon InC)

Dear Chair Lively, Vice-Chair Bonham, Vice-Chair Fahey and Members of the Committee,

I am writing in support of the Oregon Innovation Council (Oregon InC) programs administered by the Innovation & Entrepreneurship (I&E) division of the Oregon Business Development Department. Oregon InC provides critical guidance into how best to invest limited dollars to support innovation in Oregon. In addition, Oregon InC provides critical funding for early-stage companies trying to commercialize technology and create the next generation of Oregon businesses. Funding for businesses at this stage is very difficult to find, and Oregon InC's programs help fill these gaps.

KersTech is developing our patented high efficiency motors for heavy electric vehicles, such as city buses, garbage trucks and forklifts, that enable up to 45% more battery driving range or the use of much smaller batteries. In 2017 Oregon InC funded our application for an SBIR grant to research how our motor could reduce battery cell production costs and extend battery life. Although we didn't receive the SBIR grant the rigorous application process significantly improved our understanding of the market and related technologies. Furthermore, in 2014 Oregon BEST helped fund our first prototype motor and enabled us to collaborate with Hyster-Yale in Fairview, OR, to develop a new motor for their future electric forklifts. BEST (now VertueLab) continues to assist our efforts to seek funding and potential customers.

Oregon InC's programs help ensure that Oregon's entrepreneurs are not at a disadvantage compared to their peers in other states that have similar types of support programs. In addition, Oregon InC's funding leverages private investment and federal government grants, which magnifies its impact on Oregon's start-up community. We are solid supporters of Oregon InC and its programs and will continue to work with the Council and the I&E division in the coming biennium to help Oregon's entrepreneurs be as successful as possible. We strongly encourage the Legislature to continue to fund this critical effort.

Sincerely,

A handwritten signature in dark ink, appearing to be "Lester Erlston", written in a cursive style.

Lester Erlston
CEO, KersTech, Inc.