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Moderator: Raul Martinez
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Don Foley: Thank you Raul and good morning to everybody and thank you for joining us. I am Don Foley, Executive Director of the Automotive X Prize. We will have a brief announcement this morning with Malcolm Bricklin, who is recognized as one of the automobile industry's leading entrepreneurs, innovators and visionaries. He was the founder of, and Chief Executive of Subaru of America, Bricklin Vehicle Corporation, International Automobile Importers, Yugo America and now Visionary Vehicles.

He has 40 years of experience in designing, engineering, manufacturing, re-manufacturing, importing and marketing automobiles and is known throughout the industry as one of the most original and imaginative automobile executives in history.

Following a statement by Malcolm, we will be joined by Dr. Peter Diamandis. He is the founder of the X Prize Foundation and the Automotive X Prize is a project of the X Prize Foundation. And he is joining us this morning from Austin, Texas. Mr. Bricklin?

Malcolm Bricklin: Don thank you very much. You know I'm reading here your automotive X Prize mission and I'm going to just read it.

Our goal is to inspire a new generation of viables through efficient vehicles that help break our addiction to oil and stem affects of climate change. That is exactly Visionary Vehicle's goal and that is exactly what we're planning on doing. So, entering this prize and hopefully we are going to win this prize, is exactly what our mission is and we're very excited to be involved.

Don Foley: Thank you, Peter, do you want to make a statement?

Peter Diamandis: Sure, it is truly an honor and a pleasure to have Malcolm join the Automotive X Prize as a competing team. We announced about a month ago that, we had 31 teams that signed letters of intent to compete and adding Malcolm we hope, will really, spur others to join the competition as well. So we're—we, as folks know, the competition is not officially launched yet. We hope to officially launch it within some number of months. We are out in discussions right now, with a primary title sponsor. And, once that is concluded, we will be announcing the competition and starting the starting gun.

But again, Malcolm, welcome aboard and we're excited to have you, your vision, your team as future competitors in this Automotive X Prize.

Malcolm Bricklin: Thank you very much.

Don Foley: And before we go to questions I just want to make one housekeeping note, a transcript of this session will be available on the Automotive X Prize website and that is auto.xprize.org. It will also be on the LexiconGroup.com website, that's l-e-x-i-c-o-n-g-r-o-u-p.com. Joining me is Wendi Tush [ph] from Lexicon Group as well. Raul can we have our first question?

Speaker: And the question will be coming from autoblog [unintelligible].

Operator: Our first question comes from Sam Abuelsamid, sir your line is open.

Sam Abuelsamid: Hi, Mr. Bricklin, Visionary Vehicles launched a few years ago, starting off with a plan to import Chinese vehicles. Basically, I guess you started off as a vehicle importer. Who is going to be—is Visionary Vehicles transforming now into a company that's going to actually, develop new vehicles? And, are you—is your company going to be directly developing the vehicle, or are you working with another company to develop your vehicle for this competition?

Malcolm Bricklin: All right first of all Visionary Vehicles, LLC, was the company that we formed to bring in Chinese cars. As you know, Chrysler pre-empted us and went through Charity and all—there may be some legal ramifications from that. But what we decided was, rather than talk the Chinese into trying to build quality cars that re-define the price of luxury, we had an opportunity, after a good friend of mine and now, advisor to us, Dr. Malcolm Curry [ph], came to me about a year and a half ago. And he said, 'hey, Malcolm, if you're going to bring cars in and you don't make them electric hybrid plug-ins there's no reason for you to build another car.'

And I agree with him 100%, with one exception. I said, 'Dr. Curry, are the batteries ready?' Because what we don't need is another, 'it's going to happen next year, it's going to happen next year', I'm getting too old for that. And he assured me they were and we made a trip around the world looking for battery technology and found that, the Lithium batteries, with various things in there, getting rid of the cobalt, we are now ready to produce cars in quantities we believe that, can meet the specifications that even the X Prize is looking for. Cars that can reach over 100 miles per gallon.

And once I realized we had that, I formed another company called Visionary Vehicles, Inc., for the sole purpose of designing cars that are electric hybrid plug-ins, a complete line by the way. And the first collection as we are calling them is going to be the Bricklin Collection. I hired Herb Grasse, which was my designer of the first Bricklin, and he has designed a quarter scale. And we are releasing a picture of the car that will be our first car and will be our entry into the X Prize because of the announcement today. We are releasing the picture months earlier and everybody will be able to see it right after this interview.

We have negotiated, actually signed, preparing to sign contracts with various companies around the world, who are leading engineering/designing firms. We cannot make that announcement until we actually sign those things because of—well because we're not allowed to. But in any case, you will hear the name and when you hear the names, they are some of the people that everybody has heard about and some of the very best in the industry.

Sam Abuelsamid: So I take it then, your vehicle will be an internal combustion engine vehicle, plug-in hybrid, with a lithium battery of some type?

Malcolm Bricklin: It will be a lithium battery and what it will be is a serious battery system, which means that the batteries will be plugged in. And if you drive them from the utility you'll be getting 40 or 50 miles before the engine, small engine, about 60 horsepower, will hook in and run at approximately 3,000 rpm to simply fill up the batteries. So it'll be an all-electric drive that will have no limitations in range because you'll have a motor that will refill the battery. And because of that regenerative breaking, you can get in excess of 100 miles to the gallon, in a car by the way, that will be the size of a Mercedes S and the width of a Lamborghini. Very luxurious interior and it is proposed to sell for approximately \$35,000.00.

Operator: Our next question comes from Allan Boyle of MSNBC, sir your question?

Allan Boyle: Hi, I wanted to know what was it that brought you into the X Prize at this point? Why did you hold off when the 31 others had signed up? And what makes you think that, your car will be distinguished from the other entrants, which also include some plug-in hybrids and other more exotic types?

Malcolm Bricklin: Well first of all, we have been looking at the X Prize for some time and when they approached me on this, of course, we were very excited and had planned on entering it. We just didn't realize they were ready for entries. As soon as we found out, of course, we entered, number one, because we expect to win. And yes, I expect some incredible competition.

Hopefully, if anybody can beat what we're doing we'd like to go out and license their technology. Because what we're hoping will happen with the X Prize is a lot of people with a lot of good ideas are going to come out of the woodwork and present to the world opportunities that, nobody has seen before. And we are here [audio interference] those opportunities, not to keep what's invented here.

Allan Boyle: Could I ask also, what your timeframe for the rollout of the car might be? I know its—sort of a tight timeframe for starting from scratch. What do you expect you to do in terms of that time schedule and will the commercial rollout come at the same time as the [audio interference] rollout?

Malcolm Bricklin: Well actually, we've been working on the project for approximately a year. So, although it seems like a tight timeframe, we are planning on having our car that enters into the X Prize, a car that comes off the assembly line. So one of their things that says it's a car that they hope will eventually be developed, we expect our car to be the only car that'll come off an assembly line and compete in the Prize.

Operator: Our next question comes from Paul Einstein [sic], from Thecarconnection.com, your question sir?

Paul Eisenstein: Yes, Malcolm it's good to—to catch up with you again, you do have a way of keeping yourself in the limelight. And I just wanted to ask you a couple of questions. First of all, where will we be able to get some of these details and see the picture, get a copy of the picture.

Malcolm Bricklin: Well, good one--.

Speaker: I will make it available to you Paul.

Paul Eisenstein: Okay yeah, as soon as possible that would be wonderful. Now Malcolm I would hope you can clarify a couple of the details such as, who is going to produce this. If I understand, it is Chinese again and I have to ask you this, perhaps not a fair question, but I think it probably is something that people would ask these days. Every time we turn around, we're seeing another Chinese recall. When you consider that, we're having trouble even seeing the Chinese produce working, safe,

electrical fuses and painting children's toys such that, they don't have to worry—people don't *have* to worry about the health of their children. There's growing concern about whether people are willing and ready to accept that Chinese vehicles will be of the quality necessary to compete and if you will, survive in the American marketplace.

Malcolm Bricklin: Well number one, it scares me, too. And we have been looking at exactly what's been happening there and I have to tell you, we have not agreed yet with the Chinese manufacturer to manufacture the car. We're talking to them and a number of other countries and we are also, making an appraisal of what it would take to build these cars here in the United States, which would be of course, my ideal.

And, you know with factories out there that seem like they're available probably for free and with the UAW I believe ready to be consistent with what's necessary to really build great cars at the kind of prices that are necessary, my hope is that, there's an opportunity that we'll be able to build these cars in North America.

Operator: Our next question is from Ryan Beene of Automotive News, your line sir?

Ryan Beene: Hi, thank you for taking my call. Mr. Bricklin, for this project of the Visionary Vehicles, who do you have as far as financial backers for the project thus far?

Malcolm Bricklin: Well, we're not about to let you know exactly yet, but we are going to announce that there's a \$50 million private placement that, should be finished by the end of this month. And of course, as always, I'm going to expect my dealers to be partners in my venture because this is something that they're all very excited about. Here's an opportunity for 250 people to have territories around the United States and have the first Visionary Vehicle electric outlet. Where everything that they're going to sell are going to be cars that, are either electric hybrid plug-in or cars from other manufacturers using our technology that, want to come into the United States and go through our dealer network.

So finally be a place where, you'll go to a dealership that exclusively sells the new technology and its not just an afterthought that comes into their dealer network.

Ryan Beene: Now, in light of your recent deal with Cherry and how that fell through, we're kind of in a 'show me' state right now. So, how will you prove to investors that, this venture will be a success?

Malcolm Bricklin: Well, here's what's really good. You know we always told everybody that, we're really working with our dealers. And we've told our dealers all along with Visionary Vehicles, when we were bringing in the Chinese car, everything we were doing. And therefore, just about every single one of them except two have come along and decided to be in this program. And one of the exciting things is we have a man by the name of Jamie, Jamie Offenber [ph]. Jamie has both dealerships in the Midwest and used to be chairman of the American Automobile Import Dealer's Association. And he is on our Board of Directors and one of our people that, we have made sure knows everything that's going on in this business.

Has been around with me to most of my visits, whether it was the battery companies or technology companies, or engineering companies. So when we said the dealers are really going to be part of this thing we're really proving it so. And because of that, we seem to have a great support from the dealer networks in the United States.

Operator: We have a follow-up question from Paul Eisenstein of Thecarconnection.com.

Paul Eisenstein: Malcolm, I think the last question just hit what I was primarily asking. But again, with the timetable that you're suggesting, you have not even isolated a manufacturing base. What timeframe can we realistically expect? How much of the work at this point is done and how fast could you get a vehicle out the door once you actually, settle on a manufacturing site?

Malcolm Bricklin: You will see running prototypes on the road in '08 and you'll see cars coming off the manufacturing line in '09. And you'll see delivery of these cars to dealers in '10. And although that seems like its pretty fast, much of the technology has already been decided on and the engineering has already started. And the prototypes have already been started on also and today, you'll see an unveiling of a quarter scale that Herb has been working on for a number of months that has finally been finished.

So we have a lot of work that's been put behind us right now and we believe that those timeframes can be met. The decision on the actual manufacturing, we only need about approximately a year to make sure that everything is working on the manufacturing end. We will not pick the manufacturing until the middle of '08.

Paul Eisenstein: Good thank you.

Malcolm Bricklin: You're welcome.

Speaker: Raul is that—does that end the questions in the queue?

Operator: No further questions.

Speaker: Okay I'd like to ask Dr. Diamandis if he has any further comments?

Peter Diamandis: I think just a comment to make is that, you know our philosophy is that, it's—you know we've had the same basic automobile for the last number of decades and it's time for something that's new. That, the idea of being able to have a very fuel efficient, over 100 mile per gallon equivalent, low carbon emission, great looking, sexy and affordable car, is possible. That its not—you don't have to choose one over the other.

And I think the type of car that Malcolm is bringing to the competition is exactly the kind of car that, we're hoping to inspire and popularize. So, we—you know I and the Automotive X Prize wish Malcolm the very best of luck. We hope your entry inspires other well-known and perhaps even major manufacturers to enter and make this a fun competition where the American people and the world, win.

Malcolm Bricklin: I by the way agree 100%. You know whether we win or whether we lose, to bring out the kinds of people and the kinds of innovation that, I believe you're going to bring is going to be very very enlightening to everybody. And I think it's going to move this industry along really, really fast.

Because I personally believe the second half or the second half of the decade between 2010 and 2020 is going to be the decade of the electric hybrid plug-in and I think people are going to start to expect 100 mile per gallon cars from now on. And I think its things exactly like what you're doing that's going to make this all happen.

Speaker: Thank you Malcolm and very best of luck to you and your team.

Malcolm Bricklin: Thank you.

Speaker: Don back to you.

Don Foley: Yes and I think we have more questions?

Operator: Yes, I'm showing a follow-up question from Allan Boyle of MSNBC.

Allan Boyle: Hi, I didn't want to—you know, step in and kind of change the subject too much. But as long as Peter was on the line, I wondered if you had anything further to say about the prize that you'll be announcing next week? And also, more generally, the direction of the X Prize. I think I saw you quoted as saying that, you were intending to have something like \$250 million worth of prizes out there. That seems like a pretty high bar to reach, how do you plan to do that?

Peter Diamandis: Hi Alan good to speak with you. It is our objective as a Foundation, to launch about a quarter billion-dollar prizes over the next five years. We'll be launching about two major X Prizes per year. We have announced that, on September 13th in Los Angeles, we'll be announcing our next major prize, our next major [audio interference] as that is the largest that we've ever done. And, what I can say its in the space and exploration realm. But that's all I can say about it right now.

But we have—as folks may know, as an organization we're launching prizes in exploration, which are going to be space under water. In the energy environment field, of which, the automotive is one of our most important ones, it's frankly [audio interference] X Prize was awarded. Everybody—the media consensus that we needed to do something in the automotive space. It's just really, taken a while to get it right and to--. So that's going forward.

But we'll have other prizes in energy and environment. Life Sciences, we'll have a series of prizes, our second prize was in Life Sciences, the Arcon X Prize for Genomic [ph] to drive personalized medicine. We're looking at prizes in other Life Science areas, including the area of cancer for example.

And then, we're looking in education and in poverty and global entrepreneurship. So those are sort of the verticals that, we're looking at going forward and sort of the vision as a Foundation.

We think humans are genetically bred to compete, we do our best work, we're—one of the issues especially in America is we're becoming very risk adverse as a nation. And without risk, you can't really have breakthroughs. And so we're [audio interference] a reasonable amount of risk to be taken by entrepreneurs, by small companies. And what we're seeing here today with Malcolm and his team is exactly what we're looking to stimulate.

Operator: We have another question from Paul Eisenstein of Thecarconnection.com.

Paul Eisenstein: Yes, thank you Peter. Let me follow up a little bit more. You mention having so many different awards, can you focus specifically on what you're able to discuss at this point about the automotive portion of the X Prize? Timing, money, will there be multiple prizes along the way?

And one other thing, there was talk about a year ago, a little over a year ago, about an H-Prize, which was supposed to work with hydrogen powered vehicles. Have you in any way, connected with the potential sponsors on that? Or, will you be separate from that entirely?

Peter Diamandis: I'll address the second one first and I'll ask Don actually, to step up and—as the Executive Director and leader for us on the automotive to address the questions on the automotive side.

I mean on the H-Prize that was something that was put forward by Congress. I gave testimony on that. We are, as a Foundation, very interested in energy-related prizes however, we are not

looking to pre-guess the technology, whether it be hydrogen or solar, or solar thermal—whatever it might be.

So, we're looking at—we will be looking at energy prizes for the production, storage and transmission of energy without specifying the modality right at this moment.

So, there has—we've had some early discussions, but really, it's a prize proposed by Congress and we have not done anything further with that. Don would you take the questions on the automotive front?

Don Foley: Sure, just to give you a little bit of a timeline as Dr. Diamandis mentioned earlier, we have not yet officially launched this prize. But we are expecting to launch the automotive X Prize early in 2008. We will use 2008 and 2009 for some preliminary qualifying rounds and we will also, be identifying and announcing the cities through which, this competition will run and operate, with the culmination in 2010. The X Prize Foundation sets, as a minimum standard of \$10 million in prize purse money to qualify as an X Prize. But we have that all funding in place, we will be making that announcement and we're quite confident that we'll be able to do that in a very short period of time.

Paul Eisenstein: Thank you very much.

Operator: We also have a follow-up question from Ryan Beene of Automotive News.

Ryan Beene: Thank you, Mr. Bricklin, if you do in fact, win the X Prize, what do you plan on doing with the purse?

Malcolm Bricklin: [Laughter], I'm going to go to Disneyland. [Laughter].

Ryan Beene: I beg your pardon?

Malcolm Bricklin: I'm going to Disneyland.

Ryan Beene: All right thank you.

Malcolm Bricklin: Let me answer [audio interference]. If we win the prize you know what, I think I'd go back to the X Prize and see if we can get another one going to get more technology out there. Because the truth of the matter is, if we're going to be successful in doing what we're trying to do, we need a lot of people. We don't have a big organization; we don't have thousands of engineers. In fact, what we've done is, we've gone out to people that have already been developing electric hybrid plug-in's for many years and haven't been heard. Guys like—Felix, with—in fact, maybe Felix is on the phone.

Speaker: [Unintelligible].

Malcolm Bricklin: Felix Kramer [ph] with the Cal Cars. Who's been out there trying to push electric hybrid plug-in and guys like Dr. Frank at UC Davis. These are the kinds—and Dr. Curry of course. These are people we've gone to and are using the technologies that, they've developed in the garages. And anybody out there who is out there going to develop it, maybe we'll send the prize back and double it and hopefully, next year or the year after that, get some more people out there who can [audio interference] more technology and move this industry along as fast as it really, should be.

Because people out there are demanding we get rid of this oil problem, where we're spending all the money and giving it to the wrong people. And this global problem, which is a real serious

problem, not maybe for me, but for my grandchildren and their grandchildren. And we are really anxious to do something about it, besides just making some money by selling some cars.

Speaker: I want to thank Dr. Diamandis and also Malcolm Bricklin today and let everyone know that, a transcript of this call this morning will be available within 24 hours on the website that I mentioned earlier on the autoxprize.org, as well as the Lexicongroup.com. As well as, by calling. If you call Wendi at 212-300-2142 that's Wendi Tush. Or you could follow up with Sara Evans with the X Prize Foundation, she's at 310-582-5903, or Carrie Fox, who is at 202-255-9214.

I want to thank everyone, especially Malcolm and Peter for joining us today. And we will be in contact shortly.

Speaker: Thank you Don.

Speaker: Thank you Peter.

Speaker: Thank you Malcolm.