

**WRITTEN TESTIMONY OF
BERNHARD KOEHLER
CO-FOUNDER AND CHIEF EXECUTIVE OFFICER - EUROPE AND THE MIDDLE
EAST, FISKER AUTOMOTIVE**

**BEFORE THE
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON ECONOMIC GROWTH, JOB CREATION AND
REGULATORY AFFAIRS**

U.S. HOUSE OF REPRESENTATIVES

APRIL 24, 2013

Good morning, Mr. Chairman, Ranking Member Cartwright, and distinguished members of the Subcommittee. My name is Barny Koehler and I am a co-founder and currently the Chief Executive Officer in Europe and the Middle East at Fisker Automotive.

I have been in the automotive industry for 33 years, and have experience in automobile prototyping and overall product creation from positions with several leading automobile makers, including BMW, Aston Martin, and Ford Motor Company.

In 2005, Henrik Fisker and I founded Fisker Coachbuild. Two years later, in 2007, Fisker Coachbuild and powertrain developer Quantum Technologies formed Fisker Automotive. Fisker Automotive is an innovative company with a mission to develop and create environmentally conscious vehicles with style, passion, and performance.

I understand that today's hearing will largely focus on some of the problems our company is facing. But in the next few minutes, I would also like to highlight some of the company's achievements.

In 2007, Henrik and I recognized that there was a gap between gas-powered vehicles and all-electric battery powered vehicles envisioned for the future. So, we set out to create a car that could bridge this gap through the use of innovative technology that provides the power and efficiency of an all-electric drive with extended range provided by an onboard generator powered by a gasoline engine.

Others shared our vision. Before we heard of the Department of Energy's ATVM Loan Program, Henrik and I successfully raised private capital to support the development of our concept. Fisker Automotive ultimately raised approximately 1.2 billion dollars of private funding. Of course, the company also obtained a loan from the Department of Energy, and we used \$193 million of those loan funds to support our vision.

Fisker Automotive brought together in California a very talented group of people that had experience with automakers and suppliers from all around the world. This dedicated and diverse team, with a bold entrepreneurial spirit, worked tirelessly to bring our concept to life. With the Fisker Karma, we successfully designed, engineered, and delivered the world's first plug-in

series hybrid electric vehicle. The Karma has been certified in the United States, Europe, and Asia, and you can see it being driven on the road today. The vision has become a reality.

The Karma uses a brand new powertrain technology – we call it the Electric Vehicle with extended range or EVer - which consists of an efficient gasoline engine, an electric generator, a Lithium-ion battery pack, and two electric motors at the rear wheels. When fully charged, the Karma allows for an all-electric drive of up to 50 miles plus up to another 250 miles with the on-board range extender.

The Karma has won numerous awards from well regarded publications. In 2011, it won the BBC *Top Gear* Luxury Car of the Year award; *Automobile* magazine named it 2012 Design of the Year; and *TIME* magazine listed the Karma as one of the 50 Best Inventions of 2011.

You cannot build a successful car company with just one car - you must have a portfolio, with multiple models for consumers. The business plan for our second generation car – called the Atlantic – has been in development for more than two years, and the design and engineering work for the car is almost complete. Importantly, the Atlantic would feature an improved next-generation version of the innovative EVer powertrain technology. Given the experience and learning gained from the Karma, our expectation was that the Atlantic would be sold at lower prices, allowing a broader customer base the opportunity to own a Fisker car.

Without question, every automotive manufacturer faces challenges when new vehicles are developed and launched, and Fisker was no exception. While initial production of the Karma began in March 2011, development and implementation of Fisker's tooling and component specifications and supply chain development moved the commencement of serial production to June 2011. Final emissions testing and EPA approval was granted on October 3, 2011. Shortly after production of the Karma began, a manufacturing defect in our batteries supplied by A123, Inc. resulted in a safety recall and a shutdown during performance testing by *Consumer Reports*. We were left without a battery supplier after A123 filed for bankruptcy in October 2012. Faced with these challenges, Fisker has not been able to restart vehicle production since a previously-scheduled seasonal shutdown began in July 2012. At the same time, our operating position has been impacted by the effects of Hurricane Sandy, when 338 Karma sedans were destroyed in the port of Newark, New Jersey, resulting in a loss of more than \$30 million of irreplaceable inventory.

The difficulties that Fisker faced were not unusual for any automotive manufacturer and are common in the industry. Despite these difficulties, I cannot understate the achievements of our employees who worked on the Karma program. I am grateful for their commitment and dedication. Our company took a giant step in combining the usability of an everyday car with the benefits of an all-electric vehicle. While I do not know exactly what the future holds for Fisker Automotive, including whether the company will find new investors or whether the company may be obliged to seek bankruptcy protection to facilitate its continued efforts to preserve value for all stakeholders, I intend to keep working toward achieving the mission and vision of the company.

Thank you. I look forward to any questions you may have.

Committee on Oversight and Government Reform
Witness Disclosure Requirement – “Truth in Testimony”
Required by House Rule XI, Clause 2(g)(5)

Name: Bernhard Koehler

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2010. Include the source and amount of each grant or contract.

None

2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

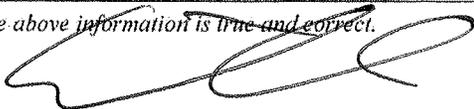
Fisker Automotive. I am the Chief Executive Officer in Europe and Middle East.

3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2010, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

None

I certify that the above information is true and correct.

Signature:



Date:

4/22/2013

FISKER AUTOMOTIVE BIO: BERNHARD KOEHLER

Bernhard “Barny” Koehler is co-founder and chief operating officer at Fisker Automotive.

Immediately prior to co-founding Fisker Automotive in August 2007 Koehler was, and remains, co-founder and chief operating officer of Fisker Coachbuild, an automotive design house established in 2005 that revived the art of coachbuilding by combining beautiful design with existing world-class engineering.

In 2004 Koehler was director of Business and Operations for Ford Motor Company’s Global Advanced Design Studio in southern California. Experience from his previous position as director for new business development at Ingeni, Ford’s London design center, afforded Koehler the move. Responsibilities included meeting revenue targets, as well as the oversight of Aston Martin’s modeling and operations for design and concept. He also supported the design and development of the Aston Martin V8 Vantage and DB9 concept and production cars.

Prior to that Koehler capped a 22 year career with BMW as director of Operations at BMW’s industrial design subsidiary DesignworksUSA in Southern California, after a time as director of 3D services. While with BMW he was responsible for establishing a training program for new clay modelers and led the build of the first New MINI Concept car.

He began his career at 16 as an apprentice modeler and sculptor for BMW Design in Munich.

Koehler holds a business degree from the Begemann Business School in Munich, in addition to degrees in 3D design, modeling/sculpting and patternmaking.

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