



Interested Party Testimony of Tyler Fehrman
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Ohio Senate Transportation Committee
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Chair Kunze, Vice Chair Reineke, Ranking Member Antonio, and members of the Senate Transportation Committee— thank you for allowing me the opportunity to provide written interested party testimony on H.B. 74. My name is Tyler Fehrman, and I am the Director of Policy and Government Relations for Clean Fuels Ohio – a nonprofit organization based here in Columbus that serves as Ohio’s clean transportation advocate. Clean Fuels Ohio believes in working to identify and advocate for the use of alternative fuels and energy sources for cleaner transportation – something we believe requires a market-based approach. We currently have over 90 members, including auto manufacturers, component part manufacturers, auto dealerships, electric vehicle infrastructure developers, individuals, and many more.

We are providing written testimony to discuss the opportunity you have to preserve Ohio’s auto industry, encourage electric vehicle adoption, and encourage innovation and competitiveness in Ohio. We believe this can be accomplished by reexamining Ohio’s Electric Vehicle (EV), Plug-In Hybrid Vehicle (PHEV), and Hybrid Electric Vehicle (HEV) registration fees, which were set in the last biennium’s transportation budget (H.B. 62) at \$200 for EV and PHEV, and \$100 for HEV registrations. We are not here to advocate for elimination of the EV registration fee, but rather to reduce them to be in alignment with driving behaviors, surrounding states, and to signal that Ohio welcomes EV investment and technology.

The electric vehicle industry has changed rapidly since the existing fee was initiated - including the fact that automakers have committed more than \$300 billion worth of investment toward electric vehicles, an example of which is Ford’s \$29 billion investment in EVs and autonomous vehicles. Ford has stated that a majority of its vehicles will be electric in the near future [1]. General Motors recently announced plans to end the sale of their gasoline and diesel-powered vehicles by 2035 [2]. It is clear that the auto manufacturing sector is electrifying.

You all know the story of one of our members - Lordstown Motors Corporation. Not long ago, a struggling economy and market forced the closure of the GM plant located in Lordstown, Ohio – just a few miles beyond Youngstown, which has been ranked among one of the poorest cities in the United States [3]. The plant’s closure caused lost jobs, wages, and the closure took a toll on the region. However, with the exciting advent of Lordstown Motors Corporation, the area is set



to see those jobs come home with the roll-out of the world's first ever all-electric commercial pickup truck later this year. [4]

Ohio can continue to be a leader in auto manufacturing, as we have a strong history of auto manufacturing embedded into our history and existing economy. According to JobsOhio, over 108,000 Ohioans are currently employed in this industry [5] – and, in 2020, motor vehicles and motor vehicle parts were among Ohio's top exports, according to the U.S. Census Bureau [6]. However, Ohio's current EV fee signals the state's unfriendliness toward the sector. Automakers pay close attention to these policy signals when making decisions about their facilities and jobs. Manufacturers want to bring their production operations where there is a local market and welcoming policy related to the industry.

Decisions about where to locate battery and electric vehicle manufacturing are being made this very moment – and, with every minute that we wait to make Ohio's market friendly to this incredible innovation, we lose out on massive opportunities. We need to prove, right now, that we want to continue to be good partners to automakers. Continuing the EV Fee at its current rate is akin to putting up a sign at the entrances of the Buckeye State that reads “Electric Vehicles not welcome,” and we fully believe that it will prevent jobs from coming here. In order to save and preserve Ohio's auto industry - this cornerstone of our economy - for future generations, we must position Ohio to attract these jobs.

In addition to the negative impact to innovation and jobs, one study found that EV registration fees - that are greater than \$100 per vehicle - have been shown to slow EV adoption by as much as 20% in the first few years after being implemented. [7] EV owners want to pay their fair share. The current EV fee is disproportionate and beyond what owners will pay with a gas tax. Ohio gas taxes are based on the amount of fuel consumed times the tax per gallon. Compared with the pay-as-you-drive gas tax, these up-front fees are regressive and hit seniors and moderate-income consumers especially hard.

One final point is simply that mature markets can handle more government intervention than nascent ones. The Electric Vehicle market is too young – and too underdeveloped - to provide much revenue, especially when developing the market in Ohio is such a valuable investment for our future, and the future of generations of Ohioans to come along after us.

We request, that the existing fee be reduced to \$100 for battery electric vehicles, \$50 for plug-in hybrid vehicles, and \$0 for hybrid vehicles. Hybrid vehicles are best known as a Toyota Prius or a Ford EcoSport – a car that is never “plugged in,” and only operates off of gasoline. These vehicles use fuel efficiency technology to achieve high gas mileage. When this fee was



introduced, it was argued that these drivers were obtaining such high miles-per-gallon that they would end up paying less in gas taxes. However, many gas-powered vehicles have made significant advancements over the past several years and now see even better gas mileage than their hybrid counterparts. For example, the 2021 Honda Civic gets a combined fuel economy of 34 mpg. A 2021 Acura MDX Hybrid gets 27 mpg combined. The owner of the Acura hybrid will pay more in gas taxes for driving the same miles, plus pay a "hybrid" fee on top of that.

The state, especially our state - the #2 auto sector state in the U.S. - cannot afford to arbitrarily place taxes on this or that automotive technology. To do so is anti-technology and, quite frankly, government run amok - which sends a bad message to the auto sector. The hybrid fee is antiquated, and for this reason, we believe that hybrid vehicles should not be charged an additional registration fee.

In closing, by reducing the EV registration fee in Ohio, we genuinely believe that we will open our state to innovation, bring incredible job opportunities to communities who desperately need them, see a nascent market continue to grow, and push Ohio into a bright – and clean – market-based transportation future.

At the end of the day, we build cars in Ohio. The cars that will be built in the very near future will be electric – and if we want to keep building cars in Ohio, we must position ourselves to build electric cars.

Thank you.



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- [2] Reuters, “GM Aims to End Sale of Gasoline, Diesel-Powered Cars”; <https://www.reuters.com/article/us-gm-emissions/gm-aims-to-end-sale-of-gasoline-diesel-powered-cars-suvs-light-trucks-by-2035-idUSKBN29X2AY>
- [3] Cleveland.com, “Ranking U.S. Cities For Poverty”; <https://www.cleveland.com/datacentral/2020/09/ranking-us-cities-for-poverty-cleveland-12th-overall-but-no-1-among-places-of-at-least-200000-census-estimates.html#:~:text=1%20overall%20among%20these%20cities,is%20Canton%2C%20at%2031.9%25.>
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- [5] JobsOhio, “Ohio: An Automotive Powerhouse”; https://www.jobsohio.com/wp-content/uploads/2018/11/JobsOhio_Automotive_Brochure_FA_07.pdf
- [6] United States Census Bureau, “State Exports from Ohio”; <https://www.census.gov/foreign-trade/statistics/state/data/oh.html>
- [7] E&E News, “Some Fear Wave of EV Fees Might Swamp Emission Goals”; [https://www.eenews.net/stories/1060126901#:~:text=A%20University%20of%20California%2C%20Davis,7\).](https://www.eenews.net/stories/1060126901#:~:text=A%20University%20of%20California%2C%20Davis,7).)
- [8] Consumer Reports, “Rising Trend of Punitive Fees on Electric Vehicles Won’t Dent State Highway Funding Shortfalls but Will Hurt Consumers”; <https://advocacy.consumerreports.org/wp-content/uploads/2019/09/Consumer-Reports-EV-Fee-analysis.pdf>