

**Senate Transportation Committee—House Bill 74, Ohio Transportation Budget**  
Chairwoman Kunze, Vice Chair Reineke, and Ranking Member Antonio  
Testimony of Michael Peters, CEO of Sway Mobility in Cleveland  
March 9, 2021

Chairwoman Kunze, Vice Chair Reineke, Ranking Member Antonio and members of the Senate Transportation Committee. My name is Michael Peters, and I am the Chief Executive Officer of Sway Mobility in Cleveland, OH.

In recent weeks, Ohio leaders have discussed ways to persuade businesses and individuals to leave their current state and move to Ohio. JobsOhio has created a billboard campaign in other states touting the benefits of living in Ohio and Gov. Mike DeWine has proposed including a \$50 million public relations campaign in the budget to attract people from other states.

As someone who returned to Ohio after more than 20 years away, I understand the reasons why Ohio can and should be attractive. As an Ohio entrepreneur, my business needs a vibrant state that welcomes not just people and businesses but innovation.

This is where we have some work to do to get everyone pulling in the same direction. I co-founded a startup that brings electric vehicle carshare to real estate developments, workforce training programs, corporate campuses, and rural communities that need more access to transportation. We're often providing the first opportunity for Ohioans to drive an electric vehicle (EV), and in the process, accelerating the transition to a cleaner, more efficient, and more reliable car or truck.

The production of EVs will be critical to Ohio and our autoworkers, so we should be doing everything we can to capture this industry and promote it. Automakers are investing \$300 billion in EVs over the next decade, with GM announcing they will eliminate gasoline and diesel light-duty cars and SUVs by 2035. Massachusetts and California will only allow new car sales to be EVs in that same year. These aren't outliers; this is the way the auto industry is headed, and it is only going to accelerate. We need to not just capture our fair share, but we need to aim for an unfair share.

One of the ways to do this is to encourage and incentivize EV sales in Ohio. While Ohio EV sales grew by triple-digit percentages the last two years, they would have likely grown more if not for a \$200 registration fee for EVs and plug-in hybrids (and, oddly, \$100 for hybrids with no plug). This, obviously, has the opposite effect of what we aim to achieve.

While the stated purpose of the fee was to compensate for the lost gasoline tax revenue, the reality is that many EV drivers ended up paying far more than comparable gas taxes. Some of our EVs are used mainly for short trips – the grocery store, doctor's appointments, job interviews – and we ended up paying several dollars per gallon in equivalent fees. The fee is also paid in one lump sum, unlike the gas tax that is paid a little at a time over the year. This is inequitable to lower-income drivers who may not be able to afford the lump sum, and effectively eliminates their choice of driving an EV.

I, along with every EV driver I know, am more than happy to pay my share, but this registration fee is punitive and, more importantly, has long-term negative implications if it hampers EV adoption in the

state. It's also among the highest in the country and, importantly, Ohio's direct competitors for auto jobs charge lower annual fees. Michigan charges \$135 for EVs, \$47.50 for plug-in hybrids and nothing for internal combustion hybrids. Indiana charges \$150 for electric vehicles and \$50 for both plug-in and non-plug-in hybrids.

Revenue from EV fees represents less than 1% of the Ohio road fund revenue. It is not a substantial amount. We are possibly closing the door on jobs, growth, and innovation for a minimal amount of money.

To support Ohio's efforts to compete for jobs, workers, and the future of the auto industry, we must lower the fee to \$100 for electric vehicles, \$50 for plug-in hybrids and zero for gasoline-only hybrids. I urge you to consider supporting this reduction in the state transportation budget.