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## March 15, 2021 | Submitted Electronically

Sen. Matt Dolan Chair, Senate Finance 1 Capitol Square 1st Floor Columbus, OH 43215

Sen. Vernon Sykes Ranking Minority Member, Senate Finance 1 Capitol Square Ground Floor Columbus, OH 43215

## **RE:** Business support for electric vehicle (EV) registration fee reduction

Dear Chair Dolan, Vice Chair Gavarone, Ranking Minority Member Sykes, and Members of the Senate Committee on Finance:

I am writing to you on behalf of the Ceres BICEP (Business for Innovative Climate and Energy Policy) Network – a coalition of nearly 70 major employers and manufacturers across the United States, many of whom have operations and facilities in Ohio. As a representative of the BICEP Network, I write to express support for the proposed annual registration fee reduction for all-electric, plug-in hybrid, and non plug-in hybrid vehicles to \$100, \$50, and \$0 respectively. Excessive fees imposed on these vehicles hinder innovation and jobs, hamper consumer choice, and are not a long-term solution.

We applaud the legislature for making investments in transportation infrastructure a priority and our companies agree that alternative fuel vehicles should contribute to state transportation funding. However, the existing fees disproportionately penalize businesses and consumers in Ohio who support the emerging electric vehicle (EV) market; this despite the clear economic and social benefits these vehicles provide through fuel cost savings, reductions in greenhouse gas emissions, and lowered public health expenses. EVs insulate businesses from fossil fuel price volatility and significantly reduce both fuel and operating costs, freeing up capital that companies can re-invest in their operations and workforce. In addition, fuel-efficient vehicles put much needed savings back into the hands of consumers at a time when it is needed most.

These annual up-front fees only generate nominal funding for the transportation budget, but have a significant, negative financial impact on businesses and consumers. Lawmakers should consider all the ways revenue is collected from vehicle-owners, and not just those going to the state Highway Fund. Further, EVs only make up around 1% of total vehicle sales in Ohio, and therefore such a fee would be a poor way to raise revenue for the state Highway Fund, while at the same time hindering a nascent industry. Instead, we should support the over \$300 billion in committed investments from automakers in EVs, as the auto manufacturing sector is shifting toward EVs. Other revenue-raising transportation policies, such as fees based on vehicle miles traveled (VMT) or greenhouse gas emissions, congestion pricing, or highway tolls should instead be considered.

Additionally, companies like ours are increasingly setting ambitious goals around electric vehicles and clean transportation. Supportive state policies will help companies meet these objectives, save fuel costs, and reduce their carbon footprint. Regressive fees on hybrid and



Sen. Theresa Gavarone Vice Chair, Senate Finance 1 Capitol Square 2nd Floor Columbus, OH 43215 all-electric vehicles undermine the interests of the business community and discourage the purchase/lease of more efficient vehicles. Eliminating excessive fees would send a very strong signal to the market that Ohio understands that the future of the auto industry is electric and is willing to remove barriers that hinder EV adoption.

As neighboring states increase investment in electric vehicle deployment and infrastructure, Ohio must act to ensure that the Buckeye State remains an attractive place to do business. We believe that the electrification of the transportation sector is a critical part of our clean energy future.

Thank you for the opportunity to provide comments on this important issue. Please do not hesitate to reach out to us with any questions or concerns.

Sincerely,

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Anne L. Kelly Vice President Government Relations, On behalf of Business for Innovative Climate and Energy Policy (BICEP)

For additional information, please contact Deana Dennis, Senior Manager for State Policy at Ceres (<u>ddennis@cere.org</u>).

The <u>Ceres BICEP Network</u> comprises influential companies advocating for stronger climate and clean energy policies at the state and federal level in the U.S. Ceres BICEP Members listed in bold on the page above have direct operations in Ohio. For more information on the Ceres BICEP Network, visit <u>www.ceres.org/BICEP</u>.