

April 16, 2015

The Honorable Jessica Vega Pederson  
Chair, House Energy & Environment Committee  
900 Court St. NE, H-285  
Salem, Oregon 97301

**RE: Support for House Bill 2092**

Dear Chairwoman Vega Pederson,

The Association of Global Automakers (“Global Automakers”)<sup>1</sup> is pleased to support House Bill 2092, which establishes a Zero Emission Initiative Fund to provide rebates for the purchase of hydrogen fuel cell, battery electric, and plug-in hybrid electric vehicles. Lowering the cost of advanced technology vehicles through rebate incentives has proven to be a powerful incentive for customers in their decision to purchase zero emission vehicles (ZEVs).<sup>2</sup> We therefore ask for your support for this important program.

The past few years have seen a proliferation of new ZEV technologies come to Oregon’s roads, giving consumers a broader choice than ever before. However, these advanced technology vehicles are more expensive for manufacturers to produce and consumers to buy than traditional vehicles. The availability of a rebate incentive has been cited by consumers as a key consideration in the purchase of a ZEV. Furthermore, a 2014 report by the International Council on Clean Transportation indicates direct incentives, like rebates, contribute the most towards sales among all other forms of incentives.<sup>3</sup>

Oregon was one of eight states that signed on to a 2013 Memorandum of Understanding (MOU)<sup>4</sup>, committing to support, promote, and ensure a robust market for ZEVs. The state has worked hard to create a ZEV market through infrastructure development, outreach, and efforts to increase awareness of ZEV technology. The creation of a Zero Emission Initiative Fund, which would provide \$3,000 rebates for the purchase of battery electric and hydrogen fuel cell vehicles and \$1,500 for plug-in hybrid electric vehicles,<sup>5</sup> is an important and necessary step forward in meeting Oregon’s commitments from the 2013 MOU and in building the right environment to sell these clean and advanced technology vehicles.

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<sup>1</sup> The Association of Global Automakers, Inc. represents international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. We work with industry leaders, legislators, regulators, and other stakeholders in the United States to create public policy that improves motor vehicle safety, encourages technological innovation and protects our planet. Our goal is to foster an open and competitive automotive marketplace that encourages investment, job growth, and development of vehicles that can enhance Americans’ quality of life. For more information, visit [www.globalautomakers.org](http://www.globalautomakers.org).

<sup>2</sup> ZEVs include hydrogen fuel cell, battery electric, and plug-in hybrid electric vehicles.

<sup>3</sup> International Council on Clean Transportation. “Evaluation of State-Level U.S. Electric Vehicle Incentives,” 2014, page 24. [http://www.theicct.org/sites/default/files/publications/ICCT\\_state-EV-incentives\\_20141030.pdf](http://www.theicct.org/sites/default/files/publications/ICCT_state-EV-incentives_20141030.pdf).

<sup>4</sup> State Zero-Emission Vehicle Programs Memorandum of Understanding, October 24, 2013, <http://www.nescaum.org/documents/zev-mou-8-governors-signed-20131024.pdf/view>.

<sup>5</sup> Global Automakers believes that because of the high cost of manufacturing plug-in hybrid electric vehicle technology, rebates for these vehicles should more-closely match those for battery electric and hydrogen fuel cell vehicles.



Global Automakers believes Oregon's strong support of advanced vehicle technology is essential to the development and commercialization of these vehicles, and cannot be achieved without the help of proven incentives like a vehicle rebate. A more robust market for ZEVs will improve the environmental performance of and reduce the use of petroleum from the light-duty fleet. By creating this fund to incentivize the purchase of zero emission vehicles, House Bill 2092 makes a significant contribution to achieving these goals.

**For these reasons, Global Automakers asks that you and the members of the House Energy & Environment Committee support HB 2092.**

If you have any questions or comments, please contact me at 202.650.5547 or [jpudnos@globalautomakers.org](mailto:jpudnos@globalautomakers.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Pudnos", with a long horizontal line extending to the right.

Josh Pudnos  
State Relations Manager

Cc: Members of the House Energy & Environment Committee