



June 7, 2017

### Testimony Regarding HB 2017

On behalf of the Alliance of Automobile Manufacturers (Alliance), I am writing about two provisions in House Bill 2017 regarding vehicle registration fees. Both provisions provide disincentives in achieving the State of Oregon's goal of having cleaner, more fuel efficient high-mileage autos and zero emission vehicles on the state's roads. By Oregon choosing to have the California emission standards and the Zero Emissions Vehicle (ZEV) mandate, the state has prioritized that consumers purchase high mileage and ZEV vehicles. However, the proposals create disincentive for consumers purchasing these types of vehicles. While the Alliance understands the motivation for the proposals, they are in contradiction to existing state law and policies. Our objections to the provisions are outlined below.

1. Graduated registration fees by MPG – This proposal to base fees on estimated vehicle mileage is counterintuitive to the state's goal of having consumers purchase high mileage vehicles. By charging consumers who have chosen to do the "right thing" extra fees, sends consumers the wrong message. Additionally, by establishing arbitrary mileage benchmarks, the bill has the state in the role of picking market winners and losers instead of consumers making that choice. We question what criteria was used to decide that if a car gets one more mile per gallon than a similar vehicle, the higher mileage vehicle should pay a higher fee and why those cutoffs were chosen.

2. EV Registration Fee – Under Oregon law, auto manufacturers are required to manufacture ZEV vehicles and offer them for sale. The percentage of vehicles that must be offered as a portion of the state's vehicle market is increasing in an exponential manner. However, consumer acceptance of these vehicles is not growing in such fashion. Last year, only 1.93% of vehicles sold in Oregon were ZEVs. The ZEV mandate requirements in the coming years is over 4 times that rate. The state needs to create incentives to purchase these vehicles, not disincentives as this provision does. Recognizing that all vehicles must pay their share of road fees, the Alliance requests that any extra registration fee on EVs be assessed at the time of registration renewal, not at the time of sale. Several states including Washington and California have recently adopted fees based on this model. EVs are more expensive to purchase than their gasoline powered counterparts and the state should not accentuate that problem with an additional fee at the time of purchase.

The Alliance of Automobile Manufacturers is a trade association of 12 car and light truck manufacturers including BMW Group, FCA US LLC, Ford Motor Company, General Motors, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche Cars North America, Toyota, Volkswagen Group of America, and Volvo Car USA.

If you have any questions or comments regarding the Alliance position, please contact me at (916) 447-7315 or Paul Cosgrove, the Alliance's legislative representative at 503-799-5679. Thank you for your consideration.

Sincerely,

Curt Augustine  
Senior Director of Policy and Government Affairs  
Alliance of Automobile Manufacturers