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Admitted in: ME

Chair Nangle, Chair Crafts, and Honorable Members of the Transportation Committee;

My name is Elizabeth Frazier and I am testifying today on behalf of the Alliance for Automotive Innovation in opposition to LD 622, An Act to Implement a Surcharge on Electric Vehicle Registration. We appreciate the sponsor's intent at looking for funding alternatives to the current gas-tax driven model. We also agree that reasonable additional fees on electric vehicles, specifically to offset the reduced revenues from the gas tax, can be appropriate for certain states. We oppose the current legislation simply because the proposed fee is too high in proportion to lost revenues. We would encourage this committee to consider a few factors when weighing what might be appropriate for Maine.

First, it is important to remember that Maine has ambitious goals for climate resiliency, including a transition to all-electric, battery plug-in vehicles. These vehicles are a critical tool to greenhouse gas reduction, and Maine has made significant investments in their infrastructure in recent years. While increase in consumer purchases of electric vehicles have occurred in recent years, and prices have come down, it is still largely necessary to provide incentives to make electric vehicles affordable to most Mainers. Imposing a fee on their registration could be counter-productive to that policy initiative.

Second, if Maine does wish to impose a fee on electric vehicle to offset the loss of revenue from the gas tax, we would suggest that \$250 is too high. Mainers drive an average of 14,215 miles per year (according to Google), and our gas tax is \$.314 per gallon. Today's average new car gets 28 miles per gallon. Based on those numbers, the average yearly gas tax paid by a Mainer is \$160.00. A \$250 fee would be 64% higher than that average annual amount.

The Autos would encourage this committee to consider a fee closer to \$100, to balance the need to incentivize electric vehicle purchases with the loss of revenue for the Highway Fund as a result of gas not purchased. We would be happy to serve as a resource for the committee and look forward to answering any questions you may have.

Sincerely,

Elizabeth Frazier
On behalf of the Alliance for Automotive Innovation