



ALLIANCE
FOR AUTOMOTIVE
INNOVATION



Automaker Views on Road Funding

Wayne Weikel

Vice President, State Affairs



Our Members



• APTIV •



Autoliv

BASF
We create chemistry

BMW GROUP

BOSCH

cruise

DENSO



HONDA



INEOS Automotive



ISUZU



LUMINAR



nuro

Panasonic

PORSCHE

Qualcomm



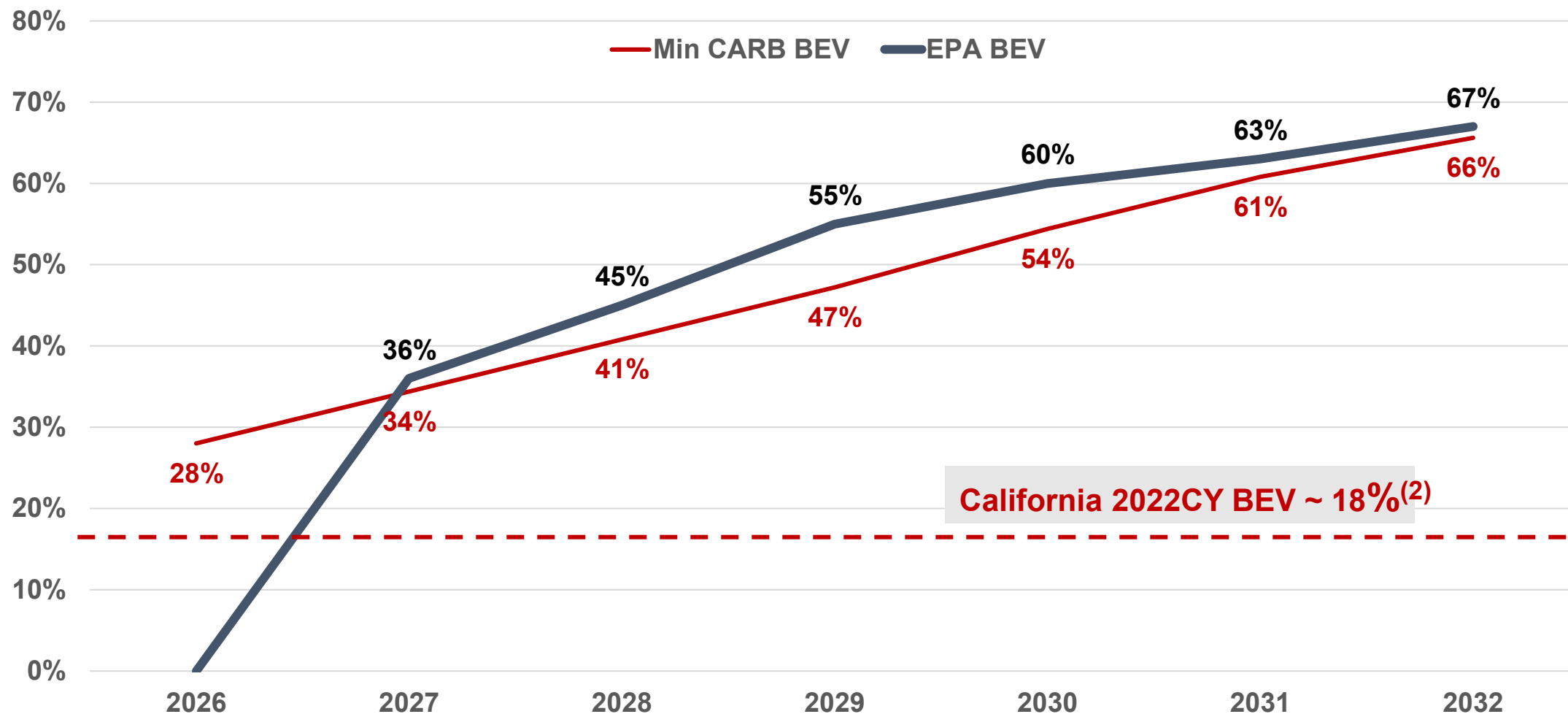
TOYOTA

Uber

VOLKSWAGEN
GROUP OF AMERICA

VOLVO

Where We Are Going...



(1) The CA BEV requirements assume OEMs maximize PHEVs (e.g., 14% PHEVs in 2030MY)

(2) See: <https://www.autosinnovate.org/resources/electric-vehicle-sales-dashboard>

Resources Available

www.autosinnovate.org/resources/electric-vehicle-sales-dashboard



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ELECTRIC VEHICLE SALES DASHBOARD





Tax the Vehicle with an **EV Fee**

Tax the road with **VMT Taxes**



Tax the electricity with **kWh Taxes**

Options to Replace Gas Tax

Road Funding Options – EV Fees

EV fees are the worst way to fund roadway infrastructure



Regressive tax, unrelated to usage of fuel or public good



Financial hardship, as collected all at one time



Does not capture non-resident usage of roadways



Disincentive to purchasing EV



Adds to upfront money consumers need to purchase EV

Road Funding Options – VMT Taxes

VMT offers new path to capture actual usage of public good



Progressive tax, increases with more usage of road/fuel



Not increasing upfront money needed to buy vehicle



Does not capture non-resident usage of roadways



GPS tracking needed to offset out-of-state driving



Principle of VMT taxes not generally liked by vehicle owners

Road Funding Options – VMT Taxes

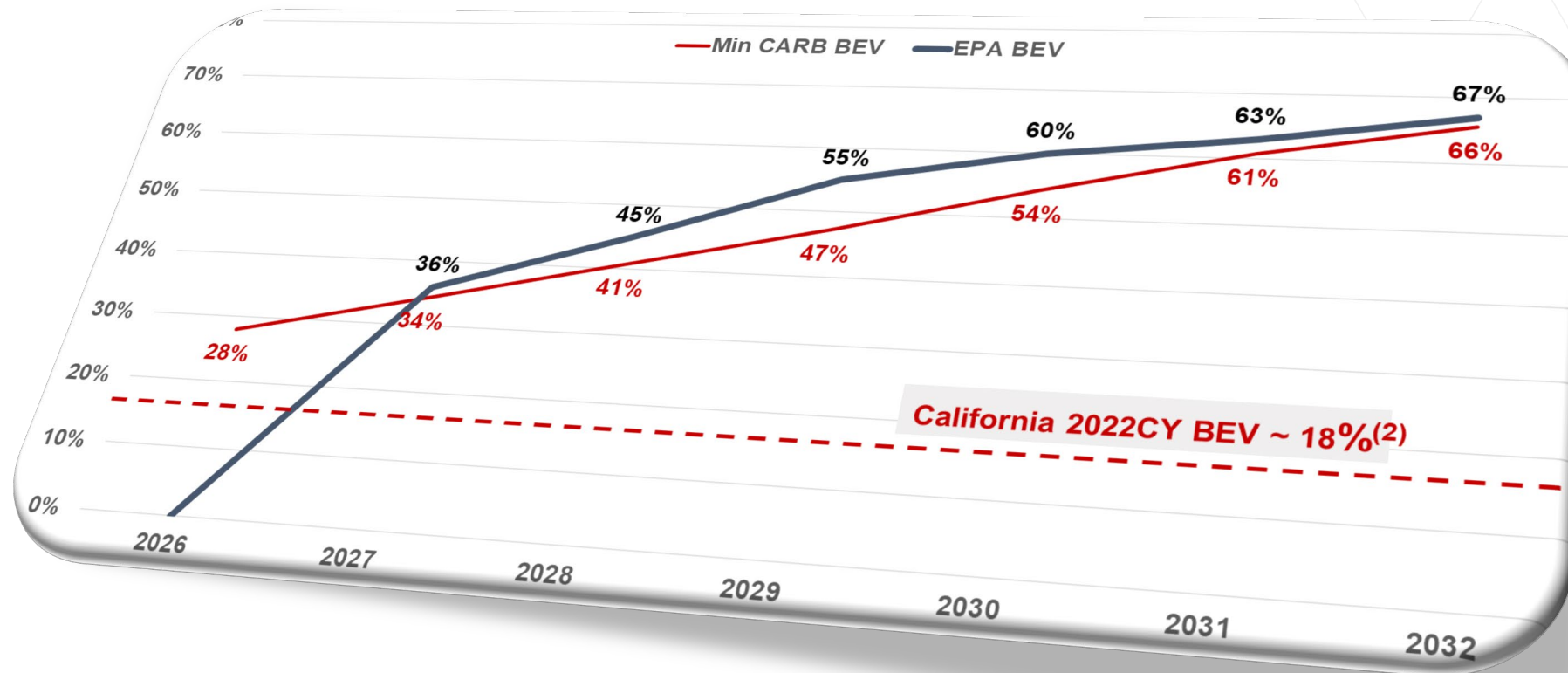
VMT Principle of VMT taxes not generally liked by vehicle owners:

**San Jose State Study – 61% Opposed
of that 40% Strongly Opposed**

Target on EVs creates disincentive to buy

Proportion of VMT taxes, in not with usage or road/fuel vehicle usage or roadways state driving by vehicle owners

Remember where we are going...



...we cannot only sell to 39%

Road Funding Options – kWh Taxes

kWh taxes may be a better progressive tax

Also:
Challenges setting just
correct rate to capture
expected revenues

Changes in utility rate
structure are **long and**
tortured paths



Progressive tax,
ties road user
contributions to
amount of fuel
used



Captures
non-residents
using in-state
EVSE



Tax on volume
of fuel used
most similar to
current gas tax
rationale



Challenges
and cost to
segmenting
electricity in
residential
setting



If pulling from
vehicle,
introduces same
GPS and tracking
concerns

Road Funding Options – EV Fees

Maybe reasonable

*EV fees ~~are~~ the worst way to fund roadway infrastructure
aren't*



**Lowest
administrative
costs for state to
assess and collect**



**Shortest ramp-up
time to add
revenue to state
budgets**



**Known and
stable
revenue
expectations**



**No GPS
tracking and no
added costs on
infrastructure**

Road Funding Options – EV Fees **AND** kWh Tax

Adding kWh taxes onto DCFC...

but not other residential or non-residential Level 2



Captures out-of-state drivers
using state
roadway



Avoids double-taxing
in-state drivers via
workplace or
community charging



In-state utilizing
DCFC can be
framed as
convenience tax

... a few words about vehicle weight

Many have tried to tie vehicle weight to road funding discussions, arguing EVs weigh more and therefore should pay more



Tesla Model S – 4,561 lbs.



Mercedes-Benz – 4,740 lbs.

... a few words about vehicle weight

Many have tried to tie vehicle weight to road funding discussions, arguing EVs weigh more and therefore should pay more



Tesla Model S – 4,561 lbs.



Ford F-150 – 4,275 lbs.

... a few words about vehicle weight

Many have tried to tie vehicle weight to road funding discussions, arguing EVs weigh more and therefore should pay more



Chevrolet Bolt EV 3,589 lbs.



Mini Cooper – 2,892 lbs.



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