Automaker Views on Road Funding

Wayne Weikel
Vice President, State Affairs
Our Members
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](https://www.autosinnovate.org/resources/electric-vehicle-sales-dashboard)
Resources Available

www.autosinnovate.org/resources/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 offers a 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.

GPS tracking needed to offset out-of-state driving.

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.
Remember where we are going...

...we cannot only sell to 39%
**Road Funding Options – kWh Taxes**

**kWh taxes may be a better progressive tax**

- 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

Also: Challenges setting just correct rate to capture expected revenues
Changes in utility rate structure are long and tortured paths
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
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.