



Neutral Testimony on HB2529

John J. Federico

On Behalf of General Motors Corporation

House Transportation Committee

February 17, 2016

Chairman Proehl and Members of the House Transportation Committee:

My name is John Federico, and I appear before you today on behalf of the General Motors Corporation. General Motors is neutral on House Bill 2529.

We understand the need for the state and the Kansas Department of Transportation to continue to bring in funds to maintain roads and highways throughout the state. However, the proposed legislation is not necessarily the most efficient or effective way to accomplish this goal for the following reasons.

This bill will have very little meaningful impact given the number of electric vehicles on the road. Electric vehicles are new to the market and have not yet reached a scale where they would have any real impact in terms of wear on the state's roads. As of 2014, out of 2.6 million vehicles on the road in the state of Kansas, less than 200 of them are electric vehicles.

The issue of so few electric vehicles on the road ties into another reason why we remain neutral on the bill: the additional hurdles that are being imposed on an extremely new market. By imposing additional market hurdles on plug-in vehicles trying to get a foothold on an unprecedentedly entrenched incumbent in gasoline powered vehicles, these premature fees may inhibit market growth, which has consequences for other national and state goals, including energy security, economic security and a clean, sustainable transportation sector. Chiefly, consumers who choose these vehicles over conventional gasoline powered vehicles will be saving more money on petroleum, which can be invested back into the Kansas economy.

We also believe this is an issue better left to the federal government to solve. Rather than having a patchwork system of fees and taxes across several states to address the small number of these new vehicles, we believe we should leave this issue to the federal government to develop a comprehensive solution that recognizes the imperative for greater efficiency and fuel diversity as well as providing well-funded and extensive studies about where the vehicle market is and where it will be moving.