



**Testimony on HB 2342
Submitted by Tesla
Joint Transportation Committee
April 20, 2021**

Co-Chairs Beyer and McLain, and members of the joint committee, Tesla appreciates the opportunity to provide testimony of HB 2342, which would implement an extended road user fee (RUF) program proposed by ODOT's Road Usage Fee Task Force (RUFTF).

We appreciate the hard work of RUFTF to consider ways to replace the anticipated loss of revenue to Oregon's Highway Trust Fund, in part because vehicles are becoming more fuel efficient and not generating as much gas tax revenue.

Tesla engaged later in the RUFTF process when it developed a draft legislative concept. We appreciate ODOT and the task force making some positive changes from earlier drafts but unfortunately, we remain concerned that the bill as drafted discriminates against electric vehicle (EV) owners and discourages EV adoption when the state is currently investing significant resources doing the opposite in order to meet EV penetration and climate goals.

We strongly support the state's goal to get more EVs on Oregon roads and are grateful that Governor Kate Brown involved Tesla, and along with others, in developing her Electric Vehicle Executive Order a few years ago.

However, HB 2342 as written, exempts vehicles getting less than 30 MPG from the bill's requirements and requires EV owners to pay more in fees/taxes compared to less efficient vehicles. Any RUF policy moving forward should at the very least do no harm to fuel efficient vehicles and ideally be structured to encourage, rather than punish, EV adoption.

Perhaps HB 2342 was drafted in this way given the results of the OReGO program, which barely broke even because it refunded gas tax revenues, derived from the RUF fees of more efficient vehicles, to drivers of vehicles getting less than 20 MPG to offset the taxes they paid in excess of the flat RUF. Had the program not capped the participation of less efficient vehicles, it would have lost money. In effect, more efficient vehicles were subsidizing less efficient ones.

We respectfully request the committee to consider amendments to this bill that would align Oregon's transportation and climate goals by adjusting the RUF by a vehicle's fuel efficiency. This provides an incentive for people to buy more efficient vehicles and to drive them more efficiently. The states of California and Washington are considering this same approach and Oregon should too.

Thank you for allowing us to submit testimony on HB 2342, and we look forward to working with you on amendments.