

## Neutral Testimony on HB2121 Offered by John Federico on Behalf of General Motors House Transportation Committee February 5, 2025

Good afternoon, Mr. Chairman and members of the House Transportation Committee. My name is John Federico, of the Federico // Duerst Consulting Group, testifying on behalf of General Motors. We maintain a neutral position on HB 2121, and respectfully ask that you give fair consideration to an amendment on the bill.

As a reminder, the General Motors Fairfax Assembly Plant has been producing World Class Quality vehicles in Kansas since 1945. Fairfax Assembly was the first industrial facility to operate as a dual purpose manufacturer producing both automobiles and jet fighters in the same building.

The present facility, constructed in 1985, has received numerous awards, including North American Car of the Year for the Chevrolet Malibu, as well as the Buick LaCrosse earning a top safety rating by the National Highway Traffic Safety Administration.

General Motors is proud of their long history in Kansas, where they employee more than 2000 workers, and have invested over \$1.5B into their Kansas facility over the last decade or so. We were particularly excited at the most recent news that GM chose their Kansas facility to produce the next-generation Chevrolet Bolt EV. In support of that effort, GM has initiated a \$390M investment to retool their assembly line at the Fairfax facility.

It is with that commitment in mind, that General Motors takes a keen interest in any legislation that might serve as a barrier to the consumer who prefers to purchase an electric vehicle. Having said that, GM does believe that every driver using Kansas roads should pay their fair share, which brings us to our *neutral* position on the bill, Mr. Chairman.

We respectfully ask that you consider the following:

1. Deferring an increase in electric vehicle fees until Electric Vehicles constitute a meaningful proportion of the total registered fleet.

According to the Alliance for Automotive Innovation <u>dashboard</u>, the market share for all-electric vehicles in Kansas is 1%. Since 2011, only ~12K all-electric vehicles have been sold in Kansas. According to the latest records available by the Federal Highway Administration.

2. That fees on all-electric vehicles be proportional to the amount an internal combustion engine vehicle pays in annual Kansas gas taxes.

GM estimates that an internal combustion engine vehicle registered in Kansas pays \$122 on average, in state gas tax each year to support road use.

To determine the equivalent annual fee for all-electric vehicles, GM uses a rudimentary calculation with annual state specific data from the <u>Federal Highway Administration</u>.

Multiply average vehicle miles traveled (12,106) by real-world fuel economy (24.9) = on average, 486 gallons of gasoline purchased annually in KS.

3. With that, we would ask that the proposed registration fee for all-electric vehicles required in HB2121 be lowered to \$125.

Thank you for the opportunity to present this information and I again ask, in the spirit of parity, for favorable consideration of our recommended amendment.