



ISSUE UPDATE

ELECTRIC VEHICLES & ALTERNATIVE TRANSPORTATION TECHNOLOGIES

The Issue

Congress is considering legislative proposals to provide federal incentives, investment and government preferences for alternative technologies, such as electric vehicles and electric charging infrastructure.

Retail Impact

The convenience and fuel retailing industry sells over 80 percent of the motor fuels sold in the United States. Policies that affect motor fuels—what and how to market, transport, distribute, sell, store, label, dispense, price and tax fuel—can have a dramatic impact on petroleum wholesalers and retailers.

H.R. 1027 | Fairness for Every Driver Act

In February, U.S. Rep. Jason Smith (R-MO) and Senator John Barrasso (R-WY) introduced the Fairness for Every Driver Act (H.R. 1027/S. 343) to save billions of taxpayer dollars by eliminating the wasteful tax credit for high-end electric vehicles. The legislation would help fund new infrastructure projects by requiring users of alternative fuel vehicles to contribute to improving the nation's roads and bridges. Currently, the electric vehicle tax credit rewards buyers of electric vehicles with up to \$7,500 in taxpayer-funded subsidies. The legislation levels the playing field for all cars across America. Gas, electric and alternative fuel vehicles all use the same roads and put the same amount of wear and tear on those roads. Every driver should contribute to maintain America's highways. Under current law, users of alternative fuel vehicles do not contribute funds to improving the roads and bridges used by all drivers.

S.94 | Driving America Forward Act

Meanwhile, last month, a bipartisan coalition introduced a bill that would extend the one-time federal tax credit for buyers of electric, plug-in hybrid, and hydrogen-powered vehicles. The Driving America Forward Act (S. 1094) is sponsored by Senators Debbie Stabenow (D-MI), Lamar Alexander (R-TN), Gary Peters (D-MI), and Susan Collins (R-ME) along with Congressman Dan Kildee (D-MI) and supported by no fewer than 60 organizations, including automakers, environmental organizations, and electric vehicle suppliers. One-time federal tax credits of up to \$7,500 were enacted in 2010 to help spur sales of plug-in vehicles. They phase out two steps during the calendar year after an automaker sells 200,000 electric cars and/or plug-in hybrids. Tesla was the first manufacturer to hit that mark last year. If enacted, the Driving America Forward Act would allow purchasers of an additional 400,000 vehicles per manufacturer to be eligible for a slightly smaller, one-time \$7,000 tax credit. The Act also extends the hydrogen fuel cell credit through 2028.

OPMCA Position

OPMCA believes that its member businesses should have the option to sell any legal source of transportation energy in a competitive market with a level playing field. Allowing the private sector to compete is the best way to spur investment in—and the development of—alternative transportation energy infrastructure. The association opposes government policies that pick technology winners and losers. In addition, all vehicles, whether fueled by gas, electricity or other alternative fuels, use the same roads and all should pay their fair share to maintain those roads. OPMCA urges Members of Congress to cosponsor HR 1027, Fairness for Every Driver Act, and to oppose any efforts to extend tax credits for electric and alternative transportation technologies.