



April 28, 2023

Pennsylvania House Transportation Committee
127 Irvis Office Building
Harrisburg, PA 17120

Rivian thanks the Pennsylvania House Transportation Committee for the opportunity to submit comments regarding EV fees as Pennsylvania develops its Drive Smart Act.

Rivian is an independent U.S. company, founded in 2009, with more than 14,000 employees worldwide. It is Rivian's mission to Keep the World Adventurous Forever. Our focus is the design, development, manufacture, and distribution of all-electric adventure vehicles, specifically pickups, sport utility vehicles, and commercial vans. Key to the success of our mission, these vehicles will displace some of the most polluting passenger vehicles and trucks on the road today.

In 2019, Pennsylvanians were driving 10,000 electric vehicles, and in 2023, that number has increased to over 63,000; this acceleration inevitably causes a shift in how a state collects revenue to fund transportation-related infrastructure projects. Therefore, as Pennsylvania takes into consideration these rising EV adoption rates and the effect that transition will have on the revenue collected by the gas tax, Rivian requests the following be considered:

Inflation and improvements in Fuel Economy will have a greater impact than electrification; therefore, a fuel-neutral taxation system is the preferred mechanism. The decline in transportation funding can be attributed primarily to the rise of fuel economy improvements in internal combustion engine vehicles (ICEVs) and inflation, which significantly impact revenue more than electrification. Although electric vehicle (EV) drivers not contributing to the gas tax also plays a role in the decrease of total revenue, levying registration fees on EV owners or vehicle mile travel (VMT) fees alone cannot fully address the underlying issue of diminishing real revenues associated with the gas tax. Without implementing a gas tax system that indexes to both inflation and the reduced fuel consumption due to improved fuel economy, the decline in gas tax revenues will persist.

To fairly calculate an annual fee, use annual mileage assumption from state-specific data. Rivian proposes using the latest model year's real-world production-weighted average new vehicle fuel economy estimates to determine the cost-per-mile equivalent of a gas tax. This approach, which includes ICEVs and alternatively fueled vehicles (AFVs), aims to balance revenue replacement goals and acknowledge the advancements in AFV technologies' fuel economy—furthermore, Rivian advocates for state-specific annual mileage assumptions to account for variations in driving patterns across regions. There are various methods for determining a driver's "fair share," and Rivian believes this approach is effective.

Fees should not disincentivize consumers that transition to an electric vehicle. Rivian supports Pennsylvania's goal of permanently reducing greenhouse gas emissions by 26% by 2025 and 80% by 2050 and the objectives outlined in the Electric Vehicle Roadmap for the Department of Environmental Protection (DEP). However, registration fees or VMT fees imposed on electric vehicles mustn't be inflated, deterring the adoption of electric vehicles. Under the current proposal, Rivian believes the fee would be punitive on current and future electric vehicle drivers.

It is clear that drivers play a crucial role in ensuring the upkeep and development of the highway network through their financial contribution via appropriate taxes and fees. However, it is critical that any such taxes or fees are designed with simplicity and fairness in mind so that they are not overly burdensome to drivers. While Rivian applauds the proposal incorporating a mileage-based fee option, we believe it too costly for the consumer where it stands today. By implementing the recommendations outlined above, we can ensure that our highways remain safe and reliable and that consumers are motivated to fairly transition to electric modes of transportation.

Please contact Beau Whiteman at bwhiteman@rivian.com with any follow-up questions or requests, or additional information.