Office of Governor Doug Ducey
1700 W Washington St,
State Capitol Executive Tower, West Wing
Phoenix, AZ 85007

Dear Governor Ducey,

On behalf of our members, Consumer Reports commends action taken to combat COVID-19 and protect the citizens of Arizona. As your state works towards its economic recovery, we urge you to put consumers first by including smart investments in the next generation of vehicle technologies in your recovery plans. By accelerating a market revolution in transportation, Arizona can save consumers money and stimulate the economy.

Arizonans benefit from and want clean and electric transportation. Consumer Reports' analysis found that Electric Vehicles' (EVs) maintenance and repair costs are *half that of* traditional gas-powered vehicles right now. Further, switching from fueling to charging can save Arizona drivers is $900-$1200 per year in operating costs. And despite the fact that EV choices are limited in the state today, our consumer survey data finds that 71% of prospective car buyers in the U.S. are interested in getting an electric vehicle, including 31% for their very next purchase. This shows enthusiasm even before popular crossover, SUV and pickup models begin entering the market as automakers release more EV models starting in 2021.

These vehicles will also be good for the state as a whole. Investing in EVs and their infrastructure will support new jobs. Successes like the Lucid Motors factory, which is slated to create thousands of jobs, are just the beginning.[i] In fact, according to the National Renewable Energy Laboratory, EV adoption could create 50,000 jobs annually.[ii] And, experts expected the combined impact of federal and state Clean Car Standards to generate 100,000 jobs by 2025, and more than double that in 2035.[iii] With the right policies, Arizona can still be a key beneficiary of this kind of job growth, despite recent federal rollbacks.

The first step toward this potential is to help consumers choose the technology that best fits their needs. Despite the savings over the life of the vehicle, the sticker price of a new electric vehicle and charging infrastructure can prevent consumers from investing in their long-term economic benefit. Cutting consumers a deal with low-cost incentives like commuter lane access, toll exemptions or targeted rebates will accelerate adoption of this new technology and the benefits it will deliver to Nevadans and their economy.

In contrast, Arizona almost impeded new technology by imposing new taxes on consumers, such as a punitive fee on new electric vehicle registration.[iv] Rather than stymie growth, Arizona should reject future EV fees and open the gate to innovation by accelerating the market for electric vehicles.

You can also help stimulate the economy by ensuring Arizonans can easily charge their electric vehicles through incentives for installing charging equipment at home, businesses and retail shops, and in parking garages. These efforts can be supplemented through the combination of building codes that incorporate EV chargers and policies that encourage utilities to invest in charging infrastructure. And where incentives are not possible, fiscally responsible loans for capital-intensive projects can help households across Arizona. Establishing a public-private partnership that helps consumers finance energy improvements such as solar panels and charging equipment. As the loans are paid back, the partnership becomes a revolving fund, ensuring fiscal sustainability. Expanding this kind of smart, efficient, responsible investing and attracting private capital will help consumers access money-saving upgrades and stimulate economic development.

There are also broader opportunities when it comes to clean, fuel efficient vehicles. Before the rollback of federal fuel economy and pollution standards, consumers in Arizona were set to save an additional $6.1 billion over the life of their new cars.[v] Arizona should reconsider joining 14 other states in adopting Low Emissions Vehicle and Zero Emissions Vehicle programs in order to put that money back in consumers' pockets. Doing so will expand state leadership on a 21st century auto market that will save consumers money by giving them access to more fuel efficient vehicles and more consumer choice overall.

Finally, we urge you to use your platform as governor to encourage your federal delegation to push for stimulative transportation policies such as consumer incentives, infrastructure spending and expanding domestic manufacturing at the federal level.

From innovative vehicle technology to refueling infrastructure at homes, stores, and workplaces, investments in the future of transportation can deliver new jobs and economic activity, lifting up both consumers and businesses. Your leadership will allow Arizona to seize this opportunity.

Consumer Reports welcomes the chance to discuss these opportunities further, including a virtual presentation to your Economic Recovery team. You can find further information on these policies in the attached fact sheet.

Warm Regards,

Alfred Artis
Policy Analyst, Sustainability

CC:

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Kyrsten Sinema, AZ U.S. Senator
Martha McSally, AZ U.S. Senator

Tom O'Halleran, U.S. Representative - CD 1
Ann Kirkpatrick, U.S. Representative - CD 2
Raúl Grijalva, U.S. Representative - CD 3
Paul Gosar, U.S. Representative - CD 4
Andy Biggs, U.S. Representative - CD 5
David Schweikert, U.S. Representative - CD 6
Ruben Gallego , U.S. Representative - CD 7
Debbie Lesko, U.S. Representative - CD 8
Greg Stanton, U.S. Representative - CD 9
Rep Russell Bowers, AZ State Speaker of House
Rep Warren Petersen, AZ State Majority Leader
Rep Charlene Fernandez, AZ State Minority Leader
Rep TJ Shope, Speaker Pro Tempore

Senator Karen Fann, AZ State Senate President
Senator Rick Gray, AZ State Majority Leader
Senator David Bradley, AZ State Minority Leader

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[i] Associated Press, *Lucid Motors Auto Plant Expected to Create 4K Arizona Jobs*, 12/3/19
[ii] The National Renewable Energy Laboratory, National Economic Value Assessment of Plug-In Electric Vehicles, Dec 2016
[iii] Federal standards have since been rolled back, while state standards remain in place, lowering or eliminating the jobs that would be expected in states without clean car policies. Figures quoted from: Synapse Energy Economics, Inc., *Cleaner Cars and Job Creation: Macroeconomic Impacts of Federal and State Vehicle Standards,* 3/27/18
[iv] Chris Harto and Shannon Baker-Branstetter, *Rising Trend of Punitive Fees on Electric Vehicles Won't Dent State Highway Funding Shortfalls but Will Hurt Consumers*, September 2019
[v] Chris Harto & Shannon Baker-Branstetter, *The Un-SAFE Rule Update*, Consumer Reports, November 2019