

# Committee on Resources

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## Witness Testimony

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Testimony of

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Before the Subcommittee on Fisheries, Wildlife and Oceans

Committee on Resources

U.S. House of Representatives

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On behalf of the more than 40,000 members of the Coalition for Vehicle Choice (CVC), I appreciate the opportunity to appear before you today to discuss a proposal developed by the International Association of Fish and Wildlife Agencies known as "Teaming With Wildlife." The Coalition for Vehicle Choice is a non-profit organization created to preserve the freedom of Americans to choose safe, affordable motor vehicles that meet their individual needs and their freedom to travel.

CVC includes individuals and groups from all walks of life who believe freedom of choice and mobility are important values that must be considered as society develops policies intended to protect the environment, encourage energy efficiency, and promote traffic safety. CVC believes that government has an important role to play in the development of policies to address legitimate public concerns; however, we believe the government also has an obligation to protect the mobility of Americans and the needs of car and truck users for function, safety, and affordability.

Let me begin by saying why CVC is interested in the "Teaming with Wildlife" proposal. As we understand it, the proposal would place a new "user fee" on a wide variety of so-called "outdoors" products ranging from camping equipment to cameras to sport utility vehicles. The tax would range from 1/4% to 5% of the manufacturer's price and, according to the draft product list which we have reviewed, is not to act as a barrier to product sales.

It is the proposed inclusion of sport utility vehicles that interests CVC. Although the objective of the proposal -- preservation of our nation's wildlife population and its habitat -- is well-intentioned,

CVC believes that the proposed fee is not a "user fee" in the traditional sense of the word where those who pay are those who actually use the resource. Instead, we view the fee as an excise tax or "hidden" tax that would be imposed on the users of sport utility vehicles whether or not they travel off-road. In fact, the assumption that most, if not all, owners of sport utilities invested in these vehicles to engage in some type of recreation is not true.

First, it appears that the designers of the proposal assumed that all those who buy sport utility vehicles do so in order to go off-road to enjoy the outdoors. While that's true for some purchasers of these vehicles, it is not true for many others. Let's look at why people buy these vehicles. Many people buy sport utility vehicles in order to get around in bad weather or for added safety for driving on-road. Many women favor sport utilities for these reasons. I had occasion to visit a dealer showroom in the Washington suburbs recently. The owner told me that the majority of his customers looking to buy a sport utility vehicle are women and that they prefer this type of vehicle because they feel safer sitting up higher than the rest of the traffic in a larger vehicle. I can confirm that feeling since I too drive a sport utility vehicle. My primary reason for purchasing this vehicle was safety (a large vehicle is safer than a small one), four-wheel drive capability for foul weather, and hauling capability for errands. I do not use the vehicle off-road. Last winter, my neighbor who is an emergency room physician called on several occasions for a ride to work when her own car could not make it through the snow.

People who buy utility vehicles for these reasons or for business applications would not directly benefit from this so-called user fee since from their standpoint, there's no more reason to tax a utility vehicle than any other type of vehicle such as a family-sized station wagon or mini-van. In order for the extra \$100 to be a true user fee, one would have to

be able to determine at point-of-purchase which vehicles were in fact going to be used off-road. Such an effort would be highly impractical, create a costly administrative nightmare for dealers, and serves to point out, as has the American Recreation Coalition, that the proposed excise tax is "flawed in design and scope" and is "the wrong tool for the task."

In fact, sport utility users would be penalized since the price of utility vehicles compared to other types of vehicles would be increased. Such a fee would likely be viewed as a "penalty tax" similar to other specialized taxes such as the gas guzzler tax and the tax on luxury vehicles. Both of those taxes were highly unpopular with consumers. In addition to shifting Americans away from a class of vehicles by increasing the price of sport utilities, the proposed excise tax suggests that some kind of mitigation charge is being applied to these vehicles for damage to the environment. And although I can't speak for the auto industry, it would appear that such a shift

would be harmful to our national economy since the American auto companies dominate the sport utility market in contrast to their Asian or European competitors.

Moreover, the added \$100 in initial purchase price, if financed over 5 years at 12% would cost the buyer around \$60 more in finance charges. And car and truck buyers are already unhappy about the price of a new vehicle. Today, the average cost of a vehicle is nearly \$20,000 which translates into about 25 weeks of pay for the average consumer.

In sum, CVC believes that the proposed Teaming with Wildlife proposal as it applies to sport utility vehicles is an improper application of the user fee concept and unfair to the buyers of these vehicles. A better approach would be one already in place in many states in which motorists have the opportunity to purchase special license plates for which a portion of the license fee is dedicated to support wildlife and conservation programs. A good example would be the Chesapeake Bay license plates now available in Maryland and Virginia where 50 - 60% of the additional cost of the special plate goes to support Bay conservation activities. And it's my understanding that most states have this type of special license plate available. Such an approach allows all motorists to participate and contributions can be made annually. We believe this approach is preferable to mandating a tax on motorists who purchase one class of vehicle. Moreover, the license plate alternative provides tangible and visible recognition of support for wildlife and conservation programs whereas the excise tax constitutes a hidden tax.

Mr. Chairman, on behalf of CVC, I want to thank you for the opportunity to present our views on this issue and would be pleased to try to answer any questions you might have.

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