

September 22, 2020

The Honorable Jason Sheppard
House Committee on Government Operations
124 North Capitol Avenue
Lansing, MI 48933

Re: HB 6233 -- OPPOSE

Dear Chairman Sheppard,

The Electrification Coalition (EC) is a national, nonpartisan, not-for-profit organization committed to promoting policies and actions that facilitate the deployment of electric vehicles on a mass scale in order to combat the national security, economic, and public health impacts associated with our dependence on oil. The EC is working to accelerate EV adoption in Michigan as part of a State EV Policy Accelerator program launched earlier this year and we have worked with cities across the state to support adopting EVs in their fleets over the last few years. As such, we write in opposition to HB 6233, which would decrease consumer access to electric vehicles (EVs) across the State of Michigan, right at a time when the technology is taking off and Michigan is poised to demonstrate policy leadership that can benefit the auto industry at large.

EVs are a key solution to addressing the U.S.'s reliance on oil to fuel our transportation system. This legislation will violate competitive market principles and, by doing so, increase barriers to entry and decrease innovation.

Enable Michigan Innovation

The challenge of transportation electrification is being met with American ingenuity and creativity in the Michigan-led automobile manufacturing sector. Companies are innovating not only on the manufacturing front, but also in the sales, service and distribution sectors. HB 6233 works to stifle this American innovation by prohibiting any manufacturer that is producing only EVs other than Tesla to sell those vehicles directly to the consumer while otherwise maintaining the dealer franchise law. This leaves out a host of companies and sends a stifling message to businesses across the supply chain.

Maintain Consumer Choice

The appeal of EVs is rooted in consumer choice. Drivers can now choose from a growing number of alternatives to gasoline vehicles in terms of make, model and price point. This concept should also remain at the core of the purchasing process. Laws prohibiting the direct sale of vehicles to consumers create market hurdles to innovation and unnecessary burdens to an open and competitive market for EVs. Many states around the country, including Colorado, Oregon, Utah and Wyoming, have found a path forward to allow the franchise and direct-to-consumer models to coexist. HB 6233 would stand in opposition to similarly evolving the market in Michigan.

Support Michigan Leadership in the Electric Vehicle Transition

The vehicle manufacturing and charging infrastructure industry have seen important progress in recent years as investments have grown, with several OEMs committing billions more dollars to develop new models. Today, 50 light-duty EV models are already available to American consumers and light-duty EV sales are growing, with cumulative EV sales in the United States nearing the 1.5 million vehicles milestone. This is being matched with increased investments from the private sector and utilities to expand the number of charging stations and reduce vehicle charging times, with plans in place to reach almost 50,000 chargers by the end of 2020. While growth in the EV market is promising, there is still significant work that needs to happen to ensure that EVs can meaningfully reduce oil demand and associated impacts.

In the interest of national security and the many other benefits associated with electric vehicles, we urge you to support this momentum, maintain consumer choice and enable Michigan innovation by opposing HB 6233.

Sincerely,

A handwritten signature in black ink that reads "Ben Prochazka". The signature is written in a cursive, slightly slanted style.

Benjamin Prochazka
National Director - [Electrification Coalition](#)
303-717-3657