



**Date: September 23, 2020**

**To: Members of the Michigan House Government Operations Committee**

**From: Joe Fedewa, Government Affairs Manager | Nick Occhipinti, Government Affairs**

**Director**

**Re: Opposition to Restricting Electric Vehicle Sales in Michigan (HB 6233)**

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Chairman Sheppard and Members of the Government Operation Committee:

Thank you for the opportunity for Michigan LCV to express its opposition to the bill before you today. House Bill 6233 unfairly restricts all-electric vehicle (EV) manufacturers from conveniently selling these in-demand vehicles to consumers in Michigan, artificially limiting the growth of our state's EV market and our economy during this critical moment of COVID recovery.

The bill would largely codify the results of Tesla's recent settlement with the state that allows them to facilitate the ordering and purchasing of vehicles, including operating galleries that educate consumers and assist with transactions, as long as the actual sale takes place in another state. These galleries can also conduct test drives and have conversations about pricing, service, financing, leasing, and trade-in options with prospective buyers. *However, this bill also intentionally blocks other electric vehicle manufacturers from having the same opportunities as Tesla.*

As more start-up EV manufacturers enter the market, it will be critical for them to educate and demonstrate their products to prospective customers in the same fashion by leveraging these gallery locations, particularly because the EV business model makes it unnecessary, and even counterproductive, for electric vehicles to be sold through a dealership model. Creating this unequal playing field would stifle innovation and the growth of the electric vehicle market. Electric vehicle transportation systems are critical to achieving air quality and climate goals.



Michigan LCV is interested in the outcome of this bill for a few reasons. Electric vehicles deliver public good benefits in the form of decreased tailpipe emissions that are proven to be harmful to our heart and lungs in high concentrations. Even when the electricity powering these cars comes from coal-dominated grids, EVs still produce less pollution than conventional internal combustion engines, improving public health and reducing ecological damage. The growth of this sector also makes the United States less dependent on foreign oil and carbon based fossil fuels, and opens the door for increased automotive manufacturing capacity in Michigan. Of course, EVs will continue to get cleaner as they become more efficient and as more renewable energy is added to the grid. Now is the time to allow these vehicles to be purchased conveniently, especially during an era when major auto manufacturers like General Motors and Ford have signaled their desire to transition to electrified fleets. Unfortunately, this bill takes us in the exact opposite direction and seems narrowly tailored to benefit the bottom line of one stakeholder group at the expense of consumers, public health, and the free market.

Thank you again for allowing Michigan LCV to express its concerns with House Bills 6233. We urge the Committee to slow down this expedited process and seriously consider this bill's impact on the future of transportation, including the environmental and economic benefits of allowing a competitive landscape for electric vehicle manufacturers to facilitate the sale of their products in Michigan. Please do not hesitate to contact our organization to provide clarification or further detail about our official position.

Respectfully,

Joe Fedewa  
Government Affairs Manager  
Michigan League of Conservation Voters