

Open Letter by Public Interest Organizations in Favor of Direct EV Sales and Service

April 2021

We, the signatories of this letter, represent a broad range of public interest organizations. Our individual interests include such diverse matters as environmental protection, fair competition, consumer protection, economic growth and workforce development, and technology and innovation. Some of us frequently find ourselves on different sides of public policy debates. However, today we find common ground on an issue of considerable public importance concerning sales of electric vehicles (“EVs”). Specifically, we urge that any state laws still prohibiting car companies from selling their cars directly to consumers, or opening service centers for those vehicles, be amended to permit direct sales and service of EVs.

We are aware that states have long regulated car sales to protect dealers from unfair and oppressive conduct by internal combustion vehicle manufacturers, providing the basis for current dealer protection laws. We take no position in this letter on how existing dealership relationships to sell internal combustion vehicles should be regulated. Our focus is on how the sales of new technologies—particularly EVs—should be regulated going forward. For a variety of reasons, EV sales and service are very different than internal combustion sales and service, and require re-thinking regulatory structures.

Prohibiting direct distribution of EVs is not supported by legitimate public policy objectives, and has a variety of negative consequences, including: (1) slowing the market penetration of EVs; (2) correspondingly, maintaining a higher share of internal combustion vehicles on the roads, with negative environmental consequences and prolonging singular dependence on petroleum fuels in transportation; (3) interfering with manufacturers’ freedom to experiment with new distribution models for new technologies and market conditions, thus reducing the competitiveness of the U.S. EV industry and advantaging foreign competitors; (4) interfering with consumers’ freedom to decide how they will purchase cars; and (5) interfering with free markets to privilege economic special interests.

We are encouraged that many states already permit direct EV sales, including some that have amended their dealer laws in recent years to recognize new technological, commercial, social, and environmental realities. We call on all states that still restrict direct EV sales and service to join the growing list of states that are driving us forward in the twenty-first century.

National Supporters:

American Council for an Energy-Efficient Economy (ACEEE)
Advanced Energy Economy (AEE)
CALSTART
Consumers for Auto Reliability and Safety (CARS)
Consumer Federation of America
Electric Auto Association
Environment America
EVHybridNoire
Information Technology and Innovation Foundation (ITIF)
International Center for Law and Economics (ICLE)
Mackinac Center
Plug-In America
R-Street

State and Regional Supporters

Acadia Center
Alliance for Clean Energy New York (ACE NY)
Autonomous Connected Electric Shared Network (ACES NW)
Environment America State Chapters:
 Arizona, California, Colorado, Connecticut, Florida, Georgia, Illinois, Iowa, Maine,
 Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nevada, New
 Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon,
 Rhode Island, Texas, Virginia, Washington, PennEnvironment, Wisconsin
 Environment
International Brotherhood of Electrical Workers (IBEW): Local 613, Local 90
League of Conservation Voters: Connecticut, Michigan, New York
Save the Sound
Southern Energy Efficiency Alliance (SEEA)
Southern Alliance for Clean Energy (SACE)
Southwest Energy Efficiency Project (SWEEP)
U.S. PIRG Affiliates:
 Arizona PIRG, CalPIRG, CoPIRG, ConnPIRG, Florida PIRG, Georgia PIRG, Iowa
 PIRG, Illinois PIRG, Maryland PIRG, MassPIRG, MoPIRG, NC PIRG, NH PIRG, NJ
 PIRG, NM PIRG, Ohio PIRG, OsPIRG, PennPIRG, PIRGIM, RI PIRG, TexPIRG,
 WashPIRG, WisPIRG