



HONDA



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Mercedes-Benz



VOLVO

September 30, 2021

The Honorable Nancy Pelosi
Speaker of the House of Representatives
H-232, The Capitol
Washington, D.C. 20515

Dear Madam Speaker,

We, the undersigned international auto manufacturers in the United States, have committed to lead the drive to build a cleaner climate future and to do our part to electrify the United States by investing in new technologies, domestic battery facilities, and our workforces. We appreciate your support for tax credits that encourage more consumers to consider electric vehicles (EVs). However, we are opposed to the proposed changes to the EV tax credit incentive in the House reconciliation bill that discriminates against American autoworkers, limits consumer choice, and prevents the administration from reaching President Biden's goals on climate change.

Our companies have invested a combined \$98 billion into our U.S. operations to date, directly employ 131,000 Americans in 500 facilities across 36 states, and indirectly support nearly 2.1 million additional U.S. jobs. Today, we account for 55 percent of all new U.S. vehicle registrations annually. Our companies collectively exported over 650,000 vehicles from the United States to more than 135 countries in 2020.

As drafted, section 136401 – Refundable New Qualified Plug-In Electric Drive Motor Vehicle Credit for Individuals, creates a discriminatory \$4,500 supplemental tax credit given only to buyers of EVs assembled by organized labor. This would unfairly disadvantage American workers who have chosen not to join a union and produce more than half of all vehicles in the United States and the vast majority of American-made EVs.

The proposal would also severely limit consumer choice. Limiting the tax credit to union-built, U.S.-assembled vehicles and applying these proposed limitations to the current EV market, only two of over 50 vehicles would qualify for the full tax credit. Consumers would have fewer available options that receive the full incentive, forcing many to reconsider and purchase traditional gas-powered vehicles. Research shows that consumers are more likely to buy an EV if they have more choices, including various price points, utility, and range that meet their needs. A tax incentive that is limited to only a few vehicles effectively limits the vehicles available for consumers to choose from.

Proposals that dramatically limit consumer choice threaten our nation's ability to meet the President's goal to make half of all new vehicles sold zero-emission by 2030. According to the Department of Energy Alternative Fuels Data Center, for every EV on the road versus a traditional gas vehicle, carbon emissions are reduced by an average of 6,000 pounds per year. More EVs on the road will reduce carbon emissions and put the United States one step closer to meeting our climate goals.

Congress should provide tax incentives to promote electrified vehicles. We urge you to support policies that offer incentives to ALL electric vehicles made by ALL American autoworkers and oppose policies that slow progress toward meeting our nation's climate goals.

Sincerely,



Rick Schostek
Executive Vice President
American Honda Motor Co.,
Inc.



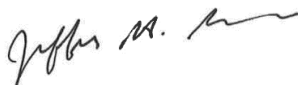
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Tom Doll
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Ted Ogawa
President and CEO
Toyota Motor North America,
Inc.



Scott Keogh
President & CEO
Volkswagen Group of America,
Inc.



Anders Gustafsson
President and CEO
Volvo Cars USA, LLC

cc: The Honorable Steny H. Hoyer, Majority Leader
The Honorable Kevin McCarthy, Minority Leader
The Honorable James E. Clyburn, Majority Whip
The Honorable Steve Scalise, Minority Whip
The Honorable Richard E. Neal, Chairman, House Committee on Ways and Means
The Honorable Kevin Brady, Ranking Member, House Committee on Ways and Means