



GM Baltimore Operations



February 18, 2015

Honorable Kumar P. Barve  
Chair, Environment & Transportation Committee  
251 House Office Building  
6 Bladen Street  
Annapolis, Maryland 21401

Honorable Pamela Beidle  
Chair, Transportation Subcommittee  
165 House Office Building  
6 Bladen Street  
Annapolis, Maryland 21401

RE: MD HB 235 – Oppose

Dear Chairman Barve and Chairwoman Beidle:

I am writing this letter to express General Motors' concerns regarding House Bill 235 and respectfully request the Committee oppose this legislation.

House Bill 235 would establish two different sets of regulations governing vehicle manufacturers in the state of Maryland and effectively establish an uneven "playing field" between new manufacturers and established manufacturers, many of whom have been connected to Maryland for many years.

Hence, this bill would allow new manufacturers to operate free from state franchise law, while established manufacturers would remain subject to an ever growing list of restrictions and regulations. As such, HB 235 penalizes established manufacturers and their franchised dealers for having implemented a system of vehicle distribution system in conformance with existing laws. GM and its dealers have made significant investments in Maryland, its communities and its people. Conversely, HB 235 rewards new manufacturers which have made minimal investment in the state by removing competitive barriers at the expense of consumers, franchised dealers, and existing manufacturers.

GM works closely with our franchised dealers to operate within our industry's existing distribution system. In Maryland, as in most states, automakers and dealers operate under a complex scheme of franchise laws regulating nearly every facet of our relationship. Unfortunately, some of these laws are outdated, anti-competitive, and anti-consumer.

For example, there are three bills currently pending before the legislature that will, among other things, encourage litigation between dealers and manufacturers and restrict the ability of a

manufacturer to provide certain incentives to dealers (S558, S559, S587/H587). These types of bills are likely to add significant cost to manufacturers that ultimately get passed down to Maryland consumers in the form of higher purchase and repair prices. Ironically, like HB 235, these bills are reportedly the creation of one large and powerful special interest – in this case a single large automobile dealer.

It would be very simple for Tesla Motors to open sales and service facilities in Maryland without pressing the legislature for special treatment. Hence, Tesla could contract with any automobile dealer or dealers to provide the separate and distinct sales and service facilities it desires. However, it seems Tesla calculates that it is even easier to secure an amendment in state law than to distribute its vehicles through a dealer in compliance with state law.

For the reasons provided herein, General Motors respectfully asks for your opposition to House Bill 235.

Thank you for your consideration.

Sincerely,



William Tiger  
Plant Manager  
General Motors Company, LLC



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RE: Opposition to HB 235

Dear Chairman Barve and Chairwoman Beidle:

The UAW opposes HB 235 which grants special rights to Tesla that are not available to other automakers and their customers.

Maryland dealer franchise law prohibits automakers from selling vehicles directly to consumers. However, HB 235 creates a special benefit exclusively for Tesla by allowing them to sell their luxury vehicles directly to their customers.

The US auto companies have invested millions of dollars right here in Maryland and the United States that have produced thousands of high paying manufacturing jobs. Please defeat HB 235 as being unfair to both automakers and consumers.

A handwritten signature in blue ink that reads "Jeffrey Beard".

Jeffrey Beard  
UAW Chairman – Local 239