



January 26, 2021

The Honorable Kumar Barve
Chair, House Environment and Transportation Committee
Room 251, House Office Building
Annapolis, Maryland 21401

HB 44: Clean Cars Act of 2021

Position: Favorable

Chair Barve:

On behalf of the Alliance for Automotive Innovation¹ (Auto Innovators), we are writing to express our support for HB 44, which will provide critical funding for Maryland's electric vehicle (EV) tax credit. As you know, the program has proven so popular that funding was depleted for the entire fiscal year before it even began on July 1, 2019.

As automobile manufacturers continue making significant investments to bring more plug-in and fuel cell electric vehicles to the marketplace – providing more driving range, affordability, and consumer choice – now is the time for Maryland to reaffirm its commitment to this shared responsibility. It is critical for states and automakers to work together to spur zero emission vehicle (ZEV) adoption.

Maryland's EV Market

Maryland previously set a goal of 60,000 ZEVs on the road by 2020 and 300,000 ZEVs by 2025. To date, approximately 26,000 ZEVs have been sold in Maryland, well short of its goals.² With California's recent announcement³ to phase out the sale of gasoline-powered vehicles by 2035, Maryland now faces an even higher level of required sales due to its participation in California's ZEV mandate.

Following the depletion of incentive funding in 2019, ZEV sales declined nearly 23%. COVID-19 has added additional uncertainty into the EV market and has been a significant downward force on ZEV sales in the state. Through the first six months of 2020, overall new vehicle sales were down 33%, and ZEV sales were down nearly 36%, making Maryland one of the most negatively impacted states for new vehicle sales.

Industry Efforts to Support EV Deployment

Auto Innovators and our member companies are committed to the long-term goals of lower carbon

¹ Formed in 2020, the Alliance for Automotive Innovation is the singular, authoritative, and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the U.S.

² <https://opendata.maryland.gov/Transportation/MVA-Electric-and-Hybrid-Vehicle-Registrations-by-C/qtcv-n3tc/data>

³ <https://www.gov.ca.gov/2020/09/23/governor-newsom-announces-california-will-phase-out-gasoline-powered-cars-dramatically-reduce-demand-for-fossil-fuel-in-californias-fight-against-climate-change/>

transportation, and our companies are actively working to reduce greenhouse gas and criteria emissions, improve vehicle fuel economy, and increase the number of advanced technology vehicles. Vehicles on the road today produce near-zero levels of tailpipe criteria emissions, a 99% improvement over vehicles in the 1970's, and on average, vehicles have increased fuel efficiency by 30% since 2004.⁴

Automakers have invested tens of billions of dollars over the last ten years in every facet of EV technology—from batteries (including manufacturing and cell materials) to fuel cell stack design and production, electric motors to battery cell controllers, vehicle types and capabilities, etc. Our industry's investments in vehicle electrification are not slowing; investments are expected to reach over \$250 billion globally by 2023.⁵ Because of this massive industry-wide investment in technology development, around 130 electric vehicle models are expected to be available by 2025. With availability of models increasing rapidly, there will be more options to meet a wider variety of customer needs, and in general, all states – especially those with EV incentives and growing infrastructure investments – will have more available EVs for sale.

We fully support the state of Maryland's efforts to promote EV adoption through funding for electric vehicle purchase and infrastructure incentives – actions necessary and critical to the state's environmental goals and increasing consumer interest – and look forward to working with the state to achieve these goals.

Thank you in advance for your consideration of our views. If I can answer any questions or provide any further information, please do not hesitate to contact me at 202-326-5562 or jfisher@autosinnovate.org.

Respectfully submitted,



Josh Fisher
Director, State Affairs

⁴ U.S. EPA. "Automotive Trends Report: Highlights of the Automotive Trends Report." <https://www.epa.gov/automotive-trends/highlights-automotive-trends-report>.

⁵ https://iwk-cp.com/wp-content/uploads/2018/07/Automotive-Global-Outlook-2018-European-version_IWK_FINAL.pdf.