

HENRY McMASTER  
GOVERNOR

October 12, 2021

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Chuck Schumer  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader Schumer, Leader McCarthy and Leader McConnell,

South Carolina is home to three premium brand automobile manufacturers, BMW, Volvo Cars, and Mercedes-Benz Vans, along with numerous suppliers that support them. We write to support these world class companies that collectively have had a tremendous economic impact in our state through the investment of \$12.5 billion and creation of nearly 70,000 direct and indirect jobs with \$4.4 billion in total employee compensation. The employees of these automakers proudly build and distribute cutting-edge vehicles that are and have been a primary source of economic activity in South Carolina for many years and which have and continue to attract ancillary businesses and automotive suppliers that result in further taxable investment and job creation in our state.

We are deeply concerned that Congress is considering legislation<sup>1</sup> that not only discriminates against certain American workers, but also undermines the efforts by automotive manufacturers to grow the electric vehicle market and meet broader climate goals. Specifically, among other limitations, Congress is considering legislation that will give increased tax credits to electric vehicles built by U.S. factories where employees have a collective bargaining agreement. The proposal will discriminate against autoworkers and car companies in our state simply because these workers have chosen not to unionize. In fact, if enacted in its current form, the House proposal will provide the full tax credit of \$12,500 to only two (2) out of more than 50 electric vehicle models currently available on the market, and the Senate version will do so for only six (6) models merely because they are not assembled by organized labor.

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<sup>1</sup> Build Back Better Act (Refundable New Qualified Plug-In Electric Drive Motor Vehicle Credit for Individuals) in the House and Clean Energy for America (electric vehicle credits) in the Senate.

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Congress should not enact proposals that favor vehicles produced by one workforce over another, particularly when doing so dramatically limits consumer choice which undermines the larger goal of reducing carbon emissions and making half of all new vehicles sold zero-emission by 2030.

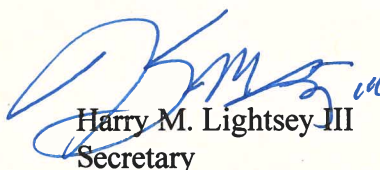
Currently, electric vehicles comprise only 2% of all US automobile sales. The most effective way to grow electric vehicle manufacturing in the US is to grow the market. Essential to that growth are more product offerings, incentives to reduce the overall cost, and consumer education. We want the world class vehicles built and distributed by Americans in our state to be competitive and to succeed. By putting certain vehicles at a competitive cost disadvantage by reducing affordable product offerings, the legislation currently being considered by Congress works against our state, undercuts our residents, and hurts the overall US economy. The US government should first and foremost pursue policies that encourage and develop the US electric vehicle market, including making consumer incentives available to all manufacturers.

Accordingly, we respectfully request that any modifications to electric vehicle consumer tax incentives do not discriminate against our hard-working autoworkers and other Americans employed in the supplier, sales, and distribution chain. We urge you instead to consider the investment and employment created by ALL automakers as you weigh such policy changes. We ask for your support in securing policies that promote ALL automotive-related jobs in South Carolina and across the United States.

Sincerely,



Henry McMaster  
Governor



Harry M. Lightsey III  
Secretary

cc: The Honorable James Clyburn, Majority Whip  
The Honorable Lindsey Graham  
The Honorable Tim Scott  
The Honorable Jeff Duncan  
The Honorable Nancy Mace  
The Honorable Ralph Norman  
The Honorable Tom Rice  
The Honorable William Timmons  
The Honorable Joe Wilson