

October 29, 2021

The Honorable
Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515

The Honorable
Charles Schumer
United States Senate
Washington, DC 20510

The Honorable
Mitch McConnell
United States Senate
Washington, DC 20510

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

Dear Madam Speaker, Senator Schumer, Senator McConnell, and Congressman McCarthy:

As ambassadors representing countries of automotive producers that support millions of U.S. jobs in the sector, we write to express our support for a policy framework that will advance our environmental objectives and will not discriminate against any country or manufacturer. Automotive companies headquartered in some of our countries have invested heavily in developing advanced manufacturing, workforce training, and R&D operations across America. In doing so, they have collectively invested \$98 billion in the U.S. and created meaningful jobs for 2.1 million Americans, including in Alabama, Georgia, Indiana, Michigan, South Carolina, Tennessee, Ohio, Kentucky, Texas, West Virginia, and Mississippi, among others. The employees of these automakers proudly build and distribute cutting-edge vehicles that have made significant contributions to economic growth across the U.S. This growth has, in turn, created and continues to attract ancillary businesses and automotive suppliers that further contribute to the U.S. economy and employ even more Americans.

We are concerned that the U.S. Congress is considering legislation intended to support the introduction of electric vehicles (EVs) in the U.S. market through a scheme of tax credits that would be detrimental to international automakers and vehicle importers. This legislation, if implemented, would violate international trade rules, disadvantage hard-working Americans employed by these automakers, and undermine the efforts of these automakers to expand the U.S. EV consumer market to achieve the Administration's climate goals.

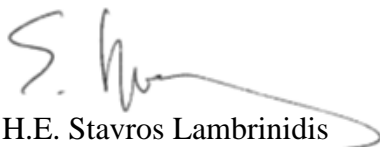
Specifically, limiting eligibility for the credit to vehicles based on their U.S. domestic assembly and local content is inconsistent with U.S. commitments made under WTO multilateral agreements. It puts U.S. trading partners at a disadvantage and tarnishes the spirit of trade laws that seek to establish the free and fair movement of goods. Our governments support workers' right to organize. It is a fundamental right and should not be used in the framework of tax incentives, setting aside the opportunities for nearly half of America autoworkers.

For some companies, the U.S. domestic assembly cliff for all EVs in 2026 (in the Senate proposal) or in 2027 (in the House proposal) is particularly concerning. The envisaged provisions also undermine U.S. bilateral relationships, most notably with respect to the benefits derived from the recently negotiated U.S.-Mexico-Canada Agreement. This also applies to the recent efforts of U.S. trading partners and allies to rebuild a positive trade relationship by solving problems of the past and embarking on a positive, joint trade and investment agenda.


Indeed, the chosen legislative design for EV tax credits conflicts with the goal of quick deployment of new, sustainable technologies. At this critical juncture of pre-market EV adoption, the proposed conditions would reduce consumer choice in the U.S. market to two vehicles that are eligible for the full credit out of the over 50 EVs currently available. This would seem to be counterproductive in reaching our shared carbon emission goals. On average, every EV that replaces a traditional combustion vehicle reduces 6,000 lbs. of carbon emissions annually.

The investment and employment created in the U.S. by all automotive producers, regardless of the location of their headquarters, deserve recognition and support. We therefore urge you to reconsider the proposed approach as you design the way forward to accelerate the adoption of EVs. In their present form, the tax credits not only discriminate against American workers and threaten U.S. trade relationships, but they also impede our collective ability to meet global climate goals and ensure half of all new vehicles sold in the U.S. are zero-emission by 2030.


Sincerely,



H.E. Stavros Lambrinidis
Ambassador of the European Union



H.E. Emily Haber
Ambassador of the Federal Republic Germany



H.E. Piotr Wilczek
Ambassador of the Republic
of Poland



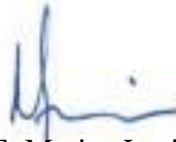
H.E. Hyek Kmonicek
Ambassador of the Czech Republic



H.E. Pjer Šimunović
Ambassador of the Republic
of Croatia



H.E. Daniel (Dan) Mulhall
Ambassador of the Republic
of Ireland



H.E. Marios Lysiotis
Ambassador of the Republic
of Cyprus



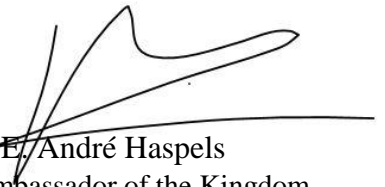
H.E. Karin Olofsdotter
Ambassador of the Kingdom
of Sweden



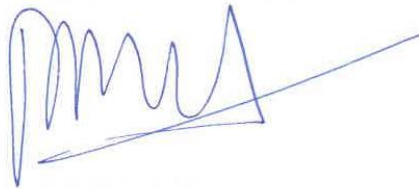
H.E. Keith Azzopardi
Ambassador of Republic
of Malta



H.E. Santiago Cabanas
Ambassador of Spain



H.E. André Haspels
Ambassador of the Kingdom
of the Netherlands



H.E. Philippe Etienne
Ambassador of the French Republic



H.E. Martin Weiss
Ambassador of Republic of
of Austria



H.E. Soo Hyuck Lee
Ambassador of the Republic
of Korea



H.E. Alexandra Papadopoulou
Ambassador of the Hellenic Republic



H.E. Kirsten Hillman
Ambassador of Canada



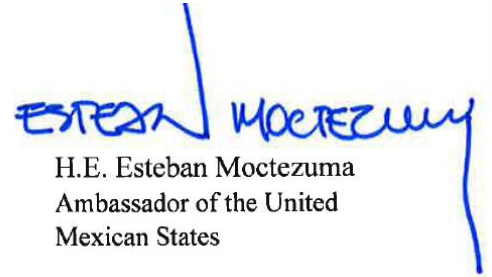
H.E. Jean- Arthur Régibeau
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Mexican States



H.E. Radovan Javorčík
Ambassador of the Republic
of Slovakia



H.E. Tomita Koji
Ambassador of Japan



H.E. Kristjan Prikk
Ambassador of the Republic
of Estonia



H.E. Mariangela Zappia
Ambassador of the Italian Republic



H.E. Andrei Muraru
Ambassador of Romania

cc:

The Honorable Antony Blinken, Secretary of State, U.S. Department of State
The Honorable Gina Raimondo, Secretary of Commerce, U.S. Department of Commerce
The Honorable Katherine Tai, USTR, United States Trade Representative
The Honorable John Kerry, Special Presidential Envoy for Climate, U.S. Department of State
The Honorable Brian Deese, Director of the National Economic Council
The Honorable Gina McCarthy, White House National Climate Advisor
The Honorable Richard Neal, Chair, House Ways and Means Committee
The Honorable Kevin Brady, Ranking Member, House Ways and Means Committee
The Honorable Ron Wyden, Chair, Senate Finance Committee
The Honorable Mike Crapo, Ranking Member, Senate Finance Committee