



RAILROAD COMMISSION OF TEXAS

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WAYNE CHRISTIAN
COMMISSIONER

October 31, 2017

Texas Delegation
U.S. Congress
Washington, DC 20515

Representatives and Senators,

Thank you for all your hard work on behalf of the taxpayer. As a regulator of the largest energy producing state in America, I write to strongly urge you to end the federal subsidy for the purchase of zero-emission electric vehicles (EVs) as part of your tax-reform package. This Obama-era fiasco is pure environmental activism cloaked in policy. This IRS-run program pays car buyers a subsidy up to \$7,500 to purchase EVs and should be eliminated for several reasons.

First, the tax credit primarily benefits the rich. In California, a state report found that 94% of tax credit rebates went to people living in wealthy neighborhoods and showed that the overwhelming profile of prospective EV consumers earned more than \$100,000 per year. It shouldn't be federal tax policy to pay the wealthy to buy any car – electric or otherwise.

Second, the tax credit distorts the free market by picking winners and losers. *Even Elon Musk – Founder and CEO of electric car-maker Tesla – agrees.* During an earnings conference call with investors in May, Mr. Musk argued that the federal subsidy for the purchase of EVs should be eliminated because it is anti-competitive. Furthermore, Volvo (owned by Chinese carmaker Geely), has announced in 2019 it will only make electric or hybrid cars – meaning this subsidy will literally export our tax-dollars to China. Federal tax policy should not pick winners and losers in the market place; it should not send our tax-dollars overseas; and it should encourage competition, not discourage it.

Lastly, the tax credit hasn't worked, will never work, and we don't need it to ever work. The point of the tax credit was to incentivize people to buy EVs to reduce carbon emissions, however, even with the subsidy, people are not buying these vehicles. There were 17.6 million cars sold in the US in 2016 and only 160,000 (less the one percent) of them were EVs. This is not likely to change as long as gas prices remain low and EVs remain so expensive to buy and maintain. And we don't need it to – from 1973 to 2102 the US decreased its carbon dioxide emissions from 22.57 metric tons to 16.29 metric tons, a 27.8% decrease, while growing its population from 211.9 million to 314 million, a 48% increase.

At the Railroad Commission, our mission statement asserts we are here to “*serve Texas through our support of enhanced development and economic vitality for the benefit of Texans*”. This federal subsidy is nothing more than a feel-good tax break for wealthy environmentalists to help them punish the energy industry that powers our nation. I'm proud to regulate this important industry, and when necessary defend it from government attacks cloaked in bad policy. I strongly urge you to eliminate it as part of the tax reform bill before Congress.

For Texas,

A handwritten signature in black ink that reads "Wayne Christian".

Wayne Christian
Texas Railroad Commissioner