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Committees:
Small Business & Economic Opportunity Committee
(Chairman)
Primary & Secondary Education Committee
Transportation Committee
Workforce & Higher Education Committee

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State Senator
33rd Senate District

SPONSOR TESTIMONY SENATE BILL 101
Senator Michael A. Rulli
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Chairman Kunze and members of the Transportation Committee, thank you for allowing me to provide sponsor testimony on Senate Bill 101. Senate Bill 101 will provide regulatory flexibility, fair competition, and support for Ohio's only homegrown electric vehicle manufacturer, Lordstown Motors Corporation.

As all of you are aware, the Lordstown assembly plant produced some of America's best-selling vehicles for over 50 years. The factory provided good jobs to the residents of the Mahoning Valley and sustained our community. When the plant closed in March 2019 our community was devastated. There's a willing and able workforce that has been standing by ready to revive our region and the state. We just needed a company to take a chance, and we found that in Lordstown Motors.

Lordstown Motors was not scared away by the history, but instead, established a pathway to help workers and our entire region write a new history – one centered on good paying, high tech jobs, community engagement, and American innovation. Lordstown Motors is investing in our community. A welcomed change for an area used to hearing about job losses and closures. For the first time in Lordstown's history, decisions for the community are made in the community, not in another state.

Four hundred and fifty million dollars is being invested immediately to retrofit the factory for use in making electric vehicles. Nearly half a billion dollars is being poured into our region as an investment into not just the plant, but the people. Lordstown recently displayed its beta truck, another step on the way to the assembly line being alive with activity once again. By September, Lordstown intends to have that assembly line rolling with more than one thousand jobs created this year alone.

The company intends further financial investment and thousands more jobs as the electric vehicle market reaches maturity. Obviously, there are challenges and pressures on any start up. Lordstown Motors needs to see this vision through, and there are countless factors to consider. A couple of factors in that equation reside with us here in the General Assembly – the first of which is competitive balance and fairness.

Currently, most automotive manufacturers are not allowed to sell vehicles directly to consumers. We have a dealership model in Ohio. The truth is that **all but one** automotive manufacturer is not allowed to sell vehicles directly to consumers in our state. It just so happens that the one manufacturer is also in the electric vehicle space.

So, the first thing SB 101 intends to do is to level the competitive landscape for our own home grown, Ohio made, EV manufacturer. The second is making sure we are removing regulations that will impede or slow growth in this new and innovative sector.

There are a lot of good reasons that a manufacturer of EVs needs to sell directly to customers. Among others, there are sales tax considerations, marketing considerations, maintenance considerations, and competitive reasons why working through the traditional dealer network is not effective or practical. And the list goes on and on. As we continue discussions of this bill, you will hear a lot more about these impediments.

One question I have heard often is whether or not Lordstown Motors can survive without selling direct. First of all, I do not think as legislators our stated goal for economic development should be “survival.” I think we should be establishing a framework for “thriving.” But, yes, Lordstown Motors will roll trucks off the line and route Ohio sales through a state like California that does allow direct EV sales. You heard me right – California, of all states, has a better regulatory environment in this area of manufacturing and sales than Ohio. And yes not removing the regulatory hurdles will hurt Lordstown.

As a General Assembly, especially in the Senate, we have sought to reduce the regulatory burden in order to allow our state’s economy to thrive. Senate Bill 101 is an extension of that effort, but it is more personal this time. This is about supporting an Ohio company investing in the state, breathing new life into an area much too familiar with economic depression, and creating jobs in a forward-looking innovative industry.

For these reasons, I urge support of SB 101. Thank you for the opportunity to appear today in support of this bill, I would be glad to answer any questions from the committee.