Tesla skips Detroit Auto Show as the Model 3 makes its East Coast debut



Model 3 East Coast debut at the Tesla showroom in Boston, Massachusetts on January 19, 2018

By Eric Weiner

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Tesla opted out of the Detroit Auto Show (formally called the North American International Auto Show) as crowds flocked to its East Coast showrooms to get a first glimpse of the much anticipated Model 3. I visited the Tesla showroom in Boston and waited in line for two minutes with the car. I chatted with an enthusiastic Tesla rep who

had just received his very own Model 3 and another rep joined us inside the car to explain the touch-screen functions and answer questions. The Model 3 was not available for test drive but if it handles anything like the Model S it will be a hell of a lot of fun to drive. I am one of over 400,000 people who have reserved the newest Tesla Model 3 site-unseen because I love the design and I support Tesla's mission of building a sustainable, clean energy and transportation ecosystem.

I covered the auto show in years past as a credentialed member of the media and automakers courted us with futuristic-looking concept cars that never seemed to make it to mass production. Tesla's electric cars of today look and perform like the sexy concepts only promised by traditional manufacturers at the auto show.

I am also rooting for Tesla because its rise embodies the American ideal of a free market economy and it is succeeding despite the best efforts of special interests working to stifle innovation and perpetuate the status quo represented by the fossil fuel-powered combustion engine. As a new entrant into the auto industry, Tesla is facing a barrage of lobbying and legal attacks led by General Motors (GM) and supported by the National Automobile Dealers Association (NADA) and the Alliance of Automobile Manufacturers (AAM), a trade group of 20 auto manufactures operating in the US.

For the last 100 years, automakers and fossil fuel producers have spent vast sums of money developing a global infrastructure centered on the fossil fuel-powered combustion engine and they are committed to defending their profit model at all costs.

Tesla may not need to promote its cars with so many people lining up in showrooms, but there is a more sinister reason why Tesla did not attend the auto show in Detroit. In 2014 the Michigan Legislature passed an <u>amendment</u> barring vehicle manufactures from "selling any new motor vehicle directly to a retail customer other than through franchised dealers..." The amendment was supported and <u>applauded by GM</u> because it modified language of an existing dealer franchise law to provide further protection for GM's dealerships. Tesla does not use independent auto dealerships and the amendment clearly targets its attempts to open stores in Michigan to sell its cars

directly to consumers. GM is also actively opposing direct auto sales in Ohio, Maryland, Indiana, and Connecticut.

<u>GM has said</u> it wants all auto industry participants to operate under the same rules and requirements that govern how products are marketed and serviced and it opposes the creation of two different sets of laws governing how vehicle manufacturers operate. In other words, GM wants the industry to operate under the current rules from which it benefits and opposes new laws giving consumers the freedom to choose whether they want to buy cars from dealerships or directly from a manufacturer. Apple is not legally required to sell its phones through independent dealers so why should Tesla?

This is the second time in twenty years that GM has led special interest groups in waging war against the electric car. In 1990 California passed a Zero Emission Vehicle (ZEV) Mandate requiring two percent of the state's vehicles to have no emissions by 1998 and 10 percent by 2003. GM responded by fighting the mandate while also developing an electric vehicle called the EV1 to comply with the mandate just in case they couldn't get it repealed. GM produced hundreds of EV1's and leased them to excited fans that resemble the hordes of Tesla supporters today. EV1 owners loved the cars and were horrified when GM announced it would not renew leases on its EV1's and that the cars would be reclaimed. As GM successfully watered down the ZEV mandate, it systematically retrieved and crushed every single EV1 to eliminate consumer demand by erasing all evidence of the cars' existence. GM never had any intention of mass producing electric cars (Who Killed the Electric Car?).

GM and special interest groups may have successfully prevented the production of electric cars in the past but automakers today are begrudgingly developing new electric vehicles to compete with Tesla and to meet new global emissions requirements. China, the worlds biggest auto market, has joined France and Britain in announcing plans to end sales of gasoline and diesel cars. Jaguar, Volvo, Audi, Porsche, Hyundai, Kia, BMW and Ford plan to roll out new electric models in 2019 to coincide with the implementation of China's new emissions rules. Ironically, China conferred with California to model its new emission rules after California's experience

with its ZEV mandate, and the lobbying and legal tactics employed against the electric car in California will not work in China.

Tesla's fate is yet to be written but the company is serving as a catalyst for changes in the auto industry that are here to stay thanks to shifting global attitudes towards air pollution and global warming.