



RHODE ISLAND
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF THE DIRECTOR
235 Promenade Street, Room 425
Providence, Rhode Island 02908

April 14, 2026

The Honorable Robert Britto
Chairman
Senate Committee on Commerce
82 Smith Street
Providence, Rhode Island 02903

**RE: S 2778 An Act Relating to Motor and Other Vehicles – Regulation of Business Practices
Among Motor Vehicle Manufacturers, Distributors, and Dealers**

Dear Chairman Britto,

Thank you for providing the Department of Environmental Management (DEM) the opportunity to comment on S 2778, which would amend state law governing the relationship between motor vehicle manufacturers, distributors, and dealers. DEM has concerns with this legislation.

S 2778 would prohibit manufacturers of zero-emission vehicles (ZEV) from selling their vehicles directly to consumers unless they were licensed prior to January 1, 2020. Under current law, manufacturers are prohibited from competing with franchised dealers in the state through the direct sale of vehicles to consumers. However, those manufacturers without franchised dealers located in the state can sell their vehicles directly to consumers. The legislation would have the effect of forcing ZEV manufacturers not licensed prior to 2020 to utilize the existing dealership model. We are concerned that this would have the effect of limiting options for consumers and hindering the transition to ZEVs necessary to reduce greenhouse gas emissions and meet the state's climate mandates.

We appreciate the opportunity to offer comments on this legislation and would be pleased to make ourselves available as needed. Please feel free to contact Ryan Mulcahey, DEM Director of Legislative Affairs, at ryan.mulcahey@dem.ri.gov should you have any additional questions or wish to discuss this matter further.

Sincerely,

Terrence Gray, P.E.
Director

cc: Members of the Senate Committee on Commerce
The Honorable Louis P. DiPalma
Kristen Silvia, Deputy Chief of Staff and Director of Legislation