

Texas Free Market Coalition

April 24, 2017

Dear Mr. Buffett,

Thank you for drawing attention to Texas' protectionist auto dealership laws. For decades, the auto dealership lobby has funneled millions of dollars into the campaign coffers of politicians who claim to be free market champions in order to protect dealer markups from the free market. **Welcome to the fight.**

Unfortunately, we have concerns about your proposed solution. While we agree that ownership of an RV production facility should not preclude ownership of an auto dealership in Texas, your turbo-tracked SB 2279 by Texas Republican Sen. Kelly Hancock offers limited relief – much too limited.

Senator Hancock's bill relies upon what Ross Ramsey of the *Texas Tribune* called "the kind of distinction lawyers are paid to conjure" to allow a politically favored entity access to the Texas auto market. If this bill were to pass, Texas consumers would still be held hostage to the dealer markup of the auto sales lobby. **Too bad for us – right, Mr. Buffett?**

While other industries are allowed to innovate and modernize, creating efficiencies, saving consumers money, and improving customer service, the Texas auto industry remains stuck in the past. Worst of all, they rely on government protection to maintain their monopoly. **Yes, the reality is that most of our Texas politicians who claim to be free market champions are happy to engage in protectionism and to use our tax dollars to pick winners and losers.**

In picking winners and losers, politically directed allocation of capital impoverishes us all. As the Texas Public Policy Foundation explains in their 2016 publication *Policymaker's Guide to Corporate Welfare*: "proponents of corporate welfare suffer from a false belief in central planning. They believe that either they or government planners can best determine the [business model] that has the best chance of success, which jobs and products best supply society's needs, and where best to expend scarce supplies of capital. They believe that they just can't sit back and let the economy take care of itself; they have to take money and property from citizens in order to solve the citizens' problems for them." This special interest-laden intermingling of business and government inevitably begets fewer jobs and a higher cost of living.

Fortunately, Mr. Buffett, a better alternative exists. SB 2093 and HB 4236 have been filed in their respective chambers by free market champions Texas Sen. Bob Hall and Texas Rep. Jason Isaac. These direct sales bills would repeal the laws in question. **If those bills were to pass, you would be able to own dealerships in Texas, while Texas consumers would benefit from more options at lower prices.** It's a win/win or what economists call a "positive sum outcome."

Unlike your special SB 2279, which was written, filed, and passed out of committee in three days' time – more than a month **AFTER** the official deadline for filing bills – these clean "no carve-out, no special perks" direct sales bills have been languishing in committees chaired by Texas Sen. Kelly Hancock and Texas Rep. John Keumpel. The opportunity still exists for these

free market alternatives to cross Texas Gov. Greg Abbott's desk. **Your support for SB 2093 and HB 4236 would be greatly appreciated.**

Mr. Buffett, we are just ordinary Texans fighting to keep some of our hard-earned money through true free market choice, unhampered by government meddling. Since you obviously have much more influence over our state officials than we do, we ask for your help in passing the direct sales bills that would benefit all Texans.

Noted philanthropist that you are, we look forward to your assistance in passing SB 2093 and HB 4236 in the Texas Legislature.

Sincerely, the undersigned supporters of a Texas Free Market,

JoAnn Fleming, Executive Director, Grassroots America – We the People PAC

Adam Cahnman, political blogger, Cahnman's Musings