

Statement on Electrically Powered Devices

The PeopleForBikes Coalition is the trade association for U.S. manufacturers, suppliers and distributors of bicycle products. We have nearly 300 members that produce goods in every segment of the bicycle market, from high-end competition bicycles to affordable kid's bikes. Our members produce the full range of components, parts, and accessories used for bicycling, as well as electric bicycles. Our membership is a true cross section of the U.S. bicycle industry.

Bicycles have been widely accepted consumer products for more than 100 years, with a proven safety record. Low-speed electric bicycles are a modern improvement of these bicycles, and they have a growing, positive track record regarding safety and operation. Working closely with our members, PeopleForBikes has been the leader in working to create modern, harmonized standards for electric bicycle regulation throughout the U.S. since 2014. These standards specify three classes of electric bicycles that comply with current federal consumer product standards and ensure that riders of electric bicycles in public spaces have the same rights and duties as riders of traditional bicycles.

As the market for low-speed electric bicycles and other types of electrically powered devices proliferates, PeopleForBikes is increasingly receiving questions about the scope of our electric bicycle work from both the industry and government officials. We are also receiving requests for guidance on regulatory issues for new products. While we cannot advise companies on the status of specific products, there is a clear need to provide additional information to the industry on electric bicycle regulatory matters and help companies mitigate their risk as they develop new products.

PeopleForBikes' work on electric bicycle policy is focused on recognition of the three classes of low-speed electric bicycles as a type of bicycle. U.S. laws should permit reasonable access to bicycle infrastructure for the three classes of low-speed electric bicycles, ensure that riders of electric bicycles can enjoy the same duties, protections and rights as riders of traditional bicycles, and clarify that owners are not subject to vehicle laws that might apply to more powerful devices. PeopleForBikes does not advocate for or against other policy frameworks to regulate devices that do not meet the requirements for these three classes of low-speed electric bicycles, nor does it work on related industry issues for these products. Manufacturers and industry associations for these goods should develop appropriate regulatory frameworks that are designed for their specific products and their uses.

1. Regulatory History

Electric bicycles have been broadly sold in the United States since the 1990s, but they lacked clear product regulatory standards until 2002. Federal authorities first clarified the status of low-speed electric bicycles in Public Law 107-319, which defined a low-speed electric bicycle and provided that low-speed electric bicycles would be regulated as consumer products (like traditional bicycles). The law explicitly granted regulatory authority over low-speed electric bicycles to the Consumer Product Safety Commission (CPSC) and clarified that low-speed electric bicycles were not "motor vehicles" regulated by the National Highway Traffic Safety Administration (NHTSA). This resolved a critical regulatory jurisdictional issue that had presented significant uncertainty to the bicycle industry and inhibited the market for electric bicycles.



In accordance with Public Law 107-319, low-speed electric bicycles are subject to the CPSC's federal product safety standards and detailed mechanical requirements that apply to traditional bicycles (16 C.F.R. Part 1512). Accordingly, vehicles defined by federal law as low-speed electric bicycles are required to comply with requirements governing their assembly, specification, braking and structural integrity. Low-speed electric bicycles must also have General Certificates of Conformity stating the product's compliance with CPSC testing standards. The primary aspects of Public Law 107-319 are codified at 15 U.S.C. § 2085, which defines a low-speed electric bicycle as:

"A two- or three-wheeled vehicle with fully operable pedals and an electric motor of less than 750 watts (1 h.p.), whose maximum speed on a paved level surface, when powered solely by such a motor while ridden by an operator who weighs 170 pounds, is less than 20 mph."

The exemption for low-speed electric bicycles from NHTSA's authority is codified in the notes to 49 U.S.C. § 30102.

2. The Three Class System and Its Adoption

As low-speed electric bicycles evolved in their functionality and consumer adoption grew, policymakers expressed to the bike industry a need to delineate different types of electric bicycles to better assist officials in crafting appropriate use regulations, rules for access, and mechanisms to easily identify low-speed electric bicycles.

In response, the bicycle industry created a three class system to specify the different types of low-speed electric bicycles in the marketplace and regulate their maximum motor-assisted speed.

Model legislation was developed to clearly define and codify the following three classes of electric bicycles as bicycles, enable them to be treated like traditional bicycles for the purposes of state traffic laws, and require them to be labeled with their class number, motor wattage, and maximum assisted-speed:

- Class 1 electric bicycle: A bicycle equipped with a motor that provides assistance only when the
 rider is pedaling and that ceases to provide assistance when the bicycle reaches the speed of 20
 mph.
- Class 2 electric bicycle: A bicycle equipped with a motor that may be used exclusively to propel
 the bicycle and that is not capable of providing assistance when the bicycle reaches the speed of
 20 mph.
- Class 3 electric bicycle: A bicycle equipped with a motor that provides assistance only when the
 rider is pedaling and that ceases to provide assistance when the bicycle reaches the speed of 28
 mph, and is equipped with a speedometer.



This model legislation has been adopted by 29 states¹ and four federal agencies. Three class bills are pending in many more states that would ensure that electric bicycles are appropriately and consistently regulated, and that state traffic laws are up to date with not only technology but the types of low speed electric bicycles available for sale at bicycle retailers. Further adoption of the three class system by the federal government is also likely.

Electric bicycles that meet the requirements of one of these three classes are defined and regulated as "bicycles" under current CPSC regulations, and with some exceptions, are eligible for use on many facilities used by human-powered bicycles as a matter of law.

3. Other Types of Electrically Powered Devices

The PeopleForBikes Coalition is the trade association for suppliers and manufacturers of bicycle products and accessories, including low-speed electric bicycles. We do not represent suppliers of other types of products, nor do we advance policy initiatives aimed at regulating those products. Those issues would best be addressed by the appropriate industry association for those goods.

We do not support alteration of the three classes of low-speed electric bicycles to include other types of devices. We understand that a broad and constantly evolving range of electrically powered devices are entering the marketplace and that their use is growing nationwide. However, the three class system and its accompanying model legislation was specifically designed to facilitate the regulation of low-speed electric bicycles that closely resemble traditional bicycles in their equipment, handling characteristics, size, and speed. As such, we do not think it is appropriate to insert other types of devices into this bicycle regulatory structure. Accordingly, we have not been supportive of modifying the low-speed electric bicycle class system to regulate devices that: 1) are dissimilar to bikes in their functionality (for example, products that lack two or three wheels, a seat or pedals); 2) exceed the motor-assisted speed limitations of the class system or federal law; or 3) exceed the power limitations of the class system or federal law.

The fast-changing world of mobility offers opportunities, but also presents challenges, for suppliers, retailers, and consumers of mobility products. The class system was created to provide certainty for each of these groups. Low-speed electric bicycle suppliers and retailers would know whether they are selling a product recognized by U.S. laws as a bicycle. Purchasers would know whether they would be afforded rights and duties similar to those of traditional bicycle riders and be permitted to ride low-speed electric bicycles on the same streets, bike lanes, paths, and trails as traditional bike bicycle riders. It also provides assurance to low-speed electric bicycle riders that they are purchasing a product designed, tested and regulated for use as a bicycle.

Companies are presented with many different types of products to consider bringing to the market place. Some of these are not low-speed electric bicycles as defined by U.S. law. Products that do not

¹ 2019 Wisconsin Act 34 is an example of one such three class electric bicycle law: http://docs.legis.wisconsin.gov/2019/related/acts/34.

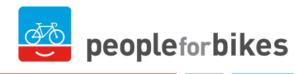


meet those legal definitions due to their design, speed, or power may be regulated by other laws and product safety standards – laws and standards that may differ significantly from those that apply to bicycles. In addition, users of these products may not be entitled to access publicly available bicycle infrastructure in the same manner as riders of low-speed electric bicycles, and may have different legal obligations when riding in public rights of way. For some products, the device's regulatory status may be unclear. At this time, PeopleForBikes is focused on the three class system for low-speed electric bicycles, and we do not intend to work on developing new device classifications for these products.

4. Support for Bicycle Businesses

In order to maximize the benefits that the class system of low-speed electric bicycles can provide for bicycle suppliers, retailers, and their customers, we encourage bicycle businesses to:

- Verify product specifications for legal compliance. If you intend your products to be designed and manufactured to be a Class 1, 2, or 3 low-speed electric bicycles, make sure your goods are in strict compliance with the applicable federal and state laws that govern these goods and assure that they are correctly labeled. Electrically powered devices that have a motor-assisted speed or power capabilities that exceed state and federal law for low-speed electric bicycles may be regulated as a different type of device and subject to different regulatory standards. For example, products intended for on-road use that do not meet the CPSC low-speed electric bicycle definition may be regulated as a motor vehicle by NHTSA instead of a low-speed electric bicycle. In addition, vendors of these products may be regulated under state laws designed for goods such as motor vehicles and powersports products that require specific types of licenses. Products which are not labelled, or are incorrectly labelled, may be in violation of state or Federal laws. People operating these products may be subject to equipment, registration, or licensing requirements. Review every product carefully to ensure it strictly complies with the vehicle classification that you are intending it to be regulated as.
- Check your insurance. Talk to your insurance agent to make sure your insurance coverage is well-aligned with the products you sell. It should be easy for most companies to efficiently add low-speed electric bicycles to the coverages they maintain for their bike businesses. Insurance agencies and carriers are also becoming increasingly familiar with the three class system. If products you make or sell do not comply with coverage terms due to their speed, power, or characteristics, you may have a coverage gap that exposes you to liability in the event of a claim.
- Review your advertising and marketing materials. Ensure that you are accurately and fairly describing the products you sell to customers, including what rights the riders have and where they can use your product. Incorrectly informing customers about what a product is, how a product is regulated, and where it may be used could expose you to claims of deceptive advertising or liability in the event of an injury to the user or a third-party.
- <u>Be conscientious of grey areas and proactively manage that risk.</u> PeopleForBikes frequently receives regulatory questions from our members seeking advice on product requirements. As an example, companies have asked us whether a particular device is a low-speed electric bicycle



regulated by the CPSC or whether it is a motor vehicle regulated by NHTSA. Our members have also asked whether the modification of low-speed electric bicycles to allow them to reach higher motor-assisted speeds or power outputs through dealer or customer-provided accessories or software could render any of these entities a "manufacturer" of a motor vehicle that is regulated by NHTSA. The answers to these questions can be highly specific and unique to each product, and may require advice from independent legal counsel.

• Be prepared for evolving regulations. We know that federal, state, and local authorities are closely watching the field of electric powered micromobility devices, including electric bicycles. Unfortunately, low-speed electric bicycles are increasingly being tied to incidents and media reports for other types of electrically-powered devices, causing confusion for regulators and the general public. The bicycle industry has been a strong steward for ensuring the safety of its products, and has a long history of proactively working with regulatory authorities like the Consumer Product Safety Commission to address issues. Standards and rules for on-road and off-road use will undoubtedly change as government authorities move to address perceived issues in both the product itself and the places where it issued. The bicycle industry will be best served if it is communicative and responsive to these concerns. Stay informed of these changes and make sure your products are staying in compliance.

PeopleForBikes cannot provide legal advice concerning the legal classification or regulatory requirements for specific products. Companies must retain an attorney for advice on those matters. If your product may be entering an area of product regulation that is unclear due to its maximum motor-assisted speed, power output, equipment, intended use, functionality, or other characteristics, you should consult legal counsel to ensure your regulatory compliance.