

Direct Sales Bill Passes Out of Committee

SB-214 Passes with 21 Votes

SB-214 has passed the Transportation Committee by a vote of 21-14. To see how individual members voted, check out the tally on the [committee website](#).

Legislators are offered time to comment before the vote is taken and several took the opportunity.

Representative Devin Carney (R) (Ranking Member), who is a no vote, said that there is no longer a need because dealerships are now selling EVs, a change from several years ago. He opined that Tesla is a legitimate company, but that other, newer entrants like Rivian and Lucid, with their difficulties in ramping production, are not, and thus do not deserve this “carve-out.” He also objected to characterizations made of the legacy companies that they don’t care about the environment, and cited some of the challenges of sourcing the materials necessary for battery manufacturing from places like the Democratic Republic of the Congo.

Representative Jonathan Steinberg (D), a longtime supporter of direct sales, said this year’s bill was an improvement over past bills. (The bill is restricted to battery electric vehicles and is no longer just a Tesla bill). Steinberg notes that the dealers say that direct sales will hurt their businesses but that the data from states where direct sales is legal just don’t support that conclusion. He thinks the entire auto purchasing relational experience will change, that it’s about competitiveness, and that this bill supports consumer choice. Interestingly, he said that he would support a bill that goes further than this one and do away with the franchise

laws entirely.

Representative Stephen Meskers (D) said he was a yes because “at some level, the markets should decide.” His main concern was about whether this would extract profits from the state and vowed to engage with Tesla and the other companies to push them to maximize their investment in CT, including vocational-technical training.

Senator Henri Martin (R), voting no, complained that he doesn’t understand why this bill keeps coming back year after year. He feels that this bill does not protect consumers, questions whether there will be adequate servicing facilities, and that it comes down to having two sets of laws.

The actual committee vote was more bipartisan than the above comments might indicate. However, as best we know, last year there were no Republican votes in the Senate for this bill (since the bill didn’t get called, there was no recorded vote). That is something we hope to see change.

Bills similar to SB-214 have made it out of committee in the past but haven’t made it across the finish line. The Senate is the next stop for SB-214.

We think that Representative Steinberg is spot on. This industry is changing but it needs to change faster. Consumers overwhelmingly [support](#) this legislation. Now is the time to tell your legislators that you support the free-market and consumer choice, and that the current, antiquated laws are holding back EV adoption.

You can use [this page](#) to find your state senator and representative.

The Tribulations of Buying An EV From A Dealership – Lived Experience

This is an email that was sent to the EV Club on March 9, 2022 by a member, Svetlana Wasserman, from Greenwich. It is the text of a letter that she sent to her CT State Representative, reprinted in full with her permission. It speaks for itself.

EV Direct Sales

I just wanted to share with you the letter I sent to my representative, Harry Arora:

Dear Representative Arora,

I'm writing to you with regard to the direct sales of electric vehicles bill, SB214. It is my great chagrin that this bill, which is a commonsense, free market, pro-consumer bill to allow manufacturers of electric vehicles to sell their cars directly to customers, has not yet passed. I have watched year after year as the lobbyists for the traditional dealerships claim that the direct sales bill is anti-consumer.

Please allow me to share my experience of attempting to buy an electric vehicle from a traditional dealer.

When I was shopping for an electric vehicle in 2020, like most auto-shoppers, I wanted to see it and test drive it. I called the Hyundai dealer in Stamford and asked if they had the Kona in stock. They did not. I asked them which dealership had the Kona. They said they could not tell me because each dealership is its own franchise and they did not share a database. They did tell me that if I was ready to place the order right now, they could have one delivered for me. I explained that I was not about to buy a car sight unseen.

Next I called the White Plains Hyundai. They did not have it in stock either. So I called the Fairfield Hyundai, and received the same answer. I begged to speak to a manager, and after explaining what I had been through, he offered to do some research to find which Hyundai dealer had the Kona in

stock and call me back. When he called back he told me that the Hyundai in ALBANY, NY had a Kona in stock, and would I like to make an appointment to see it?

I asked this manager why it is so hard to see and test drive their electric vehicle. He told me it was because very few customers are buying it. Well, I wondered, how are customers going to be buying it when they can't even see it?

Next I tried to test drive the Kia Niro at the dealership in Stamford. This time I was lucky because they had it in stock. When I arrived for my appointment, there was a bit of confusion because no one knew where the car was. Eventually, they found it...at a parking lot in another location. Someone drove over to get it, and after 30 minutes of this kerfuffle, the car showed up. After a very brief overview...because the dealer admitted she did not know much about this car...she turned it over to us to test drive. Except there was one problem. The car was at 7% battery and was sounding all kinds of alarms about being at low battery. Unfortunately, our dealer had no idea where the charge port was, and a second commotion ensued as the staff tried to find someone who knew how to charge the car. Eventually, they found a gentleman who did, and he asked us if we would like to test drive one of their gas models while we wait for the electric Niro to charge up.

Needless to say, we did not buy the Kona or the Niro from the traditional CT dealers. We drove across the border to Mt. Kisco, NY where we were able to test drive a Tesla and have a pleasant experience, and lunch in a NY restaurant to boot.

I don't know why the auto dealers do such a terrible job promoting electric cars. Perhaps they just don't know enough about them. Or perhaps they understand that sales of EVs harm their bottom line on the auto repair side of their business because electric vehicles require virtually no maintenance. I've driven EV's for ten years and never had to do anything more than change the tires.

So if the dealers want to come before you and tell you they oppose this bill because they don't want competition from EV manufacturers, or they don't give a hoot about lowering emissions or meeting our state's greenhouse gas targets, or they don't want to promote job creation from the opening of new EV dealerships, that's fine. Just please don't let them

tell you they are doing it to protect consumers.

I hope that you will do your utmost to help pass SB214 this year.

Kindly,

Svetlana Wasserman

Greenwich

If You Want To Get a Tesla in Connecticut, Go to Hertz

Post by Barry Kresch

Photo: EV Club members with a pre-production Rivian R1T

Consumers Must Leave the State to Buy an EV Not Sold Through a Dealership

If a consumer wants to go electric and buy or lease not only a Tesla, but also a Rivian or Lucid, to name two of a number of new EV manufacturing startups, they have to travel out of state to do so. For years, CT Tesla customers have been schlepping to Mt. Kisco, NY to pick up their vehicles. It's long past time for this to stop.

SB 214 – An Act Concerning the Sale of Electric Vehicles In The State

A bill has been raised in the Transportation Committee, SB No. 214, that will amend the law to allow EV-exclusive manufacturers without an existing dealer franchise network to open stores and sell directly to consumers, "direct sales" for

short.

The EV Club of CT supports this bill as the current situation is anti-consumer, anti-free-market, holds our state back from achieving its EV adoption goals, and forces its citizens to breathe dirty air. The transportation sector is responsible for 38% of the state's greenhouse gas emissions, not to mention other pollutants such as particulate matter, making it the most polluting sector.

EV Deployment Is Far Behind Target

The state has signed a [resolution](#) committing to getting 150,000 EVs on the road by 2025 and 500,000 by 2030. We have a long way to go as we are only 14% of the way to our 2025 goal and 4% of the way to the 2030 goal. If you want to see a depressing visual, click [here](#). We need all hands on deck.

Background: The Franchise Laws

These laws are what currently prohibit Tesla and other companies from opening stores in CT. They were written long ago to protect dealerships from being bullied by their own affiliated manufacturers. These laws are not about the consumer and never were.

Protectionism

The language in these franchise laws requiring new vehicles to be sold by an independent business has been conveniently repurposed to exclude new EV manufacturers from opening stores in CT. In other words, the laws are now being used for protectionism.

The Federal Trade Commission has [written](#), "A fundamental principle of competition is that consumers – not regulation – should determine what they buy and how they buy it. Consumers

may benefit from the ability to buy cars directly from manufacturers – whether they are shopping for luxury cars or economy vehicles. The same competition principles should apply in either case.”

The Union of Concerned Scientists [wrote](#), “...the dealer franchise laws represent not only a ban on Tesla, but a ban on all innovation in distribution methods.” Also, “There is no justification on any rational economic or public policy grounds for such a restraint of commerce.” They also cite studies showing that these laws restricting new distribution models serve to “raise the average vehicle cost by 8.6%.”

Dealer franchise laws have also been criticized from the right. The Koch brothers [signed onto a letter](#) opposing the Michigan version of this law. Their libertarian instincts chafe at the anti-free-market nature of these laws. And the [CATO Institute](#) has described these circumstances, “Where state legislatures are captured by rent-seeking incumbent market participants...” which impose “unnecessary transactions cost.”

These are but a few examples of the many organizations that support direct sales.

There has also arguably been spillover from the dealership laws as the Hoffman Auto Group, which owns dealerships in CT, has used them as a basis to file a [lawsuit](#) to prevent Tesla from opening a planned second service center in East Hartford. It seems Hoffman’s strategy is to make the experience of owning a Tesla as difficult as buying one.

Consumers Want The Freedom To Buy An EV However They Choose

Consumers have made it clear that they should have the freedom to choose where and how to buy or lease an EV.

In a poll taken last year, an identical proposed law, SB 127,

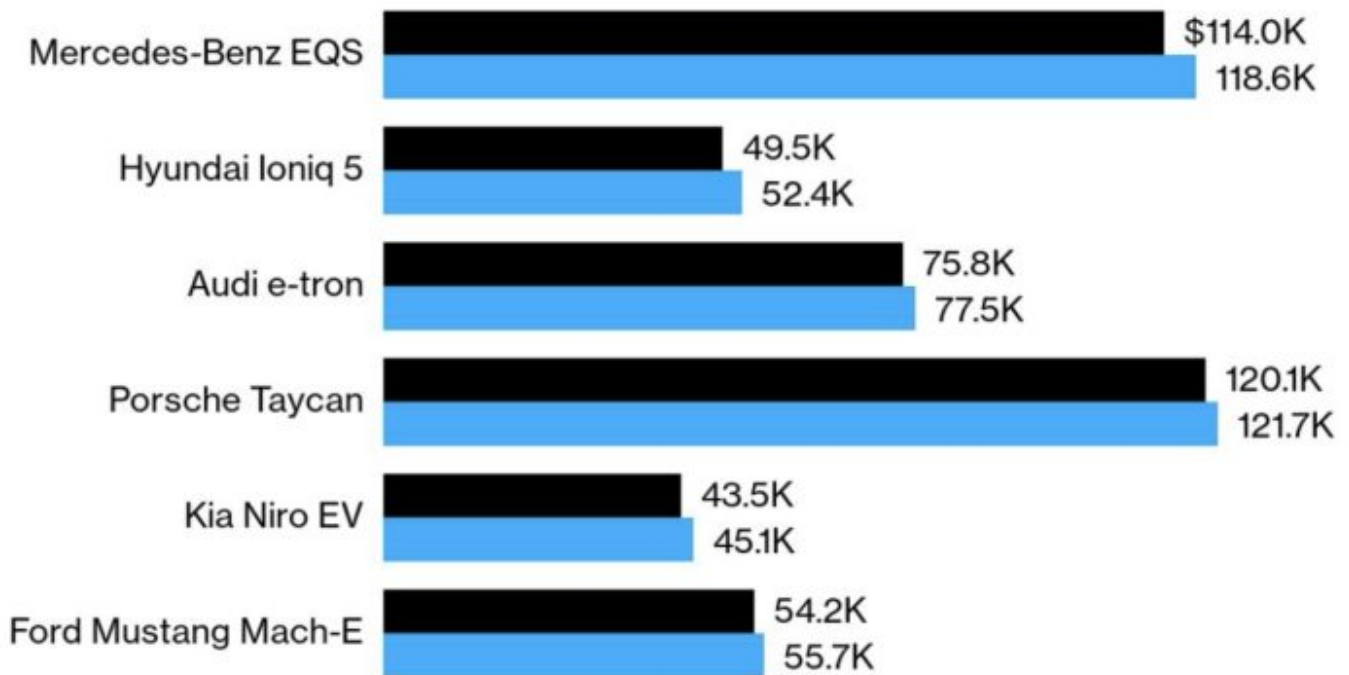
polled at an [83% level](#) of support among likely voters in CT. This support cut across party affiliation, age, income level, and ethnicity.

The Transportation Committee held a public hearing on last year's direct sales bill, SB 127. There are 81 testimonies posted on its [website](#). If one excludes the 9 from individuals associated with the dealerships and the 3 from Tesla, Rivian, and Lucid, we are left with 69 from members of the public at large. All 69 of them were in favor of direct sales. Even with this overwhelming level of support, there was not a single Republican vote in the Senate and an insufficiency of Democratic votes to pass the bill.

Is The Dealership Model Better For Consumers?

During this current period of supply chain turmoil, many dealers have been marking up the cost of EVs (and presumably other vehicles) above MSRP. In a recent [Washington Post](#) article, it read "that Ford and GM have warned dealerships to stop selling vehicles above MSRP," and that GM characterized these markups as "unethical." So much for the multi-year argument dealerships been making that franchisees protect consumers. Below, from Edmunds.

■ MSRP ■ Average Transaction Price



Source: Edmunds

One of the selling points for direct sales is that there is pricing transparency. You're not required to give your email to get an online quote, you won't be forced to visit a dealership to get a final price, you won't have anyone pestering you afterward to buy the vehicle, and you're not bombarded with after the sale upsells, or a surprise markup.

This [opinion piece](#) in the Washington Post by Ian Ayres, a law professor at Yale, discusses how for customers using dealer financing, the dealerships often markup the interest rate without disclosing this to the consumer. These hidden fees are legal, which they shouldn't be, but their application in a discriminatory way is not. For example, [Honda](#) and [Toyota](#) have both settled lawsuits brought by the Consumer Financial Protection Bureau for more than \$20 million because minority borrowers were charged higher interest markups than equally qualified white borrowers.

Watch What They Do, Not What They Say

Are dealers selling EVs? We would like to see them be proactive in their EV sales efforts. Every year, they come before the legislature and profess to be invested in EVs. They talk a good game, but what are they actually doing?

The NY Times published an article in 2015 entitled, [“A Car Dealers Won’t Sell: It’s Electric.”](#) That was 7 years ago and we have to make allowances for the possibility that things can change. Have they? Judging by data from the CT DMV, not so much. There are [8944 registered Teslas](#) in CT. The number 2 make is Toyota with 3238. Of course, the Toyotas are plug-in hybrids. The make that is number two in BEVs is Chevrolet with 824. Teslas comprise 71% of all the battery electric vehicles currently registered in the state. In 2017, when I first began tracking this, that number was 61%.

This is from an article in [TechCrunch](#), published in 2017, in which the first sentence proclaims, “Mercedes-Benz is the latest automaker to embrace electrification, announcing that it will be electrifying its entire vehicle lineup by 2022,” according to Mercedes-Benz chief Dieter Zetsche. There are 21,382 EVs in CT as of January 1, 2022. 75 are Mercedes.

The headline from a Bloomberg [story](#) in January reads, “Car Dealership Laws Aren’t Fit for the Electric Age.” The first sentence: “More EVs are being sold in states that allow direct sales.”

And the manufacturers have their own imperatives. From Bloomberg Intelligence analyst Kevin Tynan, “If Ford could sell one million Lightnings a year, they wouldn’t,” he explains. “The reason why EV penetration is as low as it is in the U.S., is because that’s what automakers want it to be. People think it’s the consumer pulling – it’s not; it’s the

automaker's pushing."

This really does matter when it comes to EV adoption, states with uncapped direct sales had 6.8 registered BEVs per 1000 registrations. Closed states had 1.4. CT is a closed state. How much closer to our EV deployment goals would we be and how much healthier would our air be to breathe if we were an open state?

Will Direct Sales Drive the Dealerships Out of Business?

Whenever they testify, that is pretty much what they say will happen. There was one dealer who said during testimony that if direct sales passes, he will immediately start laying off employees. AND IT WILL BE THE FAULT OF THE LEGISLATORS!

The truth is the dealers want it both ways. They say their model is better for consumers. If they really believe that, then why the need for these restrictions in the first place? Then in the next sentence, they'll say their businesses will implode.

Direct sales has been around for as long as 10 years in some states. So we have comparables! And the dealers are doing just fine in open states according to data from their own national association. A study by the [Acadia Center](#) documented this in states near to ours.

Closing Thoughts

The question of how dealerships and the legacy automobile industry writ large will ultimately fare is up to them. If they innovate and compete, they'll be fine. A few of them have embraced EVs, but judging by the results, not nearly enough. In CT, the dealership special interests have thus far been given the message that they can sit back and not worry about

it, that change can happen on their timetable.

There are many EV Club members who own or have ordered a Tesla or are reservation-holders for Rivian or Lucid. For those of us who have made the trek to Mt. Kisco to pick up a Tesla, it stares us in the face that the jobs to build, staff, and maintain the facility are in New York and the company pays property taxes to Mt. Kisco. All of these companies stand ready to invest in CT. And others, as well. CT is sending the wrong kind of signal to any company that is part of the green economy.

Allowing direct sales will help CT meet its EV adoption objectives, will create green jobs, and, most importantly, it is what is right for the citizens of CT Consumers. Tell your legislative representatives that you support SB 214.

How You Can Help

Contact your state senator and state representative. This page will enable you to find out who they are: <https://www.cga.ct.gov/asp/menu/cgafindleg.asp>

Clicking on their name will take you to their contact form. Tell them you support SB 214 because allowing direct sales allows for free-market innovation enabling consumers to buy the EV of their choice in the manner of their choosing. It will accelerate EV adoption, create jobs, and let the companies of the new green economy know that CT is open for business.

Also, contact your mayor or first selectman and ask them to support SB 214 and contact the legislators who represent their town. Their voices carry weight with the legislature.

CT Clean Transportation Future Panel

Two members of EV Club leadership team to participate in a panel organized by Save the Sound

There is a panel (free registration) scheduled for Friday, May 21st at 12:00 PM, lasting for about an hour. The subjects being discussed are three key pieces of legislation that are still pending before the legislature. Club president, Barry Kresch, and leadership team member, Larry Thompson will be participants. Our friends at Save the Sound have organized this.

Katie Dykes – Chair of CT DEEP will discuss SB 931, which would evaluate whether to apply California emission requirements for medium and heavy-duty vehicles to CT.

Barry Kresch – President of EV Club CT will discuss SB 127, which would allow EV exclusive manufacturers to open stores in CT.

Kai Addae – Bradley Street Bicycle Co-op, will discuss SB 884, the Transportation Climate Initiative cap and invest program for carbon emissions.

Larry Thompson is the panel moderator.

This is a virtual panel. The registration link:

https://us02web.zoom.us/meeting/register/tZItc-vqjIuE9ycEWdybT_Rx98iEyg8fU82

Dealer-Funded Study Paints Misleading Picture of Direct Sales

A new report by the Connecticut Center for Economic Analysis—which acknowledges in its opening sentence that it was commissioned by the Connecticut Auto Dealers Association (CARA)—paints a gloomy picture for the state’s economy if legislation allowing the direct sales of electric vehicles in the state is passed into law—arguing that the bill “increases risks” to existing dealers, and that “those risks would threaten” 40k jobs and \$3.9 billion in GDP.

These numbers are unbelievable for a reason: They aren’t based on legitimate assumptions or any factual evidence. The study uses vague language to paper over its disingenuous premise, ultimately harming the public policy debate in Connecticut. The study’s conclusions should be disregarded for the following reasons:

- This study is an attempt to counter the actual evidence from data provided by the National Auto Dealers Association showing that states which are open for direct sales have outperformed states that do not allow direct sales in dealership revenue and employment by a significant margin.
- The report’s topline numbers are based on an impossible

scenario due to the contractual and legal provisions protecting Connecticut's franchise dealerships.

- The report does not account for the benefits of direct sales—which include cost savings for consumers, bolstered consumer protections, job growth, and open-market competition.
- The report's findings are based on a logical fallacy: It points to the jobs and economic benefits provided by dealer locations and argues that SB 127 would undermine these benefits, yet the purpose of SB 127 is to enable new, EV-only manufacturers to build dealerships in the state.

SB 127 is a straightforward fix to state law that enables EV-only manufacturers like Tesla and Rivian to build retail locations in Connecticut. To understand direct sales and SB 127, [click here](#).

More detail on these flaws in the study below.

This study is an attempt to counter the actual evidence from data provided by the National Auto Dealers Association (NADA) showing that states which are open for direct sales have outperformed states that do not allow direct sales in dealership revenue and employment by a significant margin.

Since Tesla pioneered the direct sales business model in 2012, it is clear from a review of NADA's state-level data on sales and employment that states, where traditional dealerships

coexist alongside Tesla’s manufacturer-owned dealerships have outperformed the national average. Meanwhile, states like Connecticut that are closed to direct sales underperformed open states by nearly 30 points in sales revenue, and by 9 points in employment growth.

Connecticut is no exception—seeing sales and employment growth rates that are far below the national average. Connecticut’s auto dealers have not benefited from the healthy competition allowed by open markets.

	2012		2019		Sales % Change	Employment % Change
	Sales (\$ m)	Employment	Sales (\$ m)	Employment		
Nationwide	\$ 676,439	963,400	\$ 1,026,818	1,134,442	52%	18%
Open States	\$ 489,409	701,663	\$ 756,064	838,007	58%	21%
Closed States	\$ 185,687	259,637	\$ 269,006	292,701	29%	12%
Connecticut	\$ 8,788	12,056	\$ 10,140	13,973	15%	16%

Source: NADA Data 2012 and 2019

The report’s topline numbers are based on an impossible scenario due to the contractual and legal provisions protecting Connecticut’s franchise dealerships.

The report makes the following claim about SB 127: *“If passed, it would at present apply only to a handful of stand-alone global companies manufacturing exclusively EVs, they could then market in Connecticut. Yet, established manufacturers are trending towards manufacturing exclusively EVs, most notably Volvo and General Motors (GM) by 2035. While those legacy manufacturers who move to just EV production are unlikely to terminate contracts with all current dealers in Connecticut, legally they could.”*

This is an utter falsehood. The author is correct that

traditional auto manufacturers are unlikely to terminate their franchise contracts—but legally they are prohibited by Connecticut law from canceling or even failing to renew a franchise without “good cause” by [this section](#) (Sec. 42-133l.) of the statute.

“Good cause” is defined very specifically in this section, and only applies to insolvency, closing for business, conviction of a felony, fraud, or revocation/suspension of license. Dealerships and traditional automakers are aware of these protections: for example, Cadillac recently had to offer buyouts to franchisees who didn’t want to sell EVs. Dealers are entitled to renewal of their franchise contracts in perpetuity by state law as long as they meet these conditions.

The report does not account for the benefits of direct sales—which include cost-savings for consumers, bolstered consumer protections, and open-market competition.

In addition to being based on an incorrect legal premise, the report’s conclusions are based on an extremely rudimentary analysis: It establishes a best-case-scenario snapshot of the economic contributions from Connecticut’s franchised dealerships, and assumes this industry is zeroed-out in 2040.

As noted above, this scenario is not possible legally due to franchise protection laws. However, it also paints a picture of a stagnant economy where market segments stack like Legos, and removing the traditional-dealership brick leaves a void that cannot be filled. By this logic, the state of Connecticut would have never recovered from the decline of its arms manufacturing and shipbuilding legacy from the 1800s.

Connecticut's economy will not recover through protectionism, but instead by enabling new businesses to enter the state and existing businesses to evolve. Direct sales will contribute to Connecticut's economy in the following ways:

- By stimulating the electric vehicle market in Connecticut and prompting the installation of charging stations—both in public and in people's homes.
- By enabling American manufacturers to invest in the state and build retail locations.
- By allowing Connecticut's architects, mechanics, electrical engineers, construction workers, attorneys, salespeople, administrative staff, and other professionals with opportunities for 21st-Century jobs with new electric vehicle manufacturers.
- By creating greater flexibility for electric vehicle buyers and saving them the time and cost to travel out of state to purchase an electric vehicle.
- By protecting consumers by requiring manufacturer-owned dealerships to be regulated by existing Connecticut law; and by providing an alternative for customers who are dissatisfied with the current franchise dealer system.

The study considers none of these factors when assessing the impact on Connecticut's economy from a legally impossible scenario, in which no new cars are sold in the state after 2035, which brings us to our final point:

The report's author conflates direct sales with online EV sales, and the findings are based on a logical fallacy: It points to the

jobs and economic benefits provided by dealer locations and argues that SB 127 would undermine these benefits, yet the purpose of SB 127 is to enable new, EV-only manufacturers to build dealerships in the state.

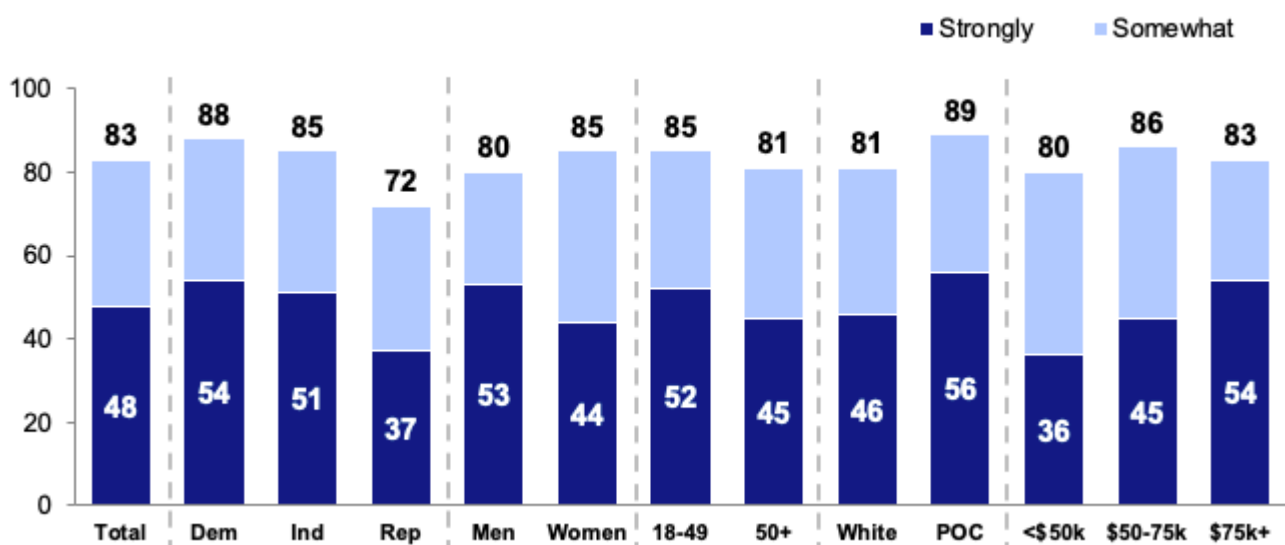
The sales activities that would be permitted by SB 127 are unrelated to online vehicle sales. EV buyers in all 50 states are already able to buy electric vehicles online due to the interstate commerce clause. The purpose of SB 127 and direct sales is to enable auto manufacturers to build retail locations in Connecticut.

The study defines its dire scenario as one “where dealers are displaced by out-of-state commerce facilitated by Bill 127.” Ironically, this is the current situation for the manufacturers that are urging to be allowed to sell their vehicles in the state of Connecticut. These companies are currently forced into online-only out-of-state commerce...enabling them to invest in Connecticut will result in more in-person auto retail, more jobs, and more economic growth.

83% Support for Direct EV

Sales in Connecticut

A poll released by the Electric Vehicle (EV) Club of Connecticut shows that a significant majority of Connecticut residents support direct sales from Electric Vehicle companies. 83% of respondents support direct sales of electric vehicles to consumers, and only 17% oppose it. Support for direct sales is bipartisan, broad, and deep across many different demographics and all sections of Connecticut.



Support for direct sales is growing throughout the state of Connecticut and nationwide. Last week, [two letters were released](#)—one from a broad coalition of 27 interest groups representing environmental, free-market, pro-innovation, labor, and consumer protection; another from 75 leading academics—both urging state governments to remove restrictions on direct sales and service of electric vehicles. Among the academic signers of the letter were 7 former chief economists of the Federal Trade Commission and Department of Justice, and one Nobel Laureate.

Transportation Committee Chair Senator Will Haskell stated, “This poll is astounding. It turns out that the Connecticut State Capitol is the only place where selling Electric Vehicles directly to consumers is controversial. It’s time for

the legislature to listen to the will of the public, pave the way for 21st Century jobs, and give consumers a choice as to where they buy their next car.”

Barry Kresch, President of the EV Club of Connecticut noted, “These results, while overwhelmingly favorable, are not a surprise. This is exactly what I hear all the time on a more informal basis. It is reflected in the fact that everyone who testified at the public hearings who was not associated with a dealership was in favor of the bill. I get asked all the time why we force people to go out of state to buy the EV of their choice. It’s time we listen to consumers, accelerate EV adoption, and embrace innovation.”

“The poll conducted by GQR is proof positive that Connecticut consumers believe in the freedom to choose how they wish to purchase their vehicles,” said James Chen, Vice President of Public Policy at Rivian Automotive. “Senate Bill 127, which would allow the direct sales of electric vehicles in the state of Connecticut would be an obvious win-win for Connecticut drivers, the free-market, and the state’s environmental goals.”

GQR conducted a survey of 500 likely 2022 general election voters in Connecticut from April 16-18, 2021. The survey was conducted via cell phones using a text-to-web platform. The margin of error is +/- 4.4 percentage points at the 95 percent confidence interval; the margin of error is higher among subgroups. Electric Vehicle (EV) manufacturers Lucid Motors, Rivian, and Tesla sponsored the poll.

This is the question wording: “As you may know, the Connecticut General Assembly is considering a bill to change existing laws related to vehicle sales. This bill will allow electric-vehicle manufacturers such as Tesla, Rivian, and Lucid to open their own brick-and-mortar stores in the state, where they can sell vehicles directly to consumers rather than going through traditional car dealerships. Do you support or

oppose this bill to allow direct sales from electric-vehicle manufacturers in Connecticut?”

About [GQR](#): “For almost four decades, we have used innovative polling and opinion research to help leading candidates, parties, government leaders, corporations, and advocacy groups across the United States and around the world.”

Well-Attended Press Conference Shows Support For EV Direct Sales

Headline photo courtesy of Will Cross

Post by Barry Kresch

Grassroots Momentum for the EV Freedom Bill

The atmosphere was *electric* as about 100 EV enthusiasts came to Westport from all over the state for a press conference supporting The EV Freedom Bill, legislative bill number SB 127. Lame puns aside, I have been part of this EV Club for 9 years, and this issue feels like it has been around for most of them, but today felt different. The grassroots energy was palpable in a way that it hadn't been in the past. Perhaps it is due to Tesla registrations having grown to almost 6,000 in the state. Or the excitement of new, really cool, EV companies entering the market also looking to sell direct. Or energized engagement on the political front.

This bill, which in earlier guises had come to be referred to as the “Tesla Bill,” would permit EV-exclusive manufacturers that do not have an existing franchise dealer network to open stores in CT. At today’s event, Tesla was joined by Rivian and Lucid. Others are expected to adopt this business model or, more to the point, this or some other new model not envisaged in the existing dealer franchise laws that were written almost 100 years ago.

The bill also requires that companies opening stores have a sustainable model for servicing vehicles that are sold here.

The Way Forward In A Changing World

Passing this bill would be a tangible step toward supporting innovation. The industry is changing. Fissures are showing in the traditional automobile business, despite their actions to forestall competition by keeping new EV companies out of the state. 17% of Cadillac dealers opted to drop the franchise rather than embrace GM’s making this its centerpiece EV brand. Volvo announced an aggressive timeline of moving to an all-electric lineup by 2030 and moving EV sales online in the short-term. We don’t know the fine print of how this changes the relationship between the dealers and the manufacturer. If sales are online, do the dealers ever take title to the vehicle? And if they don’t, are they still a dealer? We reached out to Volvo for elucidation but have not received a response. We are guardedly optimistic that these changes are signs of a more serious effort to sell EVs.

SB 127 was introduced by Sen. Will Haskell, who organized the press conference, and Rep. Jonathan Steinberg, both of whom represent local districts. There were a number of other state and local officials present. This was the speaker order lineup:

- Senator Will Haskell (SB 127 co-sponsor)
- Barry Kresch, President of the EV Club of CT

- Rep. Jonathan Steinberg (SB 127 co-sponsor)
- Jim Marpe – Westport First Selectman
- Jeff Curry – Lucid Motors
- Kaitlin Monaghan – Rivian
- Lori Brown – League of Conservation Voters
- Daniel McInerney – International Brotherhood of Electrical Workers
- Senator Bob Duff – Majority Leader
- Former Senator Art Linares

Paul Braren has posted video of all of the speakers on his [blog](#).

Journalist David Pogue recorded remarks that were played to the group. A schedule conflict prevented him from appearing in person but you can hear what he had to say. (His remarks are just short of 4 minutes.)

<https://evclubct.com/wp-content/uploads/2021/03/Pogue-Com.mp3>

The presentations took place at the Westport Train Station in front of a depot building with a solar array that powers the building and 4 adjacent EV charging stations. These were the first solar-powered public chargers in the state. They were installed in 2012, which is when I met the club founder, Leo Cirino, and became a member.



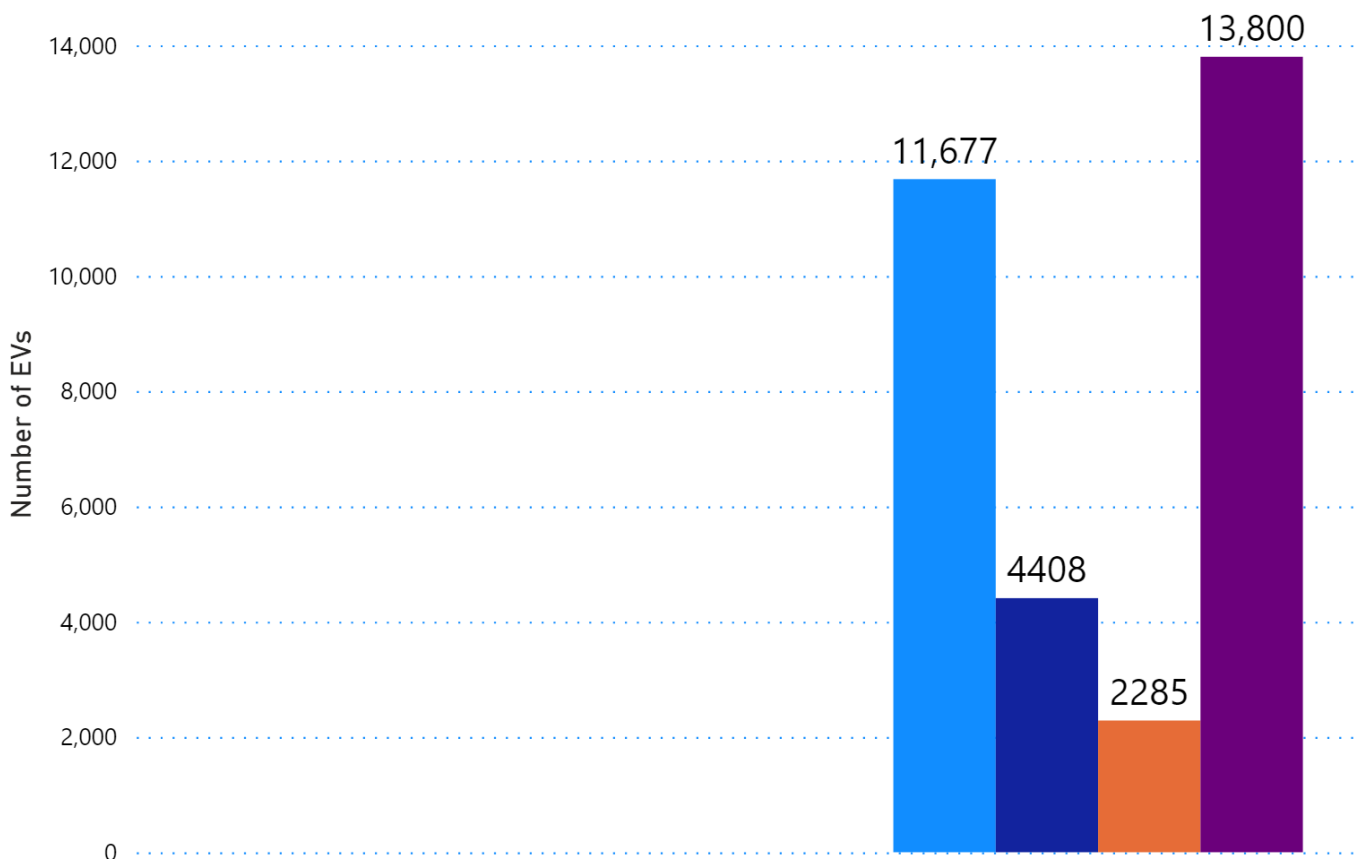
Model Y and Lucid Air – charging stations are to the right of the building by the white Chevy Volt

Long Way To Go

In his remarks, Sen. Haskell noted that the state had a long way to go to reach its goal of 500,000 EVs in the fleet by 2030. I've written a lot about that and noted that given where we are today, 13,800 EVs, it will be necessary to maintain a 49% compound annual growth rate to get there. This may sound high, and it is, but it is actually worse than it sounds because this figure is growth in net registrations. Each year, there are new vehicles added to the file, but there is also turnover from vehicles leaving the file. In 2020, the turnover was the equivalent of 52% of the vehicles that were new to the file. So from an acquisition perspective, it means we need to double each year. Without SB 127, we'll never get there.

Turnover Analysis for 2020

● Jan 2020 EVs ● New EVs All 2020 ● Turnover Jan 21/20 ● Jan 2021 EVs



There are many that we need to thank for a successful event including members of the EV Club and the Tesla Owners Club, not only for coming, but also for reaching out to our legislators; the public officials who support this bill; the IBEW; and Tesla, Rivian, and Lucid.

As encouraging as it was to see this level of support, it's not over. The bill will be called for a committee vote on Wednesday. If it passes, then it goes before the full chamber. It feels like we're only to the quarter-finals. We will update this space as we move up the brackets.



Tesla Model X in chrome wrap. Model Y on the right.



Lucid Air Interior, Who are those masked men – Barry Kresch and Bruce Becker getting set for the presser, Senator Haskell speaking about the bill (Majority Leader Duff in the background)

One final note: We have been asking people to tell their legislators they support this bill. That doesn't stop with the press conference or even the committee vote. It is important they hear from you. Tesla has set up an [“engage”](#) page for CT that enables a 1-click message or the opportunity to customize it for yourself. You may have to set up an account. You don't need to be a Tesla owner to do that.

Advocacy for SB 127 (Direct Sales) and SB 718 (Fossil Fuel Moratorium)

SB 127 – Permits Direct Sales of EVs

SB 127, the bill permitting EV-exclusive manufacturers that do not have an existing dealer network to sell directly to open stores and service centers in CT is scheduled for a public hearing on Friday, Feb. 19th, beginning at 10 AM. We encourage everyone to submit written or oral testimony. Instructions and link to register below.

***TRANSPORTATION COMMITTEE**

FRIDAY, FEBRUARY 19, 2021

The Transportation Committee will hold a public hearing on **Friday February 19, 2021 at 10:00 A.M.** via **Zoom**. The public hearing will be recorded and can be viewed via **[YouTube Live](#)**. In addition, the public hearing may be recorded and broadcast live on **[CT-N.com](#)**. People who wish to testify via Zoom must register using the **[On-line Testimony Registration Form](#)** or copy this link into your browser **https://zoom.us/webinar/register/WN_2SAYBsw_SQyu5CD7jU3VGA**. Registration will close on Thursday February 18, 2021 at 3:00 P.M. Speaker order of approved registrants will be posted on the Transportation Committee website. If you do not have internet access, you may provide testimony via telephone. To register to testify by phone, call the Phone Registrant Line

at (860) 240-0590 to leave your contact information. Please email written testimony in PDF format to tratestimony@cga.ct.gov. Testimony should clearly state testifier name and related bill information. The Committee requests that testimony be limited to matters related to the items on the Agenda. The first hour of the hearing is reserved for Elected and Public Officials. Speakers will be limited to three minutes of testimony. The Committee encourages witnesses to submit a written statement and to condense oral testimony to a summary of that statement. All public hearing testimony, written and spoken, is public information. As such, it will be made available on the CGA website and indexed by internet search engines.

SB 718 – A Moratorium on New Fossil-Fuel Power Plants

SB 718 – This bill imposes a moratorium on building new fossil-fuel power plants. The immediate threat is the proposed Killingly natural gas power plant, which has already been issued some of the required permits by DEEP. We ask everyone to call as described below.

The Energy & Technology Committee has not raised SB 718, Senator Cohen's bill to establish a moratorium on new fossil fuel plants. We need to show strong support for this by calling the Energy & Technology Committee TODAY (Thursday, February 11) and urging they raise this bill. The last day the Committee can raise this bill is Tuesday Feb 16, and tomorrow and Monday are state holidays, so today is the day to put on the pressure.

Here's what to do:

Call (860) 240-0430 – Very likely you will leave a message.

"My name is (YOUR NAME), I am calling from (YOUR TOWN), I am

calling to urge that the Energy & Technology Committee raise Senate Bill 718 as a Committee Bill. We are facing a climate emergency, yet fossil fuel power plants are still being proposed and approved here in Connecticut. This bill would establish a moratorium on fossil fuel power plants, and it is crucial that the Committee discuss this important topic. Thank you.”