



April 12, 2021

Dear Senate President Looney, Majority Leader Duff, Minority Leader Kelly and Members of the State Senate:

As a broad coalition of stakeholders representing electric vehicle (EV) companies, consumer rights, businesses and environmental groups, we write in support of Senate Bill 127, which would allow all manufacturers of EVs to sell their vehicles directly to customers (“direct sales”) in the state of Connecticut.

Current Connecticut law severely restricts consumer access to EVs in the state by forcing nearly all EV manufacturers to sell through franchised dealers, a century-old business model that is incompatible with the EV business model. As a result, it holds the state of Connecticut back from achieving its emissions reduction goals and fully realizing the benefits of widespread EV adoption: more consumer choice, greater market competition, faster innovation, increased investment, new jobs, and cleaner air.

The traditional franchise dealership model is optimized to sell gas-powered cars which creates a huge barrier to emerging companies bringing new vehicle technologies to the market. Fortunately, more than half of U.S. states already allow at least one EV manufacturer to apply for and receive a dealer license. In these states, consumers have unfettered access to EVs, and companies can provide a better, more streamlined customer experience.

Connecticut currently restricts all automotive manufacturers from selling directly in the state, even if they never entered an agreement with franchise dealerships. To reach customers in Connecticut, most EV manufacturers must sell their vehicles online from one of their licensed retail locations outside the state, which creates logistics and paperwork challenges for EV customers in Connecticut. Current Connecticut law does not help franchised auto dealers by keeping competitive vehicles out of the state,

it simply shifts jobs and investments to other states and creates unnecessary inconvenience and discouragement for Connecticut residents who want to purchase an EV.

We strongly believe S.B. 127 is urgently needed and important to pass during the 2021 legislative session. It is a simple fix to existing state law that costs the state nothing, and it meets several important criteria: advancing equity, responding to the COVID-19 pandemic, advancing economic recovery, and addressing the global climate crisis. Below are justifications for how this bill meets these criteria.

- **Advancing Equity:** Hazardous air pollution from vehicle emissions disproportionately impacts families living near high-traffic zones, which are also low-income communities and communities of color. Accelerating EV adoption will lower emissions in these zones, providing immediate benefit to these families, even if they don't own an EV. Additionally, allowing direct sales will level the playing field of the consumer by removing layers of subjectivity and implicit bias in the car buying and ownership experience, thereby advancing social equity among consumers of all races, ages, genders, and backgrounds.
- **Advancing Economic Recovery:** Succeeding in the global marketplace means investing in advanced, clean technologies that keep American industries and American workers globally competitive. The American EV industry is driving the transition to a 21st Century clean energy economy, attracting new investment and creating new domestic manufacturing jobs all around the country. By allowing direct sales, Connecticut can send a strong signal that it wants to be part of this new mobility shift. Other states and the rest of the world are moving ahead. If Connecticut does nothing to modify its law, investment will land in more EV-friendly states.
- **Responding to the COVID-19 Pandemic:** The pandemic has dramatically reshaped our buying behavior, including in the car market. Consumer preferences are shifting away from the in-person dealership experience. Allowing direct sales provides customers with an alternative car buying and ownership experience—one that can bring more peace of mind than the shopping and delivery experience was done with minimal contact with others.
- **Addressing the Global Climate Crisis:** Transportation accounts for the majority of climate-warming emissions, so we must do all we can to reduce transportation emissions. That includes accelerating the adoption of zero-emission vehicles (ZEVs).
- **Meeting Connecticut's ZEV Goals:** There are 13,800 registered EVs in the state as of January 2021. According to the ZEV plan, the state has committed to achieving 500,000 registered EVs by 2030. Direct sales is imperative to meeting this objective: 80 percent of EVs are currently sold through direct sales, and states that are open to direct sales see significantly higher EV adoption rates, even in the absence of other EV incentives.

For these reasons, we strongly urge you to advance S.B. 127 and help move Connecticut's transportation policy forward.

Sincerely,

Acadia Center

Becker and Becker Architects

Connecticut League of Conservation Voters

Connecticut Sustainable Business Council

Dashboardsymbols.com

Eastern CT Green Action

Envest Asset Management, LLC

EV Club of Connecticut

E2

Green Passion Projects

Hartford Area Humanists

Live Green CT

Lordstown Motors

Lucid Motors

NECEC

Noble Energy Real Estate

NRDC

NuPower, LLC

Plug In America

Rivian

Save the Sound

Sierra Club of CT

State of Connecticut Citizens Climate Lobby (CCL)

Sustainne

TecKnow

Tesla

Tesla Owners Club of Connecticut

TinkerTry, LLC

Tri-State Transportation Campaign