

Testimony of  
Chip Gengras  
In Opposition to  
HB 7142  
Transportation Public Hearing  
Legislative Office Building,  
Hartford, Connecticut  
February 25, 2019

Good Afternoon, Senator Leone, Representative Lemar, Senator Martin, Representative Devlin, and members of the Transportation Committee. My name is Chip Gengras and I am the President of Gengras Automotive and an officer and member of the Board of Directors of the Connecticut Automotive Retailers Association. Gengras Motor Cars is a local business started by my grandfather in 1937. Our headquarters facility is located in East Hartford. We employ over 300 people in our stores located East Hartford and North Haven, Connecticut. We represent 9 franchises Honda, BMW, Volvo, Chevrolet, Chrysler, Dodge, RAM, Jeep and Harley Davidson. We will shortly be adding Ford and VW to the Gengras automotive line-up.

I am here today to speak in opposition to HB 7142 - An Act Concerning the Licensing of New and Used Car Dealers. This bill undermines state law that all auto manufacturers and retailers follow, giving privileges to out of state and out of country companies. This bill will not only allow Tesla a special unlevel playing field to sell cars in our state, but also extend that privilege to hundreds of Chinese auto manufacturers that exclusively make electric vehicles, exporting jobs from Connecticut and the US overseas.

One of the arguments I hear from Tesla and their supporters is that Connecticut car dealers do not want to sell Electric Vehicles (EVs) and that the dealers are incapable of selling EVs. Therefore, Tesla needs to set up their own store in order to sell their vehicles. This is an entirely untrue argument.

All Connecticut auto dealers are fully committed to selling EVs. We invite legislators to visit dealerships and see the many different kinds of vehicles we have on our lots. In fact, there are now 44 options of EVs for Connecticut consumers and projections for 80 EVs by 2021. These are EVs, ZEVs, and fuel cell vehicles in a wide choice of styles, prices and functions to meet the needs of consumers.

92% of all Electric Vehicles in our state are now being sold by franchised dealerships.

CARA, DEEP and state electric utilities developed the CHEAPR EV rebate program in 2015. With the incentives of Connecticut's EV rebate program that began in May of 2015, Connecticut dealerships sold more EVs in 2018 than ever before. Dealerships continue to promote CHEAPR at numerous events around the state and work with the Department of Environmental and Energy Protection to make CHEAPR a strong program for Connecticut.

Unlike just a few years ago, 44 EV models are being sold by franchised dealers and by 2025 that number will double. Tesla's claims in past testimony that dealers can't or won't sell EVs is just not true and is not supported by the evidence. Nearly all manufactures now produce and sell EV's. \* Some OEMs like Volvo, a brand that I sell, will be all electric in a few short years. Connecticut dealers are able and ready to meet the demand of EV consumers. The only major brand dealers don't sell is Tesla because Tesla refuses to let local dealers retail their product. Existing law in Connecticut allows Teslas to be sold, but it must be done on a level playing field and not illegally as Tesla was found to be doing in Greenwich by the Connecticut Superior Court.

Tesla has promised for years to bring its Model 3 to market, however they have been unable to produce the promised \$35,000 version. On the other hand, most of the of the brands now sold legally by franchised dealers are aimed at the average consumer, are affordably priced and constitute the lion's share of EVs sold, helping Connecticut. What the 270 Connecticut dealers sell is what will meet the 2025 mandated clean air vehicle goals under CARB and in the ZEV agreement signed by our state. Under existing law Connecticut is ranked 8<sup>th</sup> in the nation for EV sales based upon the percentage of total state sales.

Dealers sell EVs for the mass market to everyday consumers. The Chevrolet Bolt for example has one of a longest battery ranges and sells for \$36,620 while the Tesla model 3 sells for \$46,000. Nearly \$10,000 Dollars more. The Chevy Bolt, and other mainline EVs like it are driven every day as the primary vehicle. The average Tesla price is over \$70,000 dollars and is usually the 2<sup>nd</sup> or 3<sup>rd</sup> car for that buyer.

Clearly, the franchise system is the best way to get EVs onto Connecticut roads, and isn't that the ultimate goal of everyone? The only way Connecticut will meet its ZEV goals under CARB is with affordable vehicles driven every day by the average working person, not the 1% who can afford the high-priced weekend vehicles produced by Tesla.

I urge you not to pass HB 7142 - AAC the Licensing of New and Used Car Dealers. Tesla could begin selling their vehicles at dealerships across Connecticut today. Tesla customers would have local dealer advocates working for the customer's interests not the manufacturer.

Thank you for your time. I'm happy to answer any questions.

\*BMW, Audi, GM, Ford, Honda, Toyota, Volvo, Nissan, Jaguar, Hyundai, Kia, VW, Fiat, Chrysler, Porsche Mini, Mitsubishi and Mercedes