

Testimony of Leo Karl
In Opposition to
HB 5310- AAC the Licensing of New and Used Car Dealers
Transportation Public Hearing
Legislative Office Building,
Hartford, Connecticut
March 5, 2018

Good Afternoon, Senator Leone, Representative Guerrera, Senator Boucher, Representative Carney, and members of the Transportation Committee. My name is Leo Karl. I am owner of the Karl Chevrolet Group. I am here today to speak in opposition to Raised bill 5310, An Act Concerning the Licensing of New and Used Car Dealers.

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, 44 electric vehicles are for sale in Connecticut. These are EVs, ZEVs, and fuel cell vehicles in a wide choice of styles, prices and functions to meet the needs of consumers.

90% of all Electric Vehicles in our state are now being sold by franchised dealerships, 79% of all plug-in and fuel cell electric vehicles are sold by franchised dealerships, and 50% of all battery electric vehicles are being sold by Franchised Dealerships.

With the incentives of Connecticut's EV rebate program that began in May of 2015, CHEAPR, Connecticut dealerships sold more EVs in 2017 than we have ever before. Customers see that the EVs are reasonably priced, look good, are good for the environment, and can travel many miles.

Dealerships continue to promote CHEAPR at a number of events around the state. There are currently 40 vehicles that are eligible for the CHEAPR rebate. As of January 25, 2018, 2,347 vehicles were sold that met the rebate qualifications.

The EVs being sold in Connecticut are from many different manufacturing labels: BMW, Audi, GM, Ford, Honda, Toyota, Volvo, and Mercedes have all arrived with an EV that will sell through dealerships in Connecticut. Connecticut dealers are able and ready to meet the demand of EVs.

Tesla has been promising for years to bring its Model 3 to market, however they have been unable to produce more than just a handful of these vehicles. On the other hand, companies such as Chevrolet have introduced long battery range vehicles like the Chevy Volt and Bolt, two

cars that are taking the lead in EV technology and affordability. Clearly the franchise system is the better way to get EVs on Connecticut roads.

The highly skilled technicians that work at our dealerships are trained to work on different cars that are sold, including all electric vehicles. Technicians know how to replace parts, fix pieces, do recalls and get cars safely on the road again for our customers. Our service advisors know how to work with the manufacturers on any recalls and warranty issues to ensure our customers receive warranty work, lemon law assistance, and repair service that they are entitled to as a customer. The dealers do this well. The system Tesla wants you to set up will not do this. It might be good for Tesla, but it will not be good for consumers.

The dealerships also provide chargers for electric vehicles. Connecticut new car dealers have 44 EV charging stations available to the public, most without a cost, regardless of car brand. This accounts for 15% of public chargers in Connecticut.

It is very unfortunate that Tesla argues they are concerned with putting a larger charging network into Connecticut's charging infrastructure with the assumption this will encourage more EVs to be purchased. However, the charging stations Tesla proposes are only for Tesla. They are the only EV manufacturer that prohibits access to other EVs at their charging network. All other EVs, and Teslas, can use the universal chargers that are located throughout Connecticut.

The exclusivity of the Tesla charging stations does not serve the public or the environment well, it only serves the corporate interest of Tesla Motors. Tesla has permission to use the Service Plazas in Connecticut to place their chargers. This does not help the other EV owners in Connecticut or people passing through. Access to charging stations should be universal if we want to encourage more EVs and continue to reduce range anxiety.

I urge you not to pass HB 5310- AAC the Licensing of New and Used Car Dealers. This legislation is not necessary. 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.