



May 13, 2021

The Honorable Martin Looney
President of the Senate
Connecticut Senate
Legislative Office Building
300 Capitol Avenue
Hartford, CT 06106

The Honorable Matthew D. Ritter
Speaker of the House
Connecticut House of Representatives
Legislative Office Building, Room 4106
300 Capitol Avenue
Hartford, CT 06106

The Honorable Bob Duff
Majority Leader
Connecticut Senate
Legislative Office Building, Room 3300
300 Capitol Avenue
Hartford, CT 06106

The Honorable Jason Rojas
House Majority Leader
Connecticut House of Representatives
300 Capitol Avenue
Hartford, CT 06106

The Honorable Kevin Kelly
Republican Leader
Connecticut Senate
Legislative Office Building, Room 2803
300 Capitol Avenue
Hartford, CT 06106

The Honorable Vincent Candelora
Republican Leader
Connecticut House of Representatives
Legislative Office Building, Room 4200
300 Capitol Avenue
Hartford, CT 06106

RE: SB 127, "An Act Concerning the Sale of Electric Vehicles in the State"

Dear President Looney, Speaker Ritter, Leader Duff, Leader Kelly, Leader Rojas, and Leader Candelora:

As the nation's oldest consumer organization, the National Consumers League's (NCL) mission is to protect and promote social and economic justice for consumers and workers in the United States and abroad. We are writing to convey our concerns with SB 127, "An Act Concerning the Sale of Electric Vehicles in the State," which the General Assembly is currently considering.¹

SB 127 would allow manufacturers of electric vehicles (EVs) to bypass the dealer franchise system and sell directly to consumers in Connecticut. While we understand there are pros and cons to direct sales of autos to consumers, in this case we are concerned that by allowing such direct-to-consumer (DTC) sales, consumers who purchase vehicles in this way may have fewer protections than those who purchase vehicles from established dealers.

In particular, we are concerned that SB 127 could mean that Tesla and other companies that sell exclusively through a DTC model would proliferate in the state at a high cost to consumers. Our concerns are triggered by recent customer service episodes involving Tesla, in particular, whose record raises serious consumer protection issues.

For example:

- Tesla has offered conflicting details when responding to deadly crash incidents, including one last month in Houston, Texas, involving the car's autopilot features;²
- As of November 2020, Consumer Reports is no longer recommending Tesla's Model S and Model Y due to poor reliability and quality issues;³

¹ Online:

https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=SB00127&which_year=2021

² Sonnemaker, Tyler. "Lawmakers demand answers in fatal Tesla crash after Elon Musk and executives offer conflicting details," *Business Insider*. April 28, 2021. Online: <https://www.businessinsider.com/tesla-fatal-crash-elon-musk-conflicting-statements-lawmaker-questions-2021-4>

³ Wayland, Michael and Kolodny, Lora. "Consumer Reports is no longer recommending Tesla's Model S and is panning the reliability of the new Model Y," *CNBC.com*. November 19, 2020. Online: <https://www.cnbc.com/2020/11/19/tesla-model-s-no-longer-recommended-by-consumer-reports.html>

- J.D. Power recently ranked Tesla 30th [out](#) of 33 manufacturers for dependability.⁴
- Tesla has been slow to respond to consumer concerns regarding double-billing for vehicle purchases of as much as \$71,000;⁵ and
- Tesla has resisted government oversight efforts by numerous consumer and investor protection agencies, including the National Highway Traffic Safety Administration.⁶
- Data collected by *Forbes* show that Tesla has accumulated more than three times the number of Occupational Safety and Health Administration (OSHA) violations than its top 10 competitors amassed from 2014-2018.

These examples show a general disregard for customer service, worker safety and consumer satisfaction. While safety and customer service concerns about auto makers are not unique to Tesla, the lack of a bricks and mortar address where customers can talk to a live person and attempt to remedy concerns, and the company's failure to remedy problems like double billing through email or phone calls, raises real issues.

Should Connecticut decide to move forward with SB 127, we would urge you require all auto manufacturers who sell vehicles, whether through the franchise dealer or DTC models, to abide by basic customer service standards. Such standards should include requirements that vehicle retailers:

- Have staff on-site who are empowered to resolve customer service concerns, such as billing questions;
- Promptly and fully respond to state inquiries regarding product safety;

⁴ Kolodny, Lora. "JD Power says Lexus is most dependable auto brand, ranks Tesla 30th out of 33," CNBC.com. February 18, 2021. Online: <https://www.cnbc.com/2021/02/18/tesla-ranks-30th-in-unofficial-debut-on-jd-power-dependability-study.html>

⁵ Kolodny, Lora. "Tesla double-charged some customers for new cars, leaving them desperate for refund details," CNBC.com. March 30, 2021. Online: <https://www.cnbc.com/2021/03/29/tesla-double-charged-some-customers-for-new-cars.html>

⁶ Pulliam, Susan *et al.* "Elon Musk's War on Regulators," *The Wall Street Journal*. April 28, 2021. Online: https://www.wsj.com/articles/elon-musk-tesla-spacex-regulators-crash-11619624227?st=uhu7xjx05c9eutz&reflink=desktopwebshare_permalink

- Abide by local, state and federal environmental laws, and
- Give proper attention to worker safety and respond to OSHA complaints.

Absent such amendments, we fear that allowing DTC vehicle sales in Connecticut will give the green light to companies with a poor record of resolving customer service and safety concerns, and allow them to gain market share, at the expense of consumers in the state.

Thank you for your attention to our views.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sally Greenberg". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Sally Greenberg

Executive Director

National Consumers League

E-mail: sallyg@nclnet.org

cc: Members of the Connecticut Senate
Members of the Connecticut House of Representatives