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TRANSPORTATION COMMITTEE

10:00 A.M.

CHAIRPERSONS: Representative Roland Lemar

SENATORS: Cassano, Daugherty Abrams,
Lopes, Needleman, Osten,
Somers

REPRESENTATIVES: Berger-Girvalo, Blumenthal,
Carney, Chafee, Concepcion,
Conley, Dauphinais, Devlin,
Goupil, Haines, Harrison,
Labriola, McCarthy Vahey,
Meskers, Michel, Morrin
Bello, O'Dea, Rebimbas,
Reyes, Rosario, Simms, Smith,
Steinberg, Thomas,
Zawistowski, Zupkus

REP. LEMAR (96TH): Good morning, everyone, and welcome to the Transportation Committee for February 19th. We have our second of four Public Hearings that we'll have on our Committee. We expect today's Public Hearing to be quite robust. Would like to go over a few rules and processes that we have for the Committee in our Public Hearing today.

As you know, the Public Hearing is being conducted at a little slower pace to accommodate the quality of the live stream to make sure that folks at home watching on YouTube or panelists who are you taking part and testifying via our closed access network have the ability to have their comments heard and understood and to have proper questioning take place and that I or Representative Simms or Senator Cassano, whoever might be leading the meeting at any moment, can recognize folks who have questions of our panelists.

All participants today will be muted until they are invited to speak. When the three minute-time limit is up, the Clerk will ask you to summarize, or he'll have to mute you so we can move expeditiously

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through today's proceedings. Member question and answering is limited to five minutes and it's to the Bill that we have before the Committee. The Clerk will alter -- will alert Members to the end of their time and then mute them if we go past that five-minute window.

At the completion of speaking testimony and responding to any questions from Committee Members, participants will then be removed from the hearing, and you can go back and watch the rest of it live on YouTube. So, any disruptive or inappropriate behavior and you will be removed from the Public Hearing and you will not be allowed back in.

Committee Members must raise their virtual hand to signify their desire to speak, and then I'll recognize you in the order in which you raised your hand. And if you're on a computer or a mobile device that's not part of the CGA Network, you can open up the participant panel and then you click Raise Your Hand at the bottom of the panel, and that's how you'll alert me. And if you have trouble with that, just, you know, wave your hand vigorously and I'll -- and I'll find you in the list. And, again, if you -- if you're using a phone today, the controls for participants, you can hit star six and that will toggle your mute and unmute, and star nine raises your hand so that I can see that you're wishing to speak.

With all of that being said and all of the processes being laid out, I would like to invite either Representative Carney or Senator Somers to say any opening remarks before we start today.
Representative Carney?

REP. CARNEY (23RD): Thank you very much, Mr. Chairman, and it's good to see everyone this morning. I echo your comments we do, certainly, have a very robust agenda today with issue -- with a lot of varying issues, some more contentious than

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others. You know, some we've seen before, some we've seen, I think, almost every year. But all of them are important issues, and I look forward to hearing from all of the advocates, regardless of where they stand on a particular issue, so we can fact find and figure out the best way to move forward. So, again, look forward to this hearing today and hearing from all of the people who've decided to make their voices heard.

REP. LEMAR (96TH): Thank you, Representative Carney. Senator Somers.

SENATOR SOMERS (18TH): Yes. Good morning, everyone. And I would just like to echo what Representative Carney and our leader, Representative Lemar, have stated today. I'm looking forward to hearing everyone. I'm really happy that this Committee will be allowing everyone to speak today. And I'm looking forward to get going. Thank you.

REP. LEMAR (96TH): Excellent. I know Senator Cassano, who is my Senate Co-Chair of this Committee is also the Senate Co-Chair of the Planning and Development Committee, which is having a Public Hearing at the exact same time as we are on, so he will be in and out today.

There are a number of Members on the Transportation Committee who are also Members of the Planning and Development Committee. So, there will be some overlap, as folks are going back and forth between those two Committees today. And as I mentioned, the Members I am not keeping track of which Committee is your favorite and or if you spend more time in this Committee than that Committee over there. But, you know, transportation's more exciting.

So, with that being said, we will kick off today's Public Hearing. We have a robust list of folks on the public official's side and in general members of the public -- of Connecticut residents. So, we're

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going to keep the public official side tight into the one-hour time limit. And then we'll go back and forth with between members of the general public.

So, kicking us off today -- and let's make sure I can see him in the lobby. We have Kevin Dillon kicking us off from the Connecticut Airport Authority. Kevin, are you in? Mr. Clerk, you are muted.

PHILIP MAINIERO: Mr. Chair we are letting in Mr. Dillon right now.

REP. LEMAR (96TH): Excellent. I seen him in.

PHILIP MAINIERO: He should be joining on now.

REP. LEMAR (96TH): Excellent. Kevin, are you able to hear and turn on your camera?

KEVIN DILLON: Okay, can you hear me now?

REP. LEMAR (96TH): We can, Mr. Dillon. How are you?

KEVIN DILLON: Okay. Oh, good morning. Thank you, Mr. Chair, and good morning, Ranking Members and Members of the Committee. My name is Kevin Dillon. I'm the Executive Director of the Connecticut Airport Authority. I'm here this morning to testify in support of House Bill 6426. That's AN ACT CONCERNING RECOMMENDATIONS BY THE CONNECTICUT AIRPORT AUTHORITY. I did submit written testimony; I hope you've all had the opportunity to read it. I think there's a lot of good information in there for you to consider. So, I'm going to try to keep my remarks very brief and get to any questions that you might have.

But looking at the Bill, Section I and II, addresses law enforcement services here at Bradley Airport. The auditors of Public Accounts recently conducted a

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review of our law enforcement arrangement with the Department of Emergency Services and Public Protection. And they are recommending that we enter into an MOU that outlines the contractual relationship that exists between the airport and the state police, with an emphasis on speaking to the federal requirements that the CAA has to provide law enforcement services. We're already working with desk on an MOU and making progress there. But the passage of this Bill will allow us to close out those audit findings with the APA.

Section III addresses a nationwide NTSB issue. The NTSB is concerned -- the National Transportation Safety Board is concerned about a number of accidents that have occurred across the country with aircraft impacting what are typically known as weather evaluation towers. These towers are typically below 200 feet. At 200 feet, there is already regulation under the FAA that requires those towers to be marked and, in some cases, lighted, but towers below 200 feet do not fall into that requirement. So, the NTSB is asking states across the country to pass regulations that would require those towers to be marked. When they talk about marking, it simply painting the tower to increase visibility of the tower so that pilots that may not be familiar with the terrain would not impact the tower naturally. The Bill also prescribes penalties for those that don't comply.

I guess, however, the concern that we have is that the Bill doesn't address probably the primary recommendation that we have here at the airport, and that being the issue surrounding retirement costs at the airport. As you all know, we've been impacted greatly by the pandemic here at Bradley Airport, we continue to be down about 70% to 75%, in terms of passenger traffic that directly correlates into substantial drop in revenues here at the airport. And despite hiring freezes and significant budget cuts, withholding salary increases that would do

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personnel, we still have a number of financial issues. And this continues to be an important issue for Bradley Airport. Because as we look towards recovery from the pandemic costs will be everything to any airport, across the country, we're in a very competitive environment. It was competitive with other airports in terms of trying to attract service prior to the pandemic, post pandemic, it's going to be even more intense. So, the airlines are very focused on our costs.

And for a long time, the airlines have complained about what's known as the high fringe rate. And, again, I want to be very clear, this is not a partisan issue. As, you know, the airport is concerned. When I say a high fringe rate, what that refers to is the cost that's assigned to each individual employee throughout the state to recover legacy pension costs, right? So, the actual employees are not benefiting from the high rate. It's simply a mechanism to recover costs for all of the underfunding that was done to the system.

So, again, what we are asking the Committee to consider is JFS language that would give us relief from those pension costs and allow us to take our unclassified employees, only our unclassified employees, have them withdraw from the system or give them the option to withdraw, and any new employees from a date certain, be given -- be put into a 401 plan versus the existing state pension system, that would be considerable savings to us, once we could finally get all of our unclassified employees into that new system.

So, I don't want to draw on -- as I said, I've put a lot of information in the written testimony to you and we're simply asking that the Committee consider JFS language to include that provision. Be happy to answer any questions that you might have.

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REP. LEMAR (96TH): Thank you, Mr. Dillon, for your testimony today and for your continued work on behalf the Connecticut Airport Authority in these very challenging times that you and other airports across the country are facing. I know we are in good hands under your leadership and looking at the future of Bradley and the Airport Authority, we trust that we have a good team in place there that can help whether, to the best of your abilities, the challenges you face to -- directly to the issue that you raised at the end of your testimony, with respect to the employee classification and changes to the retirement plans that you seek, I think we've had this conversation, both in public and in recent Harvard current article, in which I completely appreciate that the mechanism by which the state has used to pay off these long-term legacy costs does on your books necessarily impact you in a way that makes you seem less competitive to outside entities.

And I understand that. It doesn't just impact the Airport Authority and impacts on a number of agencies in state government. And the solution that we had before this Committee that you introduced made sense on the Airport Authority side, don't get me wrong. But the way that it impacted state government and necessarily our CBAC agreements, we felt was beyond just an Airport Authority and a Transportation Committee consideration. And we extended that consideration more broadly to our leadership in each of our caucuses. And we think there's a larger conversation that needs to take place. And a unilateral change that we might make to benefit the Airport Authority would necessarily have impacts more broadly to our state pension funds, and collective bargaining agreements more broadly. And we just, we didn't think it was appropriate for the Transportation Committee to take this one issue up in isolation.

And so that's why we refrain from considering it on its own, because there are much broader impacts

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associated with it than just the impacts to the Airport Authority. But you have my commitment that I will work with my caucus to try and help find different ways to account for these costs, that doesn't make the Airport Authority uncompetitive in the eyes of airlines who wish to potentially locate in the state of Connecticut or at Bradley Airport. With that, we'll move on to Senator Osten and then Representative Zawistowski.

SENATOR OSTEN (19TH): So, I just was wondering which component of the Bill in front of us represents the pension issue? But I think that Representative Lemar dealt with that issue. And so, I -- you know, I understand that you're frustrated with this, Kevin, but to bring it up every time when it leaves an impression as if a current employee is worth a lot of money when we have already switched to a 401(k) for employees hired and over a third of our employees are now in a 401(k) environment, hybrid 401(k).

So, you would still be liable for that unfunded liability. So, I just want you know, again, and again, and again, this comes up with you. And, again, and again, again, we explain this to you, so I'm a little frustrated with the fact that we have to explain it, especially when you bring it up on a Bill that has nothing to do with this issue. Just want to say that we should be just talking about the Bill at hand and not add in this other component, which does not mean anything. Thank you.

REP. LEMAR (96TH): Thank you, Senator Osten. Representative Zawistowski, followed by Representative Dylan, I'm sorry, Devlin

REP. ZAWISTOWSKI (61ST): Thank you -- Thank you, Mr. Chairman. I appreciate your words, that you have a commitment to be able to address this issue concerning the airport.

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I do want to mention that I mean, this only impacts non-union employees. So, I'm not sure how we actually connects with CBAC at all. But I mean, it's -- if you're committing that we're going to actually try to take a look at this to just fix this problem through other areas, I'll certainly take your word. We did have a hearing on this in 2014 in the Transportation Committee, so it's not totally out of place.

The -- you know, I think we just need to remind people that Bradley is self-sustaining. It does not take State money is not a state agency. And it's actually a competitive entity. They're competing with other airports. So, this is makes it different from the state agencies that we're trying to correct the situation with.

Anyway, just wanted -- a couple words to Kevin. I just want to say that you're -- glad that you're here. I can never overemphasize the importance of Bradley airport, the economy of the North Central Connecticut area. And I will certainly echo the Chairman's words that, you know, the airport and the CAA properties are in good hands with you at the helm. So, thank you for being here and looking forward to hearing the rest of the discussion. Thank you, Mr. Chairman.

REP. LEMAR (96TH): Thank you Representative Devlin.

REP. DEVLIN (134TH): Thank you, Mr. Chairman. And with your indulgence, just a couple of questions, if I could to Kevin, and I appreciate what the good Senator said in terms of this issue coming up. And again, and again and again, but I would really like to understand a couple of things a little bit better.

And you, in fact, Mr. Chairman, mentioned that, you know, it keeps coming up as competitive issues. But, Kevin, to you, do the high-fringe costs -- and

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I got to say, we addressed this yesterday on a different topic, in finance, with a Bill from one of the Chairs, to take fringe costs out of a specific agency's budget -- special transportation fund is a great example, because that's one of the highest growing cost factors, and putting it into the -- into the general fund where it originally was, but it was moved out to make more room. But you brought up, you know, competitive issues with this? Are these classes having any implications for the airport besides that? I mean, is that it, that it's just makes you non-competitive? Or are there other issues?

KEVIN DILLON: Oh, absolutely. I mean, the -- that in order for us to try to remain, somewhat, competitive, right, we are, essentially, deferring capital work here at the airport, necessary infrastructure investment, to take those funds to offset these high costs that we're trying to get our arms around.

So, you know, the perfect example that I can give you is, you know, all of your travel, right? When was the last time you were at an airport, where the explosive detection screening is still being conducted in the lobby of an airport, right? That occurs at Bradley airport, because we don't have the \$100 million dollars-plus to install an inline system. And the reason why we don't have that money is because we're diverting it to cover costs like this, right? So, it's all tied together the entire cost structure here.

And, again, you know, I certainly, you know, respect, you know, what the Senator said about me bringing this up over and over again. But, quite frankly, I bring it up over and over again, because it's an extremely important issue, right? The Airport Authority was created to have Bradley airport fulfill its potential, right? For the longest time, this airport has not been able to

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fulfill its potential. So, we're juggling a lot of things here to try to generate the level of success that we've had over the past seven or eight years.

But we will get to a point, where those infrastructure needs are going to get to the point where I can't simply ignore it any longer and have to invest. And that's where we're going to run into real significant issues with the airlines. I mean, it's not only a baggage claim system, but we also have a sewer system here at the airport, that needs to be completely replaced.

REP. DEVLIN (134TH): Okay.

KEVIN DILLON: And you're talking about millions of dollars that need to be invested into Bradley airport. And we simply can't sustain higher costs like this.

REP. DEVLIN (134TH): Thank you for that. I just have one more question. I'm one of those people jumping in between hearings. And I always sent this response of defense when this issue does come up. And that that it is an attack on unionized employees, if you will. Does CAA have any plans to use this -- you know, should you be able to make changes that you want -- to use it as a stepping stone to eventually pay -- you know, seek removal of the authority's unionized staff from the retirement system?

KEVIN DILLON: Absolutely.

REP. DEVLIN (134TH): Because I think then and then it gets to the crux of some of the concerns that we hear. And I'll leave it at that, because I know this is a topic that our Chairman would prefer to not address. But if you could answer that, I'd appreciate it.

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KEVIN DILLON: And absolutely not. We have no intention of trying to extend this request to the unionized staff. Simply by dealing with the unclassified staff, we believe immediately upfront, we get \$1.25 million dollars of savings. When we fully transitioned the non-unionized staff only, it would be \$3 million dollars' worth of savings annually. That goes a long way in terms of bringing the rates and charges that we have to, you know, charge the airlines into a very, very competitive position.

REP. DEVLIN (134TH): Thank you. I appreciate that clarification. And, Mr. Chairman, I appreciate the opportunity to ask those questions as well. Thank you.

REP. LEMAR (96TH): Representative Carney, followed by Senator Osten. Now, I would like to just remind you that this specific issue that we've been talking about the last few minutes is not on today's agenda, while it is a consideration that Connecticut Airport Authority has in a broader package, there is actually another Bill that was raised yesterday in the Finance Committee that's intended to address this issue on multiple agencies and entities within state government. I look forward to a robust conversation about it there, but it is not on our agenda for today. Representative Carney followed by Senator Osten.

REP. CARNEY (23RD): Thank you very much, Mr. Chairman. And thank you for pointing out that there is a Finance Committee Bill that will address this, and both you and I are on the Finance Committee, so we will have an opportunity to hear that. And, you know, Kevin, I hope you'll come and testify on that one when that time comes, because I want to continue this conversation with you.

I do have just two questions about the Bill. The first one is regarding Section I with a memorandum

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of understanding with Department of Emergency Services and Public Protection. Is there a reason that we have to have this in legislation, as opposed to just letting the Airport Authority do it on its own?

KEVIN DILLON: From my way of thinking, no, there's no specific reason. It's just a legacy that's carried over. It is -- already is in statute. A lot of us cleaning up the language from what was originally intended and making changes, for example, replacing DOT with the CAA.

REP. CARNEY (23RD): All right, thanks. And the other one, I think, we've heard this meteorological tower provision before it may have been last year. So, I'm -- I can't remember. But if it wasn't last year, was there a reason that it did not move forward that you can recall?

KEVIN DILLON: Yeah, it was actually withdrawn because the FAA was moving forward with actually making this a regulation. Unfortunately, the NTSB is still concerned, even though the FAA has that obligation, the NTSB feels that the FAA is not moving quick enough on it and that's why they have asked States to adopt as policy independently.

REP. CARNEY (23RD): Okay. All right. Well, thank you for that, and, hopefully, we can get that done this year. But, as always, I appreciate hearing from you and continuing these conversations with.

KEVIN DILLON: Okay.

REP. LEMAR (96TH): Thank you. Senator Osten.

SENATOR OSTEN (19TH): Thank you very much. I don't really need a comment from Mr. Dillon. But just to clarify the record, no one believes that this is a union issue or a non-union issue, the fact is, is that the General Assembly has been dealing with this

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issue for a number of years now to actually credit what the problem is, and that's the 70 years of non-payment.

And even if Mr. Dillon removes every single one of his employees, from the pension system, he will still have the liability of those members of the Airport Authority that are in the pension system, where we did not pay those Bills. So, he would still have this liability on his rolls to pay.

Those employees that come in on tier three and tier four, in particular, tier four are paying all their pension costs. It is the unfunded liability that causes the problem. And to not let that stand -- do not let that explanation come out on the record when we continue to talk about it this way, I want Mr. Dillon to understand he will still have the responsibility of all the people that were hired by the Airport Authority that are being paid pensions that will still sit on his books. He will still have that.

He can fire every one of his employees and he can hire all brand new, and he can put every single employee, union or not, into a 401(k)s, the State has already done that. already started that and has been working on it. Fully a third of the state employees are in a hybrid 401(k), whether they're in a union or not. But Mr. Dillon, and the Airport Authority will still have responsibility for that unfunded liability no matter what happens. Thank you.

REP. LEMAR (96TH): Thank you, Senator Osten. I think that concludes the people who have questions of the Airport Authority today. I think I can speak, with relative confidence, that the issues that are on the agenda and in your Bill for Public Hearing today actually have pretty universal support. And I'm looking forward to working with my Ranking Members and Committee Members over the next

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month or so to get a Bill over the finish line. And we appreciate your correspondence with the Committee and with us, and we will get this product moving. So, thank you, Mr. Dillon.

KEVIN DILLON: Thank you.

REP. LEMAR (96TH): Next up, we have John Henshaw, the Connecticut Port Authority.

PHILIP MAINIERO: Believe -- Mr. Chair, I believe he's joined by David Kooris as well. They should both be in the room and be able to unmute.

REP. LEMAR (96TH): Excellent.

JOHN HENSHAW: Good morning, Mr. Chairman.

REP. LEMAR (96TH): Good morning, Mr. Henshaw. I believe you're also joined by David Kooris as well.

DAVID KOORIS: Yeah, I'm here. Morning.

REP. LEMAR (96TH): Excellent, okay. Mr. Henshaw and Mr. Kooris, we will allow you to testify. We're going to start with Mr. Henshaw, who is the recognized speaker on our agenda, and then you can transfer over to Mr. Kooris when appropriate. Good morning.

JOHN HENSHAW: Terrific. Thank you very much. Good morning, Mr. Chairman, Vice Chairs, Ranking Members and Members of the Transportation Committee. I will summarize our testimony on the Bills before you and submitted to the Committee, together with any additional information that's requested during the hearing.

With respect to propose S.B. Number 241, AN ACT CONCERNING THE OVERSIGHT TRANSPARENCY IN CONNECTICUT PORT AUTHORITY, the proposed Bill references a review of the amount of payment in lieu of taxes

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provided to the Connecticut Port Authority, the amount provided to other quasi-public agencies. The CPA does not receive any payment in lieu of taxes.

The CPA support -- further, the CPA supports the representation of small works and host communities on our Board of Directors, we welcome those and support any recommendations from the Legislature and the designated appointing authorities regarding the best possible representation on the Board. We welcome the opportunity to provide a formal update to you on our small harbor improvement projects program or ship our sole mechanism for investing state resources and small board projects.

We welcome the opportunity to provide an estimate of the jobs that can be created during our post-construction project and state here in New London, as well as jobs to be created by our private partners during their utilization of the upgrading state pier facility 2022 to 2031, as compared to the employees and private companies with operations safety or prior to [inaudible]. We believe strongly the creation of the CPA on our singular focus on the state's maritime infrastructure and economy have enabled us -- have enabled to advance projects in multiple ports and harbors and seize opportunity [inaudible].

PHILIP MAINIERO: Well, John, it seems you -- you've been muted, if you can unmute yourself.

JOHN HENSHAW: Sorry about that. We believe strongly that the creation of CPA and our singular focus on the state's maritime infrastructure and economy have enabled us to advanced projects and multiple ports. and harbors and seize opportunities that far exceeded the level of success achieved with the maritime functions were located in our public transportation. We believe, maintaining a quasi-government agency with our mission is more beneficial to this date and rolling it to the DOT.

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With respect to proposed S.B. number 610, the CPA remains consistent in our support of the City of New London efforts to join our Board, CPA's commitment to the city -- cities edition was memorialized in the impact fee agreement during the authority terminal operator Gateway New London, LLC, and city execute in January 2019. The innovative agreement guarantees at annual payments to the city to offset costs associated municipal services and additionally provides share of a revenue generated terminal for the next 20 years. The agreement further includes a commitment by the CPA to support any legislative proposals or administrative direction seeking to provide New London with a seat on the CPA's Board of Directors.

The impact fee and revenue sharing payment to the City of New London amounted to \$125,000 into -- 2019. That payment is projected to more than double, averaging more than \$262,000 dollars annually to the City of New London during or Orsted and Eversource's 10-year lease term. That revenue is separate and additional -- from the additional revenue of city will receive from a host city agreement that we expect will be, ultimately, asking by city and Orsted and Eversource.

With respective proposed S.B. number 605, AN ACT CONCERNING THE CONNECTICUT PORT AUTHORITY, we welcome in sport recommendations from the Legislature and the designated appointing authorities regarding the best possible representation in our Board. The CPA supports the placement of the Connecticut Pile Commission within an appropriate agency of the state, instead of the Connecticut Port Authority for administrative purposes only.

With respect to proposed S.B. number 866, as required by statute, the authority currently submits to the Transportation Committee two reports -- one

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details the activities disclosing operating and financial statements and recommendation -- a recommending legislation promote the authority's purposes. The other requires a list of projects undertaken by the state would support state's maritime policies encourage maritime commerce and industry recommendations for improvements to existing maritime policies and programs and facilities and such other recommendation as the Board considers appropriate. Those are currently submitted to the Transportation Committee and other relevant Committees. We look forward to working with your Transportation Committee to advance the interest of Connecticut's maritime economy and we look forward to any questions and comments you may have today or in the future. Thank you very much.

REP. LEMAR (96TH): Thank you, Mr. Henshaw. Mr. Kooris, would you like to add anything at this time?

DAVID KOORIS: I will just add that several Members of the Board submitted independent individual testimony. They were not able to actually testify in person tonight, but you have their comments in the written record.

REP. LEMAR (96TH): Thank you, Mr. Kooris. Are there questions for the Board Authority today? I'm going to start with Representative Carney.

REP. CARNEY (23RD): Thank you very much, Mr. Chairman, thank you, John, and, David, for coming on this morning to testify in some of these proposals. So, my first question because it's in several of the Bill or two of the Bills. Who currently holds the spots for town's \$100,000 dollars or fewer and \$50,000 dollars or fewer?

DAVID KOORIS: Yeah, so one of them is held -- so let me -- let me just take a step back and say, it's kind of a funny thing, right? Because you have the appointing authorities, and then you have these

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requirements of the Board. And so, when there's a vacancy, individual appointing authorities have to also think about whether or not they can fit one of those roles. There is a Representative from the City of Norwalk, which gets the below \$100,000 dollars. And then there is a Representative from the City of New London -- drawn from the City of New London, that that hits the lower population threshold.

REP. CARNEY (23RD): Okay, all right. Yeah because, I mean, one of the things I think that we're thinking is just to ensure that those Representatives actually come from a town that has a port, as opposed to just being a general coastal municipality, so I think that --

DAVID KOORIS: So -- and I think -- sorry, go ahead.

REP. CARNEY (23RD): No, go ahead with it.

DAVID KOORIS: I was just going to say, I think you've -- creating a separate mechanism so that it doesn't fall on the individual appointing authorities to, say, "Oh, mine happens to be the vacancy that emerges right now, and I also have to check this other box," I think sort of divorcing those two would make -- would facilitate, you know, filling these roles.

REP. CARNEY (23RD): Regarding -- I guess this would be S.B. 241, the section that would require you to provide an estimate of jobs that would be created. And also, as compared to jobs that would be lost, do you have any numbers like that now that you can share with the Committee?

DAVID KOORIS: Yeah, I mean, I can, certainly, give an order of magnitude. You know, we've stated publicly before some of the projected job numbers, not including longshoreman at the pier in the wind scenario are in the several hundred order of

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magnitude. The number of jobs at the pier, currently not including the longshoremen, are in the half a dozen order of magnitude.

REP. CARNEY (23RD): Okay, because, I think, you know, certainly, a lot of us -- you know speaking for myself -- and I think a lot of us really want to see comparisons, not only with jobs, but also, you know, an economic analysis, the types of jobs, the types of trade, that to try to get our head really wrapped around what benefit will this pure reconstruction and changes to the pure really have to the State of Connecticut, the economy, and the City of New London? So, I -- certainly, I know, I would welcome any sort of information that you can provide to outline that, but really, with specifics on what we would be created, what types of jobs be created, what cargo would be created, versus the types of things that unfortunately, would be lost as a result of this peer reconstruction.

DAVID KOORIS: Yeah, absolutely. And just to be very clear, we are not going to wait for this Bill to do that. We are in the process of pulling this together coming out of our conversation on the 29th of January, and we expect to have you all something shortly.

REP. CARNEY (23RD): Okay, and kind of, I guess, combining two of the Bills to a degree. So, Senate Bill, sorry, 241 talks about -- is, I think, sort of for the DOT to look into pulling the CPA back into DOT, and the Bill that -- was it 605 talks about moving the pilot commission back over to DOT, and that that you support. So, I'm wondering, is there anything else that should be moved to back to DOT that the Port Authority is unable to handle?

JOHN HENSHAW: So, the reason that we are recommending that the -- or agree with -- the Legislation that recommends moving the pilot commission to DOT or back to DOT is because of

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potential liability issues. DOT represented by its own counsel, but also by the Attorney General's Office. And we are dependent on private counsel, which puts us at a significant disadvantage should there be an issue arises.

REP. CARNEY (23RD): Okay. Because I -- and I -- and I appreciate that answer. And I kind of -- see that's what I'm -- I think, with the other piece of Legislation -- 241, I think that's sort of what the proponents of that Bill are kind of getting -- trying to get at too is that, you know, maybe some things or the entire thing would be better off under DOT for some of the reasons you've actually provided that they do have more resources there than the CPA does.

And, you know, and I -- you know, at this point, there's a lot of us that do have strong concerns about the direction, particularly of the state pier in New London. So, you know, I'm curious to hear more. I know, I see one of my colleagues who proposed this Bill has her hand up, and I'm curious to learn more about that proposal. So, with that reason, I'm going to -- that's all my questioning so far for today with the both of you, but I do want to thank you both for coming on. And I'm sure we're going to continue having these conversations.

JOHN HENSHAW: Thank you.

REP. LEMAR (96TH): Thank you, Representative Carney. Senator Osten, followed by Representative Meskers.

SENATOR OSTEN (19TH): Thank you very much, and I appreciate my colleague, Representative Carney's discussion because he got to the heart of many of the things that 241 is looking at, to say, what can we do to -- we want the project, which we think is different than CPA, to be successful. But we are

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increasingly concerned that, perhaps, the project is too big for CPA.

But my question, because Representative Carney got to the heart of other questions, but I have a question on small ports. And while the Legislation requires it to be small towns, but small ports have been an always been a concern about being within the confines of the Port Authority, because they would be overwhelmed by the three deep water ports and the concerns there.

And it doesn't appear that the small ports are really getting adequate representation on the Board. And it may not be the Board, but it may be the executive branch administration that it doesn't feel that the small ports have the value that the project at the New London import is pulling all of the resources into. So how many small ports are there in Connecticut relative to this port authority?

DAVID KOORIS: In terms of total number, Senator?

SENATOR OSTEN (19TH): Correct.

DAVID KOORIS: I have it off the top of my head but it's several dozen, particularly when you consider some of the harbors that have exclusively small private marinas, etc. But just to -- just to reiterate, we welcome any suggestions that you all have about strengthening representation of smaller ports and working harbors on our board.

SENATOR OSTEN (19TH): And I think that that's one -- that's one of the recommendations that we have in the Bill because we just think that these small ports have in -- value individually and value as a whole, it -- based on just the character of Connecticut. But, also, we really need to figure out you -- my understanding is the Board -- the Port Authority Board approved a number of projects in have followed the process to get them to the

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executive branch. Is that -- is that -- would that be accurate?

DAVID KOORIS: That is accurate, you know, and we have looked into it, since you brought this up on the 29th, and I will acknowledge that there is one additional piece of paperwork that we need to submit to button up all the information that is necessary -
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SENATOR OSTEN (19TH): Okay.

DAVID KOORIS: For it to come to bond commission, and we will have that in in time for the next meeting, and then it will be, you know, able to be taken up whenever the administration decides.

SENATOR OSTEN (19TH): Thank you very much. And were there -- the small ports, my understanding with the legislation was every two years, there would be a host of projects that would be approved for the small ports. Is that your understanding on what the legislation implies?

DAVID KOORIS: So, the legislation -- I don't have the exact language, but it actually mandates that we spend \$5 million dollars a year on the small harbor improvements. We have never hit that number. And part of the reason why we've never hit that number is because we've never received applications of eligible projects to total that amount. We have in -- I believe, in one year, we did receive applications of greater that amount, but some of them were for private facilities. And before legislative change, two years ago, I think, private facilities were ineligible recipients of those money.

So, yeah, I mean, the short answer is, you know, we continue to encourage and work with harbor commissions and municipalities to try and generate demand. And then we continue to, you know, submit

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the projects that we do have that are eligible for funding. But we have not hit that \$5 million dollars a year target yet.

SENATOR OSTEN (19TH): So, the legislation itself mandates the administration to put forth, I would say, up to \$5 million dollars of approved projects by the Port Authority, and you have projects that you have approved, albeit you may need one more piece of paper to submit. And before the next bond commission happens, that piece of paper, I would assume, would be forwarded. Can you make sure that the -- I'm assuming that Representative Lemar, it would go either to Phil or to Representative Lemar so that we know that, that component has happened or to the Eastern Connecticut Delegation, whichever you think is appropriate? But I think that Representative Lemar is saying that he would prefer that when we ask questions, it goes to him, so he knows that the answers that have happened.

DAVID KOORIS: Yes, we will absolutely --.

JOHN HENSHAW: Absolutely.

SENATOR OSTEN (19TH): And in regard to -- the transfer to DOT, Representative Carney talked a bit about where we are. And in order to make this project successful, the larger -- bigger project that the pier is designed to go to. Do you believe that there -- we have a companion Bill in GAE talking about quasi publics, generally speaking, saying that part of the failure of this quasi-public was that it wasn't stood up in a way that allowed it to be successful for a variety of reasons.

But one, the number of staff that you have, do you believe the number of staff that are at the Port Authority has the ability to handle a project the size of the wind project and get it done, one, in a timely fashion, but one, oversee it so that we know that it's happening in a good fashion?

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DAVID KOORIS: Yeah, so I'll answer one way, and then -- and then let John weigh in. I think, you know, one of the greatest outcomes of this last 18 months of soul-searching and exploration into sort of the origins of the CPA, and its early evolution was the recognition that we needed to find innovative ways to supplement the in-house capacity.

And just as Mr. Dillon referenced earlier with the partnership, around policing at the airport, you know, since we all started taking a closer look at this, we have engaged in MOUs, with both OPM and with DAS -- OPM on a management and financial side and DAS on a project delivery side.

So, I can say with confidence that at this current moment, via our MOU with DAS and OPM with Deputy Secretary Diamandis and others in his team, we have the resources available to us to bring this project successfully to fruition. I will -- I will let John though comment more broadly on the scale of the organization and its staffing, relative to its longer-term mission.

JOHN HENSHAW: So, I agree with the way that David has described our relationship with OPM and DAS. I would add also that we do have an MOU with the Department of Transportation as well. They've detailed an employee to come and work at the Port Authority. And that's been extremely helpful, especially in project management role force or the state of your project, among other -- among other responsibilities.

Being a small organization is, you know, challenging, but it's also a benefit, because everybody is sort of integral to the organization. Everybody's involved with, with every project. And I've found that, you know, leveraging resources from a variety of different sources, other state agencies, but, also, outside contractors, for

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instance, with our contracting administrator on the pier project, allows us to, you know, to leverage those assets to be successful.

SENATOR OSTEN (19TH): So, I don't know that, quite frankly, that I'm there yet, to say that we are going to be successful. I'm still extremely concerned, and it feels like that we're always waiting for that that next shoe to drop when we find out one more piece of information that requires an explanation that doesn't seem to be readily there.

So, I'm not there yet. That's, in part, why that is written the way it is because I would need a certain amount of a reassurance. And based on some of the questions that happened in the informational hearing, I look forward to getting that information and reviewing that information. But I'm really not quite there to say that we are going to be able to address some of the concerns we have.

I appreciate both of you coming on today. I know that the last couple of years have been difficult in nature. But I still have not reached a certain level of comfort to know that a several \$100 million dollar project, both in random -- rehabilitating the piers and in putting windmills out in the ocean, are really -- that we are really capable of handling this project under today's guidance and staffing that we have. And I look forward to the information to see where we stand at the end of this Public Hearing and Committee meeting that follows. Thank you very much both for coming on, appreciate it.

JOHN HENSHAW: Thank you.

DAVID KOORIS: Thank you, Sir. Could I just know just really quickly, we did provide some follow-up information coming out of the last hearing and just, please, if you have specific requests beyond that, let us know, you know, by a -- by the Chair, by

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Phil, and we will provide whatever it is that you're still looking for as promptly as we can.

REP. LEMAR (96TH): Thank you.

JOHN HENSHAW: If I could just --.

SENATOR OSTEN (19TH): Thank you.

REP. LEMAR (96TH): OK, go ahead, Mr. Henshaw. Just one other observation, so I came from a very similar organization in the State of Maine, and we were able to deliver significant large-scale projects in our ports in Maine, with a staff of the similar size, so I have confidence that we are able to deliver needs before. Thank you.

SENATOR OSTEN (19TH): Thank you. Thank you, Mr. Chair.

REP. LEMAR (96TH): Representative Meskers, followed by Representative Conley.

REP. MESKERS (150TH): Thank you, Mr. Chair. So, I'm new to the Transportation Committee. I'm new to the issues familiar from energy and technology on our original issue on procurement of the energy, etc.

And so, what I've heard over the last time, and I wanted to repeat and bring to where I am in my help and understanding the process, is that we still have to debate level of the extent of the investment in the pier to look at the facility that at a maximum minimum level in terms of where -- what we want to build out. The model where -- I guess what I heard today is you're going to look and give us projections on job impact, right, on the pier, so --

So, obviously, you've got more eyes on you than you would hope for. I think you're expected to deliver information to get us to approve a process. I think

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that number -- the -- I'll give you one more task at the end of that processes that, with our state resources, we are going to create an asset of X, Y, Z size, with an economic endeavor, with a scope that you're going to describe to us, based on how much money we're willing to put into the pier.

That is going into a commercial enterprise that benefits the state, because it fulfills our goals on the energy and carbon footprint. But the resource of the state is going to be brought to bear to provide an asset that's going to be used by these private companies. So, I'm going to be very much interested in the nature of the contract and, particularly, I think I mentioned last time, the nature of the optionality on the renewal of the contract. Because we're creating an asset that's going to have a lifespan of 30 years, maybe longer. I want to understand what their term of rental and uses, the fees we get for that, and what optional use there is for the for this year, 10 years from now, or 20 years from now.

So, I wouldn't be as comfortable in a blanket right of first refusal versus a right of last look on a bid to continue their operation versus other commercial activity at that pier. Because once we make the investment, it's incumbent on us to support the -- that ground-breaking work on the windmills, the turbines, etc., but then we've got a commercial asset and it's incumbent on us to make sure we maximize return to it.

DAVID KOORIS: Yes. So, I appreciate, Representative --

REP. MESKERS (150TH): So, I would be too -- sorry about that, right?

DAVID KOORIS: Yep. And the vast majority of what you're looking at is codified in the Harbor Development Agreement that was executed in February

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of 2020, but we're happy to have -- you know, to provide some distilled information from that, and have any further conversations that you're looking for around the details of that or --

REP. MESKERS (150TH): And all I would suggest we're not sure the size of the investment in terms of the scope of the project on the pier yet or we're defining that still. We want to make -- we ought to see whether that provides us an entree into the nature of the renewal contract, because if I build a Cadillac pier, the question is, do I have -- want to give them the same optionality on the renewal or if I want to have more control of the optionality on that renewal.

So that's just -- I know it's an end run. I know you've got a lot ahead of you, but just -- let's not just assume that we've already agreed to first right or first refusal 10 years or 20 years, I want to make sure we have a little more control that we -- the more we investing is my point, so I just mentioned that. Thank you.

DAVID KOORIS: Yep, thank you.

REP. LEMAR (96TH): Representative Conley.

REP. CONLEY (40TH): Hello, thank you for coming before us again today. I did want to start by following up on some of our conversations three weeks ago. I have not yet been provided the information on a legal RFP that we discussed three weeks ago, and I'm a little disappointed that I still don't have that information. And I'd like to get that information promptly from the -- from the Port Authority.

DAVID KOORIS: We submitted it several weeks ago.

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REP. CONLEY (40TH): That's probably within the Committee. I guess last the Committee Clerk to for that over as I don't -- I haven't seen it yet.

DAVID KOORIS: We submitted within a week of our last year.

REP. CONLEY (40TH): Secondarily, I appreciate Representative Carney starting off and Senator Osten, I will be echoing their concerns with a little stronger language. I have more than concerns on the ability of the Port Authority to handle the build out of the city pier. I know in my small town of Groton, we built some schools at, roughly, the same funding level that you're talking about within a range. And while the town and the Board of Ed had been -- had built schools before and were used to contracts, there was heavy state involvement with DAS and approval processes and the municipalities could not go very far without oversight of each and every piece of paper.

And that made, I think, the taxpayers outside my town, even though I had a lot of trust and goodwill towards those in my town worked on this project, that this was the state's money. And it was the taxpayer's money across the entire state. And not everyone knew that our municipality could really handle this project well because it was a large project. And the peace of mind that the state was approving each and every contract, who had done these contracts, who was used to RFPs, who had the Attorney General's Office standing behind us, was very helpful to large amount of taxpayer money.

And I see that same comparison with the city pier. We're looking at hundreds of millions of dollars of build-out necessary with state money. And I -- from the history of the Port Authority, I do not have confidence that these contracts in the future -- this amount of money can be handled by this organization. I appreciate that there are now

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members of -- understand them with OPM to keep eyes on the finances and DAS to keep eyes on the project delivery, and that there is a Department of Transportation Employee working with you full time.

But one of my thoughts is if we have three different agencies from the state now, assisting strongly the Port Authority, what is the Port Authority's purpose on its own with the build-out of city pier with that big project? Because I don't want to see this project being delayed, I don't want to see the state and the taxpayers missing this opportunity to have wind and to have these jobs that we're looking forward to seeing more information. But to have this big build in Connecticut, I worry strongly, based on the prior history of this organization, that if you -- it can be accomplished.

Some of the simple things is when we talk about policies and procedures -- and I do feel that the organization was given more than it could chew in the beginning, far more than it had the abilities to handle. But when I look at the, you know, some of the things that you could have handled with policies and procedures that we talked about last year, is you have an excellent resource of documents, you know, with the Connecticut Port Authority, with policies and procedures, with the Airport Authority, you literally could have downloaded the documents on the website to a Word document, search and find "air" and deleted it. And that could have been a really great basis for a lot of the policies and procedures.

Now, I know you've gotten there, but this has taken, you know, a year of time that you could have been working on other projects that I know you didn't have the staff, I know you had staff who was ill, I know you had other troubles going on. But since this Committee had to step in so largely in '19, and raise eyebrows and is now really -- I know monitoring the Port Authority much more than the

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Port Authority wishes to be monitored, but also much less than others probably wish it to be monitored as well. I have strong concerns as to whether or not the port project can be carried out. And I look forward to continuing this discussion.

But that's why I think in S.B. 241, that paragraph is there about let's talk about returning to the DOT because at some point, the state -- if the state's watching the finances and the contracts and the delivery and sending a DOT employee, at some point the state is -- DOT is really in charge of this project, along with OPM and DAS. And maybe we need to just categorize that correctly. Thank you, Mr. Chair.

DAVID KOORIS: So, Representative, you know, first let me know, it's the state pier, it's not the city pier that we're making these improvements to, you know. But we're doing exactly what you described we should be done.

You know, when these issues were brought to our collective attention in late 2019 or the middle of 2019, the process that we embarked on with OPM and some contractual support was exactly that. We looked at C.I., we looked at CAA, we looked at other quasits, and we did find the best practices and we adopted them, excuse me, we adapted them for our needs and adopted them over a year ago. And that work was completed sometime ago. And we've now been operating under those policies and procedures.

You know, regarding your example of school construction, where the municipality of Groton contracted with DAS, you know, for that technical support and eyes on every document, that is exactly what we have done with DAS for the implementation of the port reconstruction project, in terms of, you know, what is left for the role of CPA, when we lean on OPM for certain financial support, when we lean

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on DAS for certain, you know, project delivery support.

What's left is CPA having a singular focus on the maritime infrastructure and economy within the state that then draws on resources of partners to deliver on that mission. And I believe strongly that having an independent entity that has that singular focus, but then, unlike the mistakes of the past, takes advantage of capacity enhancements at par -- other quasits or other agencies is exactly the approach that you're advocating for. And I would argue that that's exactly what we're doing.

REP. CONLEY (40TH): And just to follow up, Mr. Chair, I'm not comfortable with the Port Authority having control. I think it's very important through sip -- through the state pier that there is substantial state eyes on every document in every area, in light of what's happened with this organization in the past.

DAVID KOORIS: And there are. That is exactly what the MOUs with OPM and DAS provide.

REP. LEMAR (96TH): Great. Thank you, Mr. Kooris. For benefit of the Committee and forwarding through our Committee Clerk, a compendium of documents of the Port Authority has submitted to the Committee as of February 5th, and you should be receiving it in your inbox momentarily. Senator Somers.

SENATOR SOMERS (18TH): Yes. Good morning. I have a few questions for -- I'm not sure who wants to answer them, whether it's Mr. Kooris or Mr. Henshaw. But I wanted to speak to you about -- obviously, you've heard from other legislators about their concerns moving forward with the state pier and the amount of state dollars that are going to be incorporated and the oversight and some of the Board -- the makeup of the Board, I know that some of the Bills have somebody designated to represent the

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large ports and other one has someone, you know, singly designated to represent the smaller ports.

How would you feel about a complete new makeup of your Board about the Legislature going in and having, maybe, legislators on that board, or determining like we talked about one for the small ports, one for the larger ports? You know, changing maybe, you know, some of the memberships that had been there during the previous time? And I do want to say, there are comments being made about the Port Authority and, you know, not taking on SOPs, that is a conversation we had over a year ago with the previous Chairman, with the previous Board. We've moved on from that, they've implemented SOPs. They have a structure right now.

So, I feel like we spend a lot of time going back to the previous Chairman. We've had a forum; we wanted a public hearing. We had a forum. There -- those questions should have been asked a year ago, and they really weren't. And now we're -- we keep mixing that to where we are now. And that is very frustrating. We take one step forward and then we keep going back. There seems to be some things that continue to be uncovered from those contracts. I am happy that the contracts Review Board is looking at the contracts. But I think that we need -- we need to make a determination going forward.

I don't think that this should be under the DOT because the DOT had it for 30 years and did nothing with the ports. You know my previous Senator fought for years to get a Port Authority established. And I think that we could all work together to provide the appropriate oversight, moving forward so that we can feel more comfortable. So, I wanted to ask you about that, how would you feel about changing the Board of the Port Authority, maybe moving on some of the folks that were there during the time when there was trouble, and, you know, replacing them with people that maybe some legislators are on that

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Board, maybe there are, you know, different individuals who could step up to the plate. So maybe people would feel more comfortable with what's happening.

And then secondly, I know that there's people that want to represent, you know, this -- the Mayor of New London would like to have a seat on the Port Authority, and I can understand that from a municipal perspective of wanting to have a seat at the table. But for me, that kind of -- it presents a conflict of interest. So, is there a possibility that, that person could be added as a, you know, like a non-voting member? I know the -- all those Committees are open; anybody can go and sit and listen. So, I'm just trying to see what your thoughts are on that. And I also was wondering if Mr. Henshaw could speak to why it's important to put the pilot commission outside from underneath the Port Authority. So, if you could speak to those, I have other questions, but I only get five minutes, so.

DAVID KOORIS: Thank you, Senator, particularly for the distinctions between the current and the past. We are open to any creative and innovative ideas that folks have about Board composition and membership. And I think like you, we want to make sure that it has, not just the expertise, but the confidence of you all, that it is made up in a way that can effectively oversee our activities. You know, we have some opinions here and there. But we are open to whatever ideas folks have and as much of a changes as we all, collectively, think is necessary.

Regarding the City of New London, similarly, you know, we have committed to the city from our 2019 impact fee agreement to support their effort to seek a Board seat. Whether it's voting or non-voting, I do think it deserves, you know, some exploration. Because there have been, frankly, questions in the

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past about a prior Board Chair and their role as a chief elected official and decisions of the -- of the Port Authority related to their municipality. So, I think it deserves exploration. But we are committed to supporting the city of New London's effort to have a seat on the Board. And we are absolutely open to whatever innovative and creative ideas folks have, to ensure that the representation instills broad confidence that our efforts are being effectively overseen.

JOHN HENSHAW: So, I would agree with David, with respect to Board composition. Obviously, we want to draw on the expertise that we have in the state, and make sure that the necessary expertise to manage the Board authority is included in that Board. And so, obviously, we're going to look to the Legislature for leadership on taking that initiative and adding that expertise, making sure that it's applied to the Board.

With respect to the pilot commission, I mentioned early -- earlier that, you know, the Port Authority is represented by private counsel, the Department of Transportation or another state agency would have their own legal representation, in addition to the Attorney General's Office standing behind them, should there be an issue. You know, one of the principal cargos in Connecticut sports is petroleum products. And if there were to be spill of petroleum products, and it was found to be the fault of a pilot, I think, the Port Authority would have a difficult time in that situation. And that's why we support the idea of moving the pilot commission, specifically, to a state agency.

DAVID KOORIS: I'll just add super quickly, I made this point last time, but I just want to reiterate it as we talk about Board structure. You know, the Board is made up largely of volunteers. I do think they all put an incredible amount of time and energy. We are absolutely open to the composition.

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But I don't want that to be read as, you know, my discounting the hard work that the current Board members do put in.

SENATOR SOMERS (18TH): Thank you.

REP. LEMAR (96TH): Senator Somers, did you have another question you wanted to ask at this time? Are you --

SENATOR SOMERS (18TH): I do, but I'll come back. Let other people have a chance to be courteous.

REP. LEMAR (96TH): Representative Devlin?

REP. DEVLIN (134TH): Thank you, Mr. Chairman, just two questions, and I'm sorry if this has been asked. I'm one of those jugglers between various Committees this morning. But following on what Senator Somers was speaking out regarding the Board members. Is there any criteria that Board members have commercial maritime experience that they understand the business of what the Port Authority is about?

DAVID KOORIS: So, the --

REP. DEVLIN (134TH): Would that be something considered?

DAVID KOORIS: Sure. So, there is criteria in the Statute. I don't have it in front of me or off the top of my head, but it's not criteria that every Board member has to check every box. There are various criteria, including maritime sector industry experience but also including Board governance, including financial expertise, etc., and an individual members need to check, at least, one box. It may be multiple boxes, but that is a box to check, but not each individual Board Member is currently required to check that box.

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REP. DEVLIN (134TH): Do you think it would be an advantage to the port authority to have individuals on the Board that understand the business of maritime sector, and our ports as transportation hubs?

DAVID KOORIS: Yeah, we certainly -- we currently have several. And I would certainly agree that we could probably use more of that. And I know some of our Board members would advocate for that. But I do just want to, you know, kind of caveat that to say, there's a lot of the activity that goes into a Board overseeing a quasi-government agency that has little to do with the product of that agency. And so, we would still need individuals that either, in addition to or in lieu of that maritime sector experience, have the financial or the governance or the other experience to round out the competency of the Board.

REP. DEVLIN (134TH): Okay. And my other question's a little bit different direction. Can you just articulate -- and, again, I apologize if you did this earlier -- what the vision is for the Port Authority? Is their interest in the -- in the Port Authority? We spend a lot of time focusing on state pier in the wind assembly, right? But is there interest in the port operating as a maritime port and a transportation hub or for state pier, is it purely to be an assembly point for the wind operations?

DAVID KOORIS: So, John, I'll let you take a first stab at that.

JOHN HENSHAW: Okay. So, the idea behind the project is, obviously, we signed a concession agreement with Gateway Terminals to operate the facility. They brought with them a substantial customer that will move freight through the pier for the lease period. And, additionally, we'll move freight through the pier when wind turbine

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components are not at the pier -- were not using the entire facility.

Having said that though, what we're going to end up with at the end of the construction project is a substantially improved facility for the movement of cargo through the State of Connecticut. So, either when we're not handling winter components or after the lease is over, we will have a substantially improved facility for the movement of freight through the port.

REP. DEVLIN (134TH): All right, I appreciate that. I think it's unlikely that, that work has ever done, right, because turbines need to be replaced on a very frequent basis, but there is a view of supporting commercial activity through our ports as well.

JOHN HENSHAW: Absolutely.

DAVID KOORIS: Absolutely.

JOHN HENSHAW: We have the -- we have the dredging project, improvement project in New Haven working with the Army Corps on as well, which will significantly improve the -- their capacity for handling larger ships, improving safety, and just, generally, facilitating the higher volumes of cargo through the port of New Haven.

REP. DEVLIN (134TH): Thank you, I appreciate that. You know we focus so much and have wind project, and rightly so, but I just needed that refresher on the bigger view, so I appreciate the indulgence. Thanks. Mr. Chairman.

REP. LEMAR (96TH): Thank you, Representative Dauphinais.

REP. DAUPHINAIS (44TH): Hi. Thank you, Representative. Thank you for your testimony. My

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question is, what can they do to help the people who have lost their jobs at the pier?

JOHN HENSHAW: So, it's my understanding that the longshoremen, who were are no longer working at the pier, have been offered the opportunity to join the Carpenters Union, which will, in all likelihood, be very active in the construction project at the pier over the next two years. And then, there will be opportunities for dock workers at the facility once the construction project is over, and we are handling the importation and staging and importation of wind turbines. You're muted, Representative.

REP. DAUPHINAIS (44TH): Sorry. Thank you, and I appreciate that. I know, and as I understand that they're out of work right now, and I think that's the issue at hand, if I understand correctly.

DAVID KOORIS: Yeah. I mean, I'll just -- I'll just reiterate. You know, the individuals whose job is to take stuff on and off the ships don't have that work to do when ships aren't coming in because the facility is under construction. But as John said, you know, they've worked with a partner unions to try and find work in the meantime related to the construction, and then we do expect that the longshoremen activity will increase significantly post-construction.

REP. DAUPHINAIS (44TH): Can they move them for work to New Haven? Is that a possibility.

DAVID KOORIS: I think it's unlikely. You know I know that there have been some discussions, and Senator Somers has actually, you know, helped facilitate an ongoing conversation between Gateway Terminals and the members of the ILA. But I can't -- I can't say definitively right now whether or not that's a near-term option.

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REP. DAUPHINAIS (44TH): Okay, thank you for your answers, and thank you for your testimony.

JOHN HENSHAW: Thank you.

REP. LEMAR (96TH): Thank you. And Senator Somers, did you want to close?

SENATOR SOMERS (18TH): I think all my questions are answered for now. My only question, I guess, which is kind of open-ended would be, what do you think that the Port Authority can do to help the Legislature have a -- you know, a feeling of more confidence moving forward? You know, what do you think you could show us or do for us so that, you know, you can have people get on board and feel confident? I -- you know, I am encouraged by the fact that you have OPM, and DAS now involved in this project as another set of eyes. But what could you do? Or what were your suggestions that you could show to us to make us feel more comfortable that this Port Authority -- you know, putting the things that have happened a year ago behind us, moving on, those people aren't even here to answer the questions? And also, how would you feel if the Contracts Review Board had to review your contracts instead of a may, it was they shall review your contracts going forward?

DAVID KOORIS: So, I've got three different answers. So, one is just a -- first, a statement. We are in the process of pulling together a compendium of information related to the pier, referencing some of the questions that came up earlier from Representative Carney and others. And based on today's conversation, we will include in that an executive summary of our MOUs with DAS and OPM, so people can get a better handle on exactly what that relationship looks like and the types of capacity that that we've been afforded.

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The second point I'll make is, is I will put it back to you all, to some degree to say, you know, there's a lot of general statements about concern and etc. But we need specific questions, right? We want to answer your questions, and we are absolutely open and waiting for them, and we will provide responsive materials when we receive them. And I guess I would just encourage you all, if there are lingering issues, send us questions, and we will respond with information to the Committee.

As it relates to the Contract Standards Review Board, I don't know I don't have any real experience with them. So, I'd hate to make a definitive statement one way or the other. But I will say, you know, at their meeting on February 5th, they made some very preliminary statements that resulted in a lot of kerfuffle that was not based on a complete understanding or exploration of the contracts. And so, you know, at the outset, I guess, I'm a little -
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SENATOR SOMERS (18TH): Are you --

DAVID KOORIS: Yeah, sorry. Go.

SENATOR SOMERS (18TH): So, are you talking about the finder's fee in particular?

DAVID KOORIS: Yeah, we are. Yeah, so we're happy to provide more information on that or anything else? I mean, you know, but that's a good example of some flippant comments about this fee being unusual or odd. I don't remember the exact words they used, but in our world --

SENATOR SOMERS (18TH): Exact --

DAVID KOORIS: And in the port concession agreement world, we can provide -- you know, we can provide 10 examples. In fact, it would be odd, if a Port Authority can tuck -- conducted a port concession

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RFP that resulted in capital improvement that didn't include a success fee. So, you know, my initial experience is that we do have a particular set of contracts that that they may not have familiarity with, but, you know, I don't want that to cloud my more important statement, which is we're willing to answer any questions that anyone has. But you have to send them to us, so we can pull together the information and get it back to you.

SENATOR SOMERS (18TH): I do think -- and then I will close with this -- that having more detailed information on that fee that everyone has heard about, as it relates to, you know, the Port Authority or contracts that are typical of marine that I'm not familiar with would probably be very helpful for this Committee. So, I don't know if you could put something together and send it to our Clerk that could disperse it or -- and then if we have questions, we could come back that would really --

DAVID KOORIS: Absolutely.

SENATOR SOMERS (18TH): I know, for myself would give me a better feeling for that. So, thank you for your testimony, I appreciate it. And thank you for your time.

DAVID KOORIS: Thanks, Senator.

JOHN HENSHAW: Thank you.

REP. LEMAR (96TH): That appears to exhaust the questions of Committee Members. And I just want to thank you both for your willingness to engage with the Committee, presenting the information that was requested at our informational hearing. That was a -- an issue on our end, getting it out to all Committee Members who should have received it. There are numerous attachments on the email that Committee Members should have received. If you have

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not, it may be that the size of that email is just a little too large. And our Clerk can individually send to anyone who has not received it. Just send them a quick email saying that you have not received the Port Authority's information.

And Mr. Kooris, Mr. Henshaw, I thank you, again, for your time and testimony today. As you can see, this is a robust conversation that this Committee wishes to continue to have. As you know, the Port Authority was a Bipartisan, much celebrated initiative of this Legislature and the Governor just a handful of years ago, and there is a commitment to make sure our ports are as active and engaged in the future direction of the State of Connecticut as possible. We've empowered the both of you and broader the authority as a whole, to take on some fairly large tasks. And we're going to continue to have a lot of input about the direction of the Port Authority. And we're going to count on you to help provide that guidance and insight.

But I would expect that the next month or so, our Committee is going to have a robust conversation about what the Legislative fixes are, that we have in mind. And I hope you stay engaged with that, as our Committee goes through that process. And thank you again.

DAVID KOORIS: Absolutely. We'll be here. Appreciate it.

JOHN HENSHAW: Thank you, all.

REP. LEMAR (96TH): We have now at 11:22. We are going to go back and forth between Members of the Public and Elected Officials. First up today, we have Zachary Kahn. And, Zachary, if you could unmute, and just introduce yourself, and you have three minutes. Thank you.

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ZACHARY KAHN: Thank you very much. Good morning. Thank you, Chairman Lemar, Chairman Cassano, Vice Chair Simms, Ranking Members Carney and Somers, and Members of the Transportation Committee for the opportunity to testify today on behalf of Tesla, in support of S.B. 127. This Bill will enable manufacturers of electric vehicles without franchise dealers to sell directly to customers in Connecticut. As mentioned, my name is Zach Kahn, I'm a Senior Policy Advisor at Tesla. We are a manufacturer of electric vehicles, solar energy products and battery storage products. Our mission is to accelerate the world's transition to sustainable energy.

Tesla chose to sell directly because it gave us the best chance to succeed in overcoming barriers to the adoption of electric vehicles. Designing and building an E.V. is just half the battle. It's then essential to educate each customer about the economic advantages of E.V.'s, the emission reduction impact, and the availability of charging. Tesla believed we were best suited to communicate these advantages to our customers and the results have borne that out.

Direct sales currently account for about 80% of annual battery electric vehicle sales in the United States, and about 75% of the batteries registered in Connecticut were sold directly to customers in Connecticut by E.V. manufacturers from licensed sales locations in neighboring states. Several other E.V. manufacturers have come to the same conclusion, and we join them today and once again seeking a change to Connecticut's outdated law.

The transportation sector as the largest emitter of greenhouse gases in the state. Beyond the environmental and climate impacts, the public health impacts of fossil fuel pollution have dramatic negative consequences. According to new report, fossil fuels are alone responsible for more than 8

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million premature deaths annually, which is double the previous high-end estimate of fine particulate pollution mortality. Connecticut has taken steps to address these initiatives including the cheaper program ZEV, MOU commitments 125,000 to 250,000 E.V.s on the road by 2025, and the recent medium and heavy-duty ZEV MOU, calling for 100% of new truck and bus sales to be zero-emission by 2050.

Most recently, Connecticut is one of only three states, along with the District of Columbia to join the Transportation Climate Initiative program. This was an extraordinary display of leadership and commitment to the goal of reducing transportation emissions. This bold policy choice further highlights how at a step the current ban on direct sales from E.V. manufacturers is with the state's transportation policy goals. The data is clear and making it easier to buy E.V. is a key driver of adoption. For instance, Florida has allowed E.V. manufacturers to sell directly to -- as licensed dealers without caps or restriction. And despite having no ZEV mandate and no statewide E.V. incentives, Florida adoption is 13 -- Florida's E.V. adoption is 13% higher per capita than in Connecticut. Despite the ban on direct sales, Tesla has invested significant resources in Connecticut. Tesla's a leasing and service center in Milford.

We've also invested heavily in building out our charge -- supercharging network with 23 locations, with more than 200 stalls in Connecticut with an additional five locations under development. S.B. 127 will unlock additional investment by Tesla and sales and service locations in the state. Connecticut has made E.V. adoption a priority. And S.B. 127 supports the same goal without impacting the state's budget, other than through additional tax revenue and job creation. This Bill's made for Connecticut --

PHILIP MAINIERO: Hey, it's Phil.

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ZACHARY KAHN: Yeah?

PHILIP MAINIERO: Currently, you're right at your three-minute time limit, so if you could just wrap it up.

ZACHARY KAHN: This is my last sentence. This Bill is good for Connecticut consumers, good for the environment and good for the local economy. Thanks for your time and look forward to answering any questions you may have. Apologies for going over.

REP. LEMAR (96TH): Thank you, Mister -- that's okay. Thank you, Mr. Kahn. Appreciate your testimony today. First up, we have Representative Carney, followed by Representative Steinberg.

REP. CARNEY (23RD): Thank you very much, Mr. Chairman. And thank you, Zach, for your testimony. I just have -- you know, I've been on this Committee a long time now, and I think this Bill's, in some fashion, has come before us every -- almost every year. So, my questions are a little different. So, I'm just wondering if this Bill were to pass, would Tesla actually open stores in Connecticut?

ZACHARY KAHN: Yes, thank you for your question. So, if this Bill were to pass, and, obviously, depending on what the final language looks like, Tesla would -- Tesla has every intention of opening up sales locations in Connecticut.

REP. CARNEY (23RD): Okay, because I don't know, maybe I'm wrong. But I know, a couple years ago, it seemed like Tesla didn't want to open stores anymore. So, is that -- that sort of changed?

ZACHARY KAHN: Yes, we are -- we are now actively growing our real estate profile throughout the country and around the world, to be frank.

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REP. CARNEY (23RD): Okay. Another question I have is now the Tesla has been around for a decent amount of time. What -- what's the used Tesla market like?

ZACHARY KAHN: The markets pretty strong. I mean, I -- we've been around for a bit but, you know, we don't have -- not tremendous amount of vehicles in the used market. But everything we've seen is -- the used car -- these Tesla cars sell quite quickly. So, it is a growing market. We are trying to sell more new cars so that we can have a more robust used market but, currently, it is a strong market. And I think people have seen really high residual values with their used Teslas, so it's actually performed quite well for folks who are selling their used Tesla, and we offer the ability to sell it through Tesla, so there's a lot of lot -- there are -- using these on the road, but people do pick them up pretty quick.

REP. CARNEY (23RD): Okay, is there -- is there any -- I guess when someone goes to sell a used Tesla, is the battery -- do -- is the battery remain the same? Is the battery replaced?

ZACHARY KAHN: The battery remain the same.

REP. CARNEY (23RD): Okay. And my last question, I was very interested by something you said. Did you say Florida has no incentive programs?

ZACHARY KAHN: They have no statewide incentive program. So, I believe there's some utility programs, there are programs supporting charging, but they don't have an equivalent of a cheaper program where you -- anyone in the state can get -- you know, depending on the cost, the vehicle can get a certain incentive upfront. They do not have one of those types of programs. So, while these programs do incentivize a lot of pickup of E.V.s, Florida has shown that even without them, by having

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those locations throughout the state, you see even more dramatic uptake of E.V.s

REP. CARNEY (23RD): Okay, I think -- I think that's pretty interesting. And I apologize. I do have one other question that I just thought up. And one of the things that -- you know, and I think about with electric vehicles like me, personally, I don't think I can afford one. I don't think a lot of people in Connecticut, which is a wealthy state, can afford one. So, I'm just -- at this time, so I'm wondering how Tesla is -- and I know that I have read that they are moving to a more affordable model, and I think it's coming out soon, but how are they going to get even more -- are they going to try to get even more affordable in the future?

ZACHARY KAHN: Yeah, I think we are constantly trying to bring down the cost of our vehicles. Just this week, we reduced the price of our base Model Y and our base Model 3. The Model 3, you know, current base price is less than the average cost of a new car in the U.S. So, these cars already are fairly affordable. You know both the Model 3 and the Model Y base model are under \$40,000 dollars. So, we are continuing to bring pricing down when we can, as costs go down.

We also saw -- Elon did mention one of our recent quarterly meetings that we are looking at doing a, you know, a cheaper \$25,000 dollars car. But, you know, our goal is to reduce pricing, reduce costs, reduce -- so we can reduce pricing and get more folks in these cars. And, obviously, ramping up supply, ramping up the availability of battery cells, all of that will help to bring down the cost. And that is definitely our goal, because we want more people in these cars than less because it will create the sustainable future we're looking for.

REP. CARNEY (23RD): Okay, do you think more competition will help you get there?

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ZACHARY KAHN: Certainly. Competition's great. We want more folks, we want -- we want every -- we -- like I said we'd make up 70%, 80% of the market in the U.S. right now. We would like to sell a lot more E.V.s, but we would like that to be a much lower percentage because we want everyone selling E.V. and, thankfully, there's been a lot of good announcements recently about legacy manufacture moving that space and, certainly, competition helps.

REP. CARNEY (23RD): All right. I was pretty happy about that too. So, again, though Zach, thank you for coming on, I appreciate your testimony and, in turn, questions.

ZACHARY KAHN: Thank you, Representative.

REP. LEMAR (96TH): Thank you. Next is one of the introducers of this Bill, Representative Steinberg.

REP. STEINBERG (136TH): Thank you for that wonderful introduction as an introducer, Mr. Chair. Thank you for your testimony today. But I'm going to say I kind of wish you weren't first. Because for many years, this has been the Tesla Bill. And what I really want to focus on is, you know, the industry, the entire momentum of the industry now is towards electric vehicles. You just heard -- had the announcement from G.M. Volvo is committed. Virtually every manufacturer has committed to E.V.s and has recognized this is part of our future. This is not about rich people from towns like mine, frankly, buying Teslas anymore, is it? Can -- are there new manufacturers that also want to sell direct?

ZACHARY KAHN: Yeah, and I believe a lot of them are signed up to speak today, and we've been working with a lot of them, you know, Rivian, Lucid, Lordstown. There are a number of new manufacturers who are building different types of vehicles, SUVs,

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pickup trucks that are focused on utilizing the same direct sales model that we that we -- that we -- that we've used. And they see the advantages, and they understand the reasoning why you want to be able to sell those directly. So, it is definitely not a Tesla Bill, by any stretch of the imagination. It is very much about getting more choice for customers in Connecticut, for me, the manufacturers.

REP. STEINBERG (136TH): Thank you for that. I think we really have redefined, or the industry has redefined what this is really all about at this point in the game.

You know, the argument is we have retail sales going on across the Board. Everybody is moving towards EVs. And yet, for some reason, the United States the actual rate of sales of EVs, through traditional out --

SENATOR LOPES (6TH): I said a little while ago.

REP. STEINBERG (136TH): Has not been going up all that rapidly. Do you have any insight as to why the retailers have not successfully or enthusiastically pushed electric vehicles as contrasted with internal combustion engine vehicles?

ZACHARY KAHN: I -- you know I can't speak to what the retail folks have been doing? No, I think it is one of the reasons, as I said in my introductory comments, why we decided to sell through the direct sales model is it is a difficult sales process. You're introducing a new technology. It is not just your traditional way to fuel, your traditional maintenance, it is a much different technology. So, we thought you know -- and that traditional retail experience would not work for selling an E.V. It's easier to sell a gas car, so that is certainly something why we went this route and may explain why the slow pick up.

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But it's also a supply issue. And as we said earlier, more and more legacy OEMs are starting to announce E.V. adoption or E.V. models. And as those start getting into lots, it'll certainly help. They're not there yet into the levels we need, but we're hopeful that these announcements turn into real products that are desirable, affordable, and all that and, hopefully, we can get everyone, not just the direct sales manufacturers, but those who use a retail model to sell the -- sell more EVs

REP. STEINBERG (136TH): Thank you. I guess my win surmises, it's also true that a lot of these EVs don't require the same level of servicing as internal combustion engines, which may lead to a little bit less of a profit motivation.

One last question, if I may, Mr. Chair, you know, you mentioned you were going to try to get a model down in the \$25,000 dollars range. But if we're really going to make EVs as ubiquitous as we need to change our entire carbon footprint, don't we need to be able to make it even still cheaper than that, particularly used vehicles where people who may not have a lot of income are able to access E.V. TVs in a way, which is going to fit their disposable income? What can Tesla or even any other company do to really expand the opportunity for EVs by selling previously owned vehicles or making things really affordable?

ZACHARY KAHN: Yeah, I think you're right. I mean, we hope that the whole industry moves so that there are EVs at every price point out there. As the technology improves, you can get -- the battery prices continue to go down. You'll be able to -- you know, models will come out that are going to be on the lower end, that will kind of be available for every income.

To get a more robust used market, we need to get a more robust new market first. And I think we're

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trying to do that. We're seeing that -- we are doing everything we can to bring down the pricing. But, you know, we are one company and that we are growing fast. And -- but still, we are -- we are hopeful to see additional companies doing additional models that are at all price points, so we hope our lower price models will meet a lot of people's needs.

I think it's also important to remember that these vehicles not only are better performing, safer, but they also -- the total cost of ownership over the life of the vehicles, the cost of maintenance, the cost of fueling are significantly cheaper than a -- than a gas car. So, while there are upfront concerns in terms of price, there is that savings that you see from gasoline versus electricity from not having to go get oil changes for the to -- the maintenance cycle, as you mentioned, that will make this cheaper for more folks.

REP. STEINBERG (136TH): Thank you for that. You know, I think that this is -- come up year after year after year. But in the number of years since we first came up with this, the world has changed around us, the industry's embraced it. Now's the time to push EVs everywhere we can. I think direct sales as part of that. Thank you, Mr. Chair.

REP. LEMAR (96TH): Thank you. Senator Somers.

SENATOR SOMERS (18TH): Yes, good morning. And thank you for being here. I will be honest, I know a little bit about electric vehicles, but not very much. So, I wanted to ask you a couple questions, because a couple of my friends actually own Tesla. And I -- you know, I have not been on this Committee before. So, we've heard you know, there's this -- you've come, and it's been called the Tesla Bill for a few years.

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So maybe you've answered this many times before. But if Tesla wants to come to Connecticut, why don't you just get a license to be able to do that, like other car dealers do in Connecticut? I heard you say before? "Oh, well, you know, it's a different model." But you could have a highly trained sales force that could be able to show and sell the -- sell the model rather than a direct sales like we have, so we wouldn't have the issue with the auto dealers that we struggle with. Can you speak to that, please?

ZACHARY KAHN: Sure. Yeah, let me -- let me clarify one thing. So, what we -- what we want to do is exactly that. We want to come in and set up a dealership, have a sales team, have a service team, all that like you would see the traditional dealership. We want to meet all the rules and regulations that oversee dealerships in Connecticut. What we -- what we don't do what we haven't done anywhere in the world is set up a franchise dealer. So, the -- we want to set up a Tesla dealer, as opposed to a franchise, where we franchise with someone else. We don't have a franchise or a franchisee relationship. So, we -- this Bill would essentially clarify the law so that we can do so.

The law was intended to protect franchisees from franchises, so manufacturers cannot compete with the franchisees that they have contractual relationships with. So, Tesla has never had a franchise or franchisee relationship with any of -- with any -- with anyone around the world. So, we -- there's no concern about us unfairly competing with our franchisees because we simply don't have them. But to answer your question, we want to do exactly what you stated, we just wouldn't do it through the franchise model.

SENATOR SOMERS (18TH): So, you would have storefronts and you would have one of the biggest complaints I've heard is there's no place to

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service. If something goes wrong with your Tesla, it can take months and months. And I've heard this repeatedly from my friends who own Tesla's, some of them have the lower end model, some of them have the really expensive one that costs like a house.

And then I started to, you know, think about that. And they -- you know, they purchased it, I guess, out of state and brought it here, and there's no place to service the model. And I was really concerned because I saw J.D. Power and Associates just put out their benchmark for this year. And Tesla was ranked 30th out of 33 automakers, as far as dependability. It's one of the least dependable vehicles on the market. And they're the benchmark for the industry. So that was concerning.

So, I wanted to hear that you were going to have a place that you could actually go and see and talk to a person and also have this vehicle serviced if there's something wrong with it. And you also said it was one of the safest vehicles, can you say how you can measure it safety versus combustion engine? Because all we see are the pictures of like the Tesla crashing and turning into a big fireball. So, could you -- could you talk about that at all, please?

ZACHARY KAHN: Sure. So, a couple -- so a couple things. So, to your first point about service. You know, we do have a service center in Milford Connecticut. This Bill would certainly allow us to open up more locations that we are already looking at locations in Connecticut for additional locations similar to what we have in Milford. So, we understand that we -- service is a priority for us getting more locations out there, so customers have service nearby.

I will highlight there is a lot of service that that has done over the air now that you don't need to leave your house and we do a lot of service, we also

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provide over there updates to update the software regularly. And we have service, where we actually come to our customers with a truck to do anything that won't require you to be on a lift. So, appreciate your comment. We certainly want to improve our service and get more locations out there, and this Bill would help make that happen.

To you second point about safety, you know, there are safety ratings. We've gotten -- every one of our models have gotten the five-star safety rating from the government shown continually -- continuously, that there's all sorts of safety protections built into our cars that protect our drivers. You know, it's not only from the physical standpoint of how the vehicles are built, but also from -- you know, we have an autopilot feature that allow -- you know, that detects -- you know, that help stop people short before they -- you know, all the -- all the various features like safety features that you see from a software perspective.

And there's a lot of data that show that as these are turned on, the accident rate with Tesla is significantly less than with everyone else out there because of these features we have. So, I can certainly share with you some more details on our safety features, and I'd be happy to follow up with, you know, more specifics for you.

SENATOR SOMERS (18TH): Okay, and then are you concerned about your rating the J.T. Bauer? Is -- you know, how does -- how does that? That was shocking, actually.

ZACHARY KAHN: I think --

SENATOR SOMERS (18TH): You know that. It just came out.

ZACHARY KAHN: Yeah, I don't know that the specific one -- you know, but I think our customer

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satisfaction is a top priority for us. And we focus on it everyday --

SENATOR SOMERS (18TH): Yeah, you were 30th.

ZACHARY KAHN: And I think -- I think if you look at this -- there's a new -- yearly, and I think it was Car and Driver, I'm blanking on, which other publication we're ranked towards the top every year, eight years -- eight years in a row.

So, I will -- I will certainly -- you know, we want to make sure that our customers are satisfied with their vehicle. That's our number one priority because we want our customers to come back and buy more vehicles when they're ready for the next vehicle. So, we also do see -- and customers repeating and also getting their friends and family to buy Tesla's once they experienced them.

SENATOR SOMERS (18TH): And I -- the last thing is, I do think that there are -- or when the research that I've done talking to some different auto dealers in Connecticut, they are selling some E.V. vehicles also. I mean, not to, obviously, the level that you're doing, but they are also selling some E.V. vehicles who want to make sure that that's clear for people listening. But thank you for your testimony. It was interesting -- you know, refreshing to hear that you will have actually a storefront and service areas. So, I appreciate you coming in this morning.

ZACHARY KAHN: Thank you. Appreciate that.

REP. LEMAR (96TH): Thank you, Senator Somers. Representative Rosario.

REP. ROSARIO (128TH): Thank you, Mr. Chair. Good afternoon. Thank you for letting me speak on this issue. It is my understanding that in states where Tesla does have direct sales, they have a program

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called the Start Program, which is the Student Automotive Technician Program. It's an intense program designed to provide students across North America with this [inaudible] for and your college in Los Angeles, Central Piedmont Community College, North Carolina, Miami Dade College in Florida and Suffolk County Community College in New York.

The reason why I'm going there is those communities are primarily communities of color. And this has given an opportunity for folks to get into the E.V. sector and to learn a new skill. Many of our dealers, they primarily -- , they have a lot of diversity when it comes to the service area to fix these vehicles. So, would you envision Tesla should they be granted the opportunity to have direct sales in the state of Connecticut, to partner up with our community colleges say, well, Housatonic Community College and Naugatuck Community College to provide a -- even in our technical schools to provide a tech to Tesla pipeline for our communities of color?

ZACHARY KAHN: Thank you. Thank you for that question. And thank you for raising the Smart Program. We really like that program. Unfortunately, we cannot set it up sort of everywhere. We have a sales license. You know we -- as we grow, we will grow the Smart Program, because we use that as a direct training ground for Tesla's service jobs and we've placed these employees that we train directly into Tesla's service centers around the country. So, certainly, something that, you know, we'd be interested in talking with you more about and hearing more about the communities there that we can potentially support.

We don't have expansion plans right now. We are constantly evaluating other communities for the Smart Program. So, I could certainly introduce folks from Connecticut to our Smart team. But it's certainly something we do. We're excited, we're

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proud of it. And it's a great way to train folks on new technology to not only set them up for jobs at Tesla when they come out, but also careers working in these new vehicles that are on their way to sort of dominating the road going forward. So, appreciate you raising that. And I can certainly you know, get some more information and make some connections to our Smart team.

REP. ROSARIO (128TH): Absolutely. Would love to continue the conversation. Thank you, Mr. Chairman.

REP. LEMAR (96TH): Thank you. Representative Chafee.

REP. CHAFEE (33RD): Thank you, Mr. Chairman. Thank you, Zach, for your testimony today. Our -- does Tesla currently sell in Rhode Island?

ZACHARY KAHN: Yes, we have a location in Warwick Rhode Island where we sell vehicles.

REP. CHAFEE (33RD): So, you sell in, basically, all of our neighboring states -- Massachusetts, New York and Rhode Island?

ZACHARY KAHN: Yes, sir.

REP. CHAFEE (33RD): Do you have any data, how many people own Teslas in Connecticut currently?

ZACHARY KAHN: I do. I think I will say rely on the E.V. Club of Connecticut for the most recent data of the registration. I think it's about 6,000 EVs in Connecticut. And I should say while we only have one location in Rhode Island, your first question, we have many locations in Massachusetts, and about five in New York.

REP. CHAFEE (33RD): Okay, thank you. Thank you, Mr. Chairman.

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REP. LEMAR (96TH): Thank you. Thank you, Zach, for your testimony today. On behalf of Tesla, we greatly appreciate it. I know I'm a few years ago we had a more robust Bill. But during the revisioning of -- the company went through a few years ago, we did not move forward. So, I appreciate seeing you guys back now. And we'll continue this conversation over the coming year and see if we can get a policy in place in Connecticut that makes sense for all of our customers. Thank you again, Zach.

ZACHARY KAHN: Thank you, Chairman. Appreciate the time.

REP. LEMAR (96TH): Next up, we have Senator Kelly. Phil is Senator -- I see Senator Kelly already. Terrific. Senator Kelly, you are unmuted, and your video is live for YouTube , and you may proceed.

SENATOR KELLY (21ST): Thank you, Mr. Chairman. And thank you to the Transportation Committee, as well as Chairman Cassano, and Ranking Members Somers and Carney. I'm happy to be here to testify in support of Senate Bill 595, AN ACT CONCERNING THE FISCAL ACCOUNTABILITY AND SUSTAINABLE TRANSPORTATION REFORM PLAN.

Connecticut Senate Republicans are, again, offering a plan to improve our transportation infrastructure and create jobs while requiring no tax hikes and no tolls. We call it "Faster C.T." Our plan shows a path forward to invest in transportation, adopt reasonable fiscal policies and establish accountability without asking for more from our overburdened middle-class families. Faster C.T. addresses Connecticut's transportation funding challenges, including the solvency of the special transportation fund, the SDF.

It makes smart strategic long-term investments in roads and rail, while creating good paying

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Connecticut construction jobs. It creates a vetting process for all transportation projects. It allows for cash financing to be used for transportation and dramatically cuts back on state borrowing. Connecticut Senate Republicans developed our Faster C.T., no tolls, no tax hikes solution, because we understand that trust in government is a major issue for all residents. We represent the voice of middle-class families. So, to restore that trust, our plan would replace the taxpayer dollars, which had been diverted from the transportation funding over the last 10 decades -- over the last 10 years in our state.

In 2019, we presented Faster C.T. If our plan had passed in 2019, we would have paid down our unfunded liabilities by \$1.5 Billion dollars. We would have around \$2.5 Billion dollars in the budget reserve fund today. More than enough to cover the Governor's current budget. We would have spent \$127 million dollars more per year in reduced pension payments that could have been used to fund transportation projects for the next 10 years. We would also have a stable SDF and would be debate -- would not be debating new mileage taxes, gas taxes, tolls, and other revenue enhancements, which target middle class family wallets. We would no longer need to be issuing STO bonds and thereby would be strengthening our credit and in debt -- indebtedness position. An \$18.6 Billion dollars would have been infused into transportation funding, which would have translated into good paying construction jobs now.

A revised Faster C.T. can still work today. Our solution can bring relief to the SDF. How much the transfer needs further budgetary analysis what our solution can bring relief to the SDF, while not burdening Connecticut's middle class? Let's work together to pass policies which improve our roads, rails and bridges and create good paying Connecticut jobs. Let's adopt a reasonable fiscal policy like

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Faster C.T., a long-term solution to better manage state dollars and leverage federally. We are in support of Senate Bill 595. Questions.

REP. LEMAR (96TH): Thank you, Senator Kelly, for your testimony today and for offering another vision for how we could fund transportation here in the State of Connecticut. As you may know, I find fault with some of the components of the plan. But I do not, in any way find, fault with a process that you have gone through to try and find an alternate vision for how we fund transportation here in the state. And I do appreciate sort of the place we are in Connecticut, where we understand cross-party lines, the necessary need for dramatic investment in a 21st century transportation grid. And we do, ultimately, disagree on how and why and where those funding dollars should come from.

But we have a commitment, I think from all of our caucuses, from the Governor's office, from business leaders, from small towns and large cities and constituencies across the State of Connecticut, almost about the price of what it needs to be. I think -- I think we are in a good spot in Connecticut. Despite our disagreement about how to fund it, we're in a good spot about what the investment should look like. And I know your caucus has helped lead the way on some of those agreements. And it's -- you know, it's a challenge to figure out the right way to fund it. Don't get me wrong, but I think we're actually in a good spot about the need for it. And I appreciate your willingness to step forward this year with this plan. Thank you.
Representative Steinberg

REP. STEINBERG (136TH): Thank you, Mr. Chair. And thank you, Senator, for putting forward an alternative vision, though, actually, I believe it's pretty much the same vision we've seen for a good many years from your caucus. I'm still having problems with the math. In fact, I spent a lot of

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time talking to your predecessor as minority leader about this very subject. For example, if we're going to restore what you say is rated from the special transportation fund, what happens to the general fund? Where does the money that you're taking from the general fund, how do we replace that?

SENATOR KELLY (21ST): What money from the general fund?

REP. STEINBERG (136TH): Well, you said that we're no longer going to rate the special transportation funds. So, therefore, the money that was supposedly rated is no longer in the general fund. How do we -- how do we account for that?

SENATOR KELLY (21ST): The funding is used -- utilizing funds from this -- the Rainy-Day Fund, and paying down debt, which is the purpose of the Rainy-Day Fund, and then repurposing those savings towards transportation, rather than to then put that money into general fund. So, what it's doing is it's taking the money and committing it to transportation.

REP. STEINBERG (136TH): I'm even more confused now. Because I thought that the Rainy-Day Fund was for rainy days, and not just for paying down debt. Because as much as I want to pay down debt and get us on a sustainable glide path with our budget, I thought the Rainy-Day Fund was for rainy days, such as the one which we are about to encounter. And I thought that when your predecessor suggested using the Rainy-Day Fund that he was taking a great risk what if we had a recession or disaster? Well, lo and behold, we seem to have one. And yet we're still talking about taking the Rainy-Day Fund and using it for something else.

And let me just get to a different question. You talked about doing a fair bit of bonding, which may

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come at the expense of other bonding priorities. Isn't -- I think the debt on all those bonds going to be paid by middle class families for generations. Why are we putting the entire burden on West -- on Connecticut taxpayers, instead of having people who drive our roads pay for their fair share of damaging our roads, which would be a much smaller burden on Connecticut taxpayers?

SENATOR KELLY (21ST): Okay, a couple of things here. Number one -- and you know, it's called the Rainy-Day Fund, but it's a Budget Reserve Fund. Okay, so what has happened here as a result of the Bipartisan budget, is that we created the mechanism -- these were Republican plans to create the mechanisms to start to save money -- have a savings account, much like families have a savings account so that we have these funds.

And like families, if you're only getting a couple of percent on your savings account, but you have a credit card with high debt, high interest rates, you take the money out of the savings account, and you pay down your credit card. Those savings in the difference between the 2% you get on a -- on a bank, you know, investment, versus the amount you're paying the bank is what we would use to invest in transportation, okay? That's the direct investment. And budgets are about priorities, we would put it into transportation, so that you don't need to take money out of in regressive taxes, either a gas tax, a toll, a mileage tax, these are all regressive taxes that hit middle- and lower-income folks harder. So, we would do that.

Number two is that even if we had taken those funds before, you know, if you -- you're going to claim that this is a Rainy Day, there would still be enough money in that fund to cover the Governor's budget, if you wanted to utilize the Rainy-Day Fund. And then the third point you brought up is the bonding. Well, to the extent that our plan has

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bonding in it, it would be utilizing federal opportunities at a much lower rate of 1% or 2%, as opposed to what the current STO is, which is the -- is the path that I think the Governor is on.

So even at that point, you know, we're going to be borrowing it less, if at all. And that is why I think this is the smarter choice is to utilize funding opportunities or borrowing opportunities with the federal government and to leverage that opportunity for the benefit of Connecticut.

REP. STEINBERG (136TH): Thank you, Senator. I have to confess I'm finding this still hard to understand six months ago, our revenue estimates were much worse than they look like they're going to be, we would have exhausted the entire Rainy-Day Fund to cover our biannual deficit and still had to cut budgets left and right. Just because we're a little better off because of an anomaly in the stock market, to my mind does, not justify continue to take the risk of depleting our one bulwark against real recession and job loss for a system which still puts the entire burden on Connecticut taxpayers, as opposed to other people who were also contributing to the damage of our roads. But I will leave it at that. The only point that I'll agree on is that we're talking about the subject, I find, this funding plan grossly insufficient. And our only best hope is the federal government does something serious on transportation stimulus. Thank you, Mr. Chair.

SENATOR KELLY (21ST): Just a couple of points I'd like to make is one, once the budget reserve hits 15%, it's going to be used to pay down debt anyway. So that's the purpose of the budget reserve. The other, you know, if you're talking about spending the Rainy-Day Fund there are -- you know, if we don't get money out of Washington, the Governor's current budget is looking to utilize the Rainy-Day Fund to balance the budget. So just want to make

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clear that that's -- that -- that's part of the current proposal of Governor's doing with no investment of those dollars into transportation over the long haul, which I think would help ease the burden on middle class families.

REP. LEMAR (96TH): Thank you, Mr. Chair. Senator Osten.

SENATOR OSTEN (19TH): Thank you very much. Good afternoon, Senator, how are you? We've hit the 12 o'clock mode. I know that having been one of the people that sat in that Bipartisan agreement, I appreciate the fact that you want to take credit for the majority of what was passed. But I really -- I reflect that that's not the actual way it happened. But, you know, I know that I give great credit to Senator Fonfara for the volatility cap, which is really the main driver of our fund balance or Rainy-Day Fund or Budget Reserve fund, whichever thing that you would like to call it.

In regard to the transportation fund -- and I'm really kind of surprised that this is back again. Because to use what we have in the Rainy-Day Fund and dedicated to paying down pension liabilities or debt service, really, it's been going to -- the excess has been going to pay down pension liabilities, which we had a previous speaker talking about how much he dislikes the fact that we have pension liabilities. I actually agree with him on the fact that we wish that previous Governors had paid down our debt, and we didn't have that pension liability, but we do have it. Are you suggesting that this all goes into debt service or pension liabilities? Which of the two are you saying it would go into?

SENATOR KELLY (21ST): I think what we want to do is put it into both pension, debt service. Right now, 25% of the budget goes to pension and debt service and crowds out other core services. Whatever we can

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do to reduce those liabilities for Connecticut taxpayers, I think is important. Whichever way is the most effective way to do this is the way that we would go but the concept here is to use money that's sitting in our bank account and earning a very low rate of return and pay it down on our debt obligation, that is one of the highest in the country, per capita .

SENATOR OSTEN (19TH): Yep.

SENATOR KELLY (21ST): And start to get our arms and pay that down and then utilize the savings, which would be about \$127 million dollars per year and invest that in transportation.

SENATOR OSTEN (19TH): So just you said --

SENATOR KELLY (21ST): A very simple concept.

SENATOR OSTEN (19TH): Oh, thank you for that. I didn't mean to interrupt you.

SENATOR KELLY (21ST): No.

SENATOR OSTEN (19TH): I thought you were done. So, I want to go back to that salient point. You want to use the Rainy-Day Fund whatever is in it to pay down which one debt or pension liability? And what would be the split there?

SENATOR KELLY (21ST): The point is to get out of debt. Okay?

SENATOR OSTEN (19TH): So, it's like --

SENATOR KELLY (21ST): Like to pay down on debt. I know you're trying to get into, you know, "Okay, which debt bucket are we going to address first?" I think the one that would give us the most savings.

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SENATOR OSTEN (19TH): So, you're not picking which one. You just want to pay down what -- either the unfunded pension liability or debt service, one of the -- and you're not picking whether it would be SIRs or TORs or the debt liability. Would that be a fair statement?

SENATOR KELLY (21ST): That'd be a fair statement.

SENATOR OSTEN (19TH): Okay, okay. Thank you. So -- and then you made a statement before that -- and I agree, that crowds out core services, but you're not even coming up with a plan to help pay for those core services. You're saying we use those dollars to put into the transportation system, which does not deal with some of the core services that, I believe, you would say, "Well, we have been, you know, people always ask me have we -- have we cut anything in the state budget?" And, again, having sat at those meetings where we cut hundreds and hundreds of millions of dollars bordering on billions of dollars that we have cut out of the state budget to finally accurately record some of our liabilities.

So, what is your plan? I think Representative Steinberg was trying to get to the point, what is your plan to shore up the general fund -- not liabilities, but the general fund in areas, such as the nonprofit. If we used our money and put that money into transportation, how would we help out the nonprofits? And how would we help out ECS which, under the Governor's budget, does not comply with one of the -- I thought one of the most important components of the of the Bipartisan budget was to come up with that 10-year plan on ECS. So how are those things going to be paid for if we're taking these dollars and putting them into the transportation system?

SENATOR KELLY (21ST): Okay. Well, I mean, budgets, I know you understand that this is -- this is a

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Transportation Committee. And what we're dipping our toes into is appropriations but be it that as it may. Budgets are about priorities, okay? And that's where, I think, you know, parties have different perspectives on how to deal with this.

But the transportation plan that we're putting before you is risk -- is looking at the sacrifice already made by Connecticut taxpayers. And that sacrifice is sitting in a bank account. And what we want to do is to take those fund, pay down a debt that sits on the back of every citizen in the State of Connecticut, and it sucks up a quarter of our state budget, crowding out -- I'm going to say human services, like you're talking about. And what we would do is, is redirect those savings into transportation, okay, so that there's no cost, no regressive tax on Connecticut's hard-working families, who are trying to make ends meet and get to work. You know, you put a gas tax and mileage tax, a toll, that's going to hit middle- and low-income individuals a lot harder than it's going to hit the 1%, okay?

So, this helps Connecticut families get to and from work. It also would be a major investment into construction jobs and construction jobs now, good paying Connecticut jobs, that would also help to generate more revenue. But there's other ways when we start to look at the budget side, you know, I would look at a lot more, you know, things a lot differently, you know, for years have put in Bills with regards to public private partnerships, the delivery of human services, which is a two-tiered system, I would look at ways to do that, because we could do more with less at a time that the budget is in a crisis, and we could help deliver quality human services to people in need.

We could also make our homecare program and Medicaid more robust, where we know that the delivery of services in the community is one-third the cost that

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it isn't a nursing home and coming off the COVID experience, where we saw the lion's share. You know, two thirds of all COVID-related deaths occurred in nursing homes. Wouldn't it have been great if everybody was in the community of want to be where it's less expensive? And where it's better, the quality of care is better.

These are ways that we can move forward to deliver court government services at a better cost. But these are differences in those Bills that I put forward have never been adopted. But yet had they been I think Connecticut would be in a different place.

SENATOR OSTEN (19TH): So, you know, that as -- You know, as well as I do, Senator -- and you and I sit almost next to each other and have had some of these conversations when we get to sit in the Senate. So, I'm going to go back, again, to what you're positing we should do. Now I remember a key Republican plank, the Bipartisan --

PHILIP MAINIERO: Excuse me, Senator, I hate to interrupt we're right at the time limit if you could leave it here.

SENATOR OSTEN (19TH): Thank you. Thank you very much, Phil. A key component of that was to get rid of the Medicare Savings Program that was a Republican plank for a number of years, we did that, the Governor has it in his budget, we came back in two months and put that back. I'm going to wrap up with the nonprofits for a second.

I talked with a Reliance Health Director who is not who has since retired. And he said, "We did more with less for years and more with less for years. And now we have our workers living in poverty. And we have to provide them with food stamps and heating assistance, and HUSKY B. I think your plan has a number of holes in it. I look forward to sitting

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next to you and discussing those holes. And I appreciate your comments. And I remind you that the volatility cap, Senator John Fonfara, his idea, and that's why we have a Rainy-Day Fund. Thank you very much.

REP. LEMAR (96TH): Thank you, Senator Osten.

SENATOR KELLY (21ST): Thank you. And I look forward to sitting next to you, Senator Osten. I know we had these candid and frank discussions. And just as to the nonprofit's, you know, obviously, my view is that the artificially low Medicaid reimbursement rate has led to that situation with the labor that works for the nonprofits. And as I address nonprofits in Connecticut, even if we do achieve a savings with them by partnering with them, I think they deserve a living wage. And so, we have agreement there. But currently, the mechanism is what's putting them there. And I would do things a little bit differently.

REP. LEMAR (96TH): Representative Meskers.

REP. MESKERS (150TH): Thank you, Chairman Lemar. Senator Kelly, you know, I can understand philosophical differences in a budget. When we look at the priorities on spending, we look at the issues of regressive and progressive taxation. And dealing with the transportation issue, I think there's a fundamental disagreement when we look at transportation, from my point of view.

When I study and look at transportation, if we take our interstates and looking at weight adjusted basis, that takes in the tractor trailers, that takes in the interstate commerce that goes across our roads. You know, I'd hazard a guess that we're close to 50% of the damage is done by out-of-state vehicular traffic on a weight adjusted basis. The research I've done indicates, you know, tractor trailers are doing something on the order of 5,000

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and 10,000 times the damage that a passenger car does.

I understand the concern of a total being aggressive tax. But I think it's not particularly clear to me how putting the entire transportation budget on the back of Connecticut taxpayers, is it more regressive. If I've got out of states who are, basically, traveling for free on my roads, at least from Connecticut purview. So, we've -- we're running to my mind a multi-state charity on any thought. I'm close to the road, it's to my District, I can see the plates, I can see the traffic, I can see what the cost that we're proposing on a transportation Bill on tractor trailers, which is going to add maybe a penny to a can of soda, and that so, it isn't necessarily going to be delivered into Connecticut versus Massachusetts. We're on an interstate.

So, I'm concerned that, structurally, we can look about the fairest way to make the payments. We can look at the Rainy-Day Fund, we can look at the considerations but, fundamentally, if our transportation budget is going to be borne by the taxpayers of Connecticut, I have a problem with that. It basically makes us a regressive tax state. Because I'm asking the hard-working people in Connecticut to pay for every dollar transportation effort levied in the state. And, as opposed to everyone else in the Northeast that seems to have it -- have an opportunity to capture either state revenue that we seem to be unwilling to do now.

Now that is, you know, a fundamental disagreement where we stand on transportation. The issues about the revenue streams, the issues of purposing our debt and paying down debt, you know, we're headed in that direction on a gradualist basis just on the fact that we were 15% funded in the rain -- Rainy Day Fund. I think paying down the Rainy-Day Fund becomes that issue of becoming, making the state

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more procyclical in an economic downturn, where we don't have the resources to fund those basic issues or quality of life features that our residents demand. So, I respect that the, you know, there's a planning that you -- that you've got, but I just fundamentally have trouble with it. I just wanted to share that.

SENATOR KELLY (21ST): Well, thank you, for your concerns and perspective. I just want to be clear on transportation funding, however, that we do get about \$750 million dollars a year from the federal government for transportation purposes. And one of the reasons we do so well with that is because we don't have tolls on our roads. And so, it's not just all 100% on the back of the good taxpayers of the State of Connecticut.

The other is, you know, when we look at repurposing the, you know, spending down debt and repurposing those dollars, that's taking the burden also off the middle-class families. And, you know, we got to look at that Connecticut's unaffordable, middle class families are struggling. And, you know, a lot of that while we look at a mileage tax based on trucks weight, all the trucks that go through Connecticut aren't from out of state, there's a lot of trucks that start in Connecticut, do their job in Connecticut, and return back to their plant in Connecticut. Those are all Connecticut trucks. Those are goods and services that are being delivered to middle class families. And adding that tax is good to increase those goods and services to an already cash strapped middle class.

And so, we got to be mindful of the burdens that the -- and fiscal burdens, the financial stress that our neighbors and constituents are under, and look at not putting further burden on them, but yet also trying to make our economy better and by reinvesting in it through transportation, that's what I think this plan really focuses on is, is relieving that

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burden for middle class Connecticut, and yet also making the much needed investment, as Chairman Lemar had talked about in transportation for the good of the entire economy.

REP. MESKERS (150TH): I appreciate that. I think that is our fundamental difference there is just that there's out-of-state money, the rest of the East Coast seems to be able to figure out how to tax that out-of-state money, I realized that the concern is that it falls back on Connecticut residents to some extent. But now I would just argue that a closer to 100 cents like everyone's getting federal funds.

I think the envisioning when we did the jobs was that we would get a waiver, that that issue of compensation from the Feds would be cleared before we would do anything. I felt pretty comfortable that there was incremental revenue from out of state, and that would be a way to neutralize the impact on Connecticut residents. I prefer to see some more of our transportation budget -- transportation funding source from out of state sources. And that's where my fundamental concern is. But I hear you. I thank you.

REP. LEMAR (96TH): Thank you. Thank you, Representative Meskers, for your question. Thank you, Senator Kelly, for your introduction of the fast track. Again, like I said, beginning, there are significant disagreements that you and I may have over the content of the Bill before us. But frankly, I think there's a space where the Legislature and the Governor's office, big and small businesses, big and small cities and towns have agreement. And that's in the importance that Connecticut needs to place on transportation investment over the next decade.

We -- look, there's no such thing as a free road. And we can argue over where the money comes from, we

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can argue what plan is the best or worse, but I think we all have to acknowledge there is no such thing as a free road, or a free train, or free train station, and the dollars that we're going to need to come up with over the next few years, to ensure the solvency of the special transportation fund and the long-term goals of the state, we all care passionately about.

With this disagreement that we have will evidence itself in many ways over many Committees over the next few years, I'm certain. But if we can stay committed to making the investment, I think, we will reach a point where we can do the right thing together and come up with a plan that benefits all residents the State of Connecticut. So, thank you, Senator Kelly, for your continued willingness to engage in that conversation.

SENATOR KELLY (21ST): Thank you, Mr. Chairman.

REP. LEMAR (96TH): Next up, we have Greg Allard.

GREG ALLARD: Good afternoon, Representative Lemar and other Distinguished Members of the Transportation Committee. My name is Greg Allard, and I'm the President of the Association of Connecticut Ambulance Providers and the Vice President of American Ambulance Service in Orange today. I did submit written testimony in opposition of a proposed Senate Bill 409, and I'll give a brief summary of that for you today.

I believe it's about four or five times that a Bill something like this has been presented before this Committee in some form or fashion. And each of those times our association and others have testified in opposition of the concept. Our primary reason for opposition is two reasons. One is patient safety and another as a fiscal issue.

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And moving a patient is a high-risk task that done with low frequency would lead to high number of injuries. There's specialized equipment that's involved that ambulance providers are very familiar with using. And these specialized tools are already in an ambulance. Our EMTs and paramedics move hundreds of patients every day with these pieces of equipment, and yet the industry -- within our industry is one of the area's largest worker's comp issues. So patient safety, patient moving is definitely of concern for people that do it day in and day out. So those that aren't going to be doing it all that often in a stretcher-type van is definitely a concern.

So, people on a stretcher also have some underlying need within that stretcher. And that is due to some sort of chronic or acute medical concern. It should be very apparent that if you're on a stretcher, you need to lie down on a stretcher, there some sort of need there. And for that reason, we feel that those patients should be monitored by a medical professional in the back of an ambulance during transport. If something were to go wrong, or something were to occur during that transport, it'd be in the best place possible to receive immediate care and diversion to the appropriate medical facility, most likely being the hospital. As I've mentioned, the other reason would be something of a fiscal nature. And we feel strongly that there would be a shift in financial responsibility to the patient, or to the state Medicaid program, neither of which would be good as we're all just talking about fiscal impact with other related Bills there.

So another impact I didn't actually mention within my testimony is about the available ambulance resources that may be available in Connecticut, if they were changed with these vehicles that we're talking about here were to commend the need for services such as mine to have as many ambulances as we do, may be impacted, so that would limit our

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ability to help surrounding communities like many of our services, within our association do, and it would also have an impact on the hospital systems, and our ability to be able to transport patients out of their timeline to -- back to their homes, or to skilled nursing facilities and the like. Appreciate your time today. I'm happy to answer any questions you may have. Again, I'll refer you to my written testimony.

REP. LEMAR (96TH): Thank you, Mr. Allard, for your testimony. And over the few years that I've learned about this issue, I've -- I see it from all sides, and then a five-minute window, you could convince me of one side or the other. And I've learned a lot about this issue, and about the need to continue to explore it. I know you've been back a few years in a row to have this conversation. But I think it's a genuine concern. And I'm hoping we're getting closer to an understanding of the best way to serve the population that we all care about. So, I appreciate your willingness to stay engaged on it as we move forward. you.

GREG ALLARD: Thank you.

REP. LEMAR (96TH): Are there any questions for Mr. Allard? Seeing none, thank you for your time today. Senator Haskell is a -- there we are. Senator, you are unmuted, and your video is operational. Wonderful.

SENATOR HASKELL (26TH): Well, thank you so much, Chairman Lemar, Chairman Cassano, to the Ranking Members and Vice Chairs and the entire Transportation Committee, it's wonderful to see you all this morning, afternoon, I guess. And I want to thank you sincerely for raising S.B. 127, a Bill that I co-introduced with State Representative Jonathan Steinberg. I know that this Committee is well aware of the issue, but I wanted to explain why we believe it's worth pursuing once again.

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This Bill is designed to accelerate electric vehicle adoption by increasing buyer choice. It would welcome a new generation of electric vehicle manufacturers, who don't necessarily have that existing franchise dealer relationship in Connecticut. Representative Steinberg and I also introduced this Bill because we are convinced that permitting the direct sale to consumers via manufacturers, which is their chosen business model, is going to sell more electric vehicles. More electric vehicles for in Connecticut means cheaper, cleaner and a more reliable energy future.

You know, in the past this Bill has been referred to sort of in shorthand and it headlines as the Tesla Bill. But I think it's really important to note that there are a variety of new electric vehicle manufacturers who have entered the market, and they've done so via a direct sale model. Another frequent pushback that I hear about this Bill is that dealerships provide really crucial consumer protection laws. And I want to -- I make sure this Committee recognizes that those protect -- consumer protection laws would stay in place under this -- under this legislation. It would simply give manufacturers and buyers a little bit more choice as to how they pursue their transition to electric vehicles.

Look, it's not just good economic policy to allow these consumers to buy their new cars here in Connecticut. It's crucial environmental policy. I know that this Committee is well aware that 40% of carbon emissions in Connecticut come from the transportation sector. Unfortunately, we set this grand goal in Connecticut of getting 500,000 electric vehicles on the road, but we're nowhere close to meeting that target. In order to do so we're going to need to dramatically increase electric vehicle take up right here in Connecticut.

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So, I'll summarize by saying, look, we're the only state in the region without direct sales. Direct Sales are not going to cost the state anything. Instead, they're going to generate revenue through the sales tax. And I'll just close by saying, at least once a month, I get an email from a constituent who is absolutely outraged that he or she had to drive all the way across the border to Tesla's Mount Kisco location in order to pick up their Tesla. They wonder why Connecticut has this policy from an economic perspective. They wonder why we have it from an environmental perspective. And if my constituents are wondering, already living on the border of New York, I can only imagine how the folks in Eastern Connecticut or Central Connecticut feel about this policy. So, I thank you for taking up the Bill. I'm happy to answer any questions that you have. And I appreciate your time today.

REP. LEMAR (96TH): Thank you, Senator Haskell, for introducing this Bill and forcing this conversation. Again, we -- this is a conversation that's not going away. There is pent-up demand in Connecticut, and there's, certainly, an argument to be made that with every state around us, allowing for direct sales that Connecticut should develop a policy that makes sense for our constituents as well.

And I appreciate you and Representative Steinberg offering this Bill before us for consideration. There's a robust Public Hearing ahead of us, with numerous people who are going to testify on these issues, a couple of manufacturers as well, who wanted to enter the space. And so, your reference of this being known as the Tesla Bill is more an artifact of a few years back and not necessarily Representative what the current marketplace looks like, and so appreciate your mentioning that as well. Representative Steinberg.

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REP. STEINBERG (136TH): Thank you, Mr. Chair, and thank you for introducing this Bill. I wanted to commend you on that. So, I imagined to somewhat co-introduce you that might be a little disingenuous, but I'm glad you brought up the point that this is not just about Tesla anymore. You may have heard earlier testimony, there are a number of other new manufacturers, as innovative as Tesla, perhaps, who are also interested in direct sales to really push the envelope on the kind of choice that we offer people here in the State of Connecticut. Would you agree that we could potentially be on the at the vanguard of really encouraging E.V. sales in the state at -- in an industry which is changing rapidly as we speak?

SENATOR HASKELL (26TH): I'm so glad you brought that up, Representative. Yes, Rivian and Lucid have announced that they're using the direct sale model. So, it's far more than just one company. And while I wish I could say that Connecticut could be at the vanguard, and while we do have opportunities to expand electric vehicle adoption, it's important to remember that Connecticut set the lofty goal of trying to get 500,000 electric vehicles on the road by 2030. And the Electric Car Club of Connecticut, which I know is a group you're very familiar with, has been tracking electric vehicle registration, as of July of 2020. There were just over, well, 12,624 registered electric vehicles. We've got a long way to go in the nine and a half years that it will take to reach that goal. And I don't see it as being possible or plausible, unless we change the model and encourage -- and make it easier for more consumers to get behind the wheel of an electric vehicle.

REP. STEINBERG (136TH): Oh, not surprisingly, I totally agree with you. Thank you, Mr. Chair.

SENATOR HASKELL (26TH): Thanks, Representative.

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REP. LEMAR (96TH): Representative Thomas.

REP. THOMAS (143RD): Thank you, Mr. Chair. Welcome, Senator Haskell. I'm so glad you introduced this Bill. When it first came up, I also call this a Tesla Bill. And since I never expected to be able to buy a Tesla, it didn't matter that much to me. But it really struck home because my husband and I were in the market to buy a car this year, we wanted to buy an electric vehicle. And we did a lot of research. And we were very specific about a few models. And guess what? We couldn't buy them in Connecticut. So, we had to drive to another state to buy our car. And I've now heard that from other people, because I was incensed. You just I think answered my question. But I was curious. It's not a Tesla Bill, do you have a sense of how big this market could be? And how much Connecticut could benefit from other companies being able to do direct sale?

SENATOR HASKELL (26TH): Well, it's wonderful to see you, Representative Thomas, I forgot that you were on the Transportation Committee, and I'm so happy to see you here today. I -- yes. So, I think the best part about our jobs on the state level is that we can look towards 49 other examples for what works and what doesn't work. And we see electric vehicles being sold not just by Tesla, but by a variety of manufacturers in states near and far.

In terms of the size of the market, I'm not an electric vehicle owner myself, I wish that the legislative salary allowed me to buy a Tesla, but from what I understand from the Electric Car Club of Connecticut, there are a whole host of manufacturers other than Tesla -- Altis, Bollinger, I'm sure I'm pronouncing some of these incorrectly, Lordstown Motors, Electra Meccanica, Kandi, Lucid and Riviana, I mentioned earlier, of course, Tesla. And there are a few others on the list that I won't even venture to try to pronounce.

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But there really is a growing market here. I think especially in our neck of the woods, Representative, where, admittedly, in wealthier communities, they're more able to afford Tesla's. But the goal of -- I hope this Committee and I believe the General Assembly ought to be to make sure that everybody in the State of Connecticut can afford an electric vehicle and then can easily access them once they decide to make that decision.

REP. THOMAS (143RD): Thank you, Senator. You may have missed earlier the example that if more new electric vehicles are sold, eventually more used electric vehicles will be sold. So maybe your Legislative salary will make it so out of reach, and --

SENATOR HASKELL (26TH): That sounds like something I'd like. Thanks, Representative.

REP. LEMAR (96TH): Representative Conley.

REP. CONLEY (40TH): Thank you, Representative Lemar. I just -- thank you, Representative Haskell, for testifying before us on this Bill. I am about as far away from New York as you can get over in Southeastern Connecticut. And the wealth of my District doesn't quite is -- doesn't quite get us to the Tesla level either. But I'm sure a few people do enjoy those vehicles are absolutely lovely and fun to drive for those who can afford it. I do know there's a lot of lower-priced vehicles that are more within my Districts' abilities to pay for as well.

One of the issues that I had with the Bill is the last few years and, from a District, that has a variety of car dealerships within my District is that a lot of our recall laws -- a lot of our safety feature laws if an organization or a company goes bankrupt, you're -- the consumer who might have that older vehicle -- that used vehicle you're talking

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about -- can then bring it to the dealership for recalls, for safety issues, and not be charged out of -- out of pocket.

So, I think as you're trying to move, this electric vehicle Bill, it is direct-to-consumer Bill is to keep in mind those safety features that are built into our dealer models and there are some other things that are built into our dealer laws that would need to be explored before we break the dealer concept to make sure that the consumers of older vehicles are protected. Thank you.

SENATOR HASKELL (26TH): Thanks, Representative. And wonderful to see you. I couldn't agree more with your comments. I think it's important to engage the dealerships in these conversations. And this Bill wouldn't just modernize the point of sale, it would also modernize the service program.

So, again, it's about offering consumers and manufacturers the choice to either provide service through brick-and-mortar repair shops, through a partnership, through mobile service vans over the air, because so many other states are frankly ahead of us on this matter. I think it won't be hard to find good examples of what works elsewhere and try to replicate those critical consumer protections as you mentioned.

REP. LEMAR (96TH): Representative Michel.

REP. MICHEL (146TH): Thank you, Mr. Chair, and thank you to the good Senator and also Representative Steinberg, for introducing this Bill. I just wanted to make a comment that this is greatly welcomed, at least in my view, especially in the fight against emissions. So, I'm sure that there are some from -- really good things to gain out of this Bill, environmentally speaking. So -- and if -- Senator Haskell you touched up on that, but thank you, Mr. Chair.

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SENATOR HASKELL (26TH): Thanks, Representative. I'll be very brief just to say that I know that there's a lot of work being done in this Committee that I applaud concerning -- getting people out of individual vehicles and onto public transportation, and I support that 100%. But if we're going to get really serious about reducing carbon emissions, we know that public transportation can't carry that burden alone. Some people are still going to need to rely on cars. And I hope that we can make an efficient and equitable transition from traditional vehicles that -- which are pollutants and into our -- and a detriment to our natural resources here in Connecticut, towards 21st century electric vehicles. So, thanks for bringing that up, Representative.

REP. LEMAR (96TH): And thank you, again, Senator Haskell for instructions, the Bill and bring it to the Committee this year. We greatly appreciate the conversation, and we'll have more of it today. A number of people have signed up to testify on this specific issue. So, we'll be in touch about how you -- hope to proceed further. With that, thank you so much for your time.

SENATOR HASKELL (26TH): Thanks, everybody.

REP. LEMAR (96TH): Next up is Jeff Hugabonne. And Jeff, if I got that name wrong, please feel free to correct me.

JEFF HUGABONNE: No problem, it's Hugabonne. Thank you, Chairman Lemar, Members of Connecticut's Transportation Committee. Close on the pronunciation Hugabonne. Thank you, Chairman Lemar, and Members of Connecticut's Transportation Committee. Thank you for the opportunity to testify on H.B. 6426. This is the ACT CONCERNING RECOMMENDATIONS BY CONNECTICUT AIRPORT AUTHORITY REGARDING THE PROVISION OF SECURITY SERVICES AND METEOROLOGICAL TOWERS.

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I've spent about 30 years involved with towers antenna, broadcasting facilities. I'm also the Chair of Connecticut State Emergency Communications Committee, our SECC. And my current employment is with operations and sustainment, in support of national level emergency alerting and critical infrastructure, involving broadcast facilities in all states and U.S. territories.

Safety is of paramount importance to broadcasters, and their towers, antenna and other facilities are regulated by the federal government. Specifically, the federal government -- Federal Communications Commission, the FCC, regulates broadcast antenna of all heights, and makes them subject to Federal Aviation Administration regulations and guidelines, which I've referenced in my written testimony.

Since House Bill 6426 specifically targets towers that are not broadcast antenna, I'm asking on behalf of the Connecticut Broadcasters Association, that all television and radio station antenna that are regulated by the FCC in Connecticut be explicitly excluded from the Bill, as well as towers that are operated by stations in the immediate vicinity of their antenna, such as doppler radar towers. So, thank you for your consideration.

REP. LEMAR (96TH): And thank you, Jeff, for your testimony today and for bringing this attention to us -- is not something that we've been talking about in our small group meetings to date, so it is, certainly, something we are appreciative of you, highlighting for the Committee. Are there any questions? Seeing none, thanks again.

Jeff Aiosa? Or Terry Poley? All right. Who else we have next? Is Representative Arora available? Mr. Clerk, I think we're hitting a -- we're hitting a difficult window here. Representative Arora appears to be available.

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PHILIP MAINIERO: Just one moment, Mr. Chair, I believe he is. We're trying to pull him in now. Here you go. Let's see. Should be joining now.

REP. LEMAR (96TH): All right. So have Representative Arora, followed by Mr. Aiosa? Rep. Arora, good to see you. Welcome to Transportation Committee.

REP. ARORA (151ST): Yeah.

REP. LEMAR (96TH): And you have three minutes, but we let you go over a little bit, just staying on point.

REP. ARORA (151ST): Yeah. Thank you, Chairman Lemar. It's so good to be here, Chairman Lemar, Senator Cassano, Ranking Members Senator Somers, Representative Carney, and Distinguished Members of the Transportation Committee. My name is Harry Arora and I'm the State Rep from 151st District. I testify today in support of S.B 5024, AN ACT CONCERNING -- sorry 6054, AN ACT CONCERNING PRIVATIZATION OF NONSTRATEGIC ASSETS TO PAY DOWN DEBT IN THIS SPECIAL TRANSPORTATION FUND.

The Department of Transportation has a number of assets, which are non-strategic in nature, and have more social utility and financial value, if they were in private hands. Two good examples are parking assets and display assets. These assets have hidden value, and the state has neither the expertise nor the funding to develop them or monetize them. I will provide more insight into the display assets, but this does apply to several other assets that DOT has in its portfolio.

A transportation display asset consists of numerous displays and electronic signage and train stations, trains, buses and highways. There are several thousands of such display spots around the state.

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Some are developed, others are not. With the current technology these display assets can be put together in what is called "display network". Building such a network requires investment in expertise the state may not have. But such a display network has significant value.

Recently New York without such a network in partnership with private companies, it's such an array -- in such an arraignment, private companies, you know, like Google, like Clear Channel, they would fund the investment in developed assets. Such a developed display network for Connecticut would be valued in several Billions of dollars -- Billions for the beat. If we do not leverage private capital or technology, such a network will never get built, and obviously what we call a hidden assets in our portfolio. The display assets represent just one example of such unique assets in the transportation portfolio, which is a rich portfolio.

I want to bring attention to the Committee to the strategic aspect of this Bill. A transportation department needs funding to be deployed in critical areas of transportation -- bridges, roads, rail, transit, etc. As we stand today, the transportation fund has a debt of \$6.4 Billion dollars and spend \$700 million dollars-plus every year in servicing that debt. If we were to use non-strategic assets to pay down this debt, we could free up that \$700 million dollars to invest in our core transportation assets. This idea of using our non-strategic assets to fund reinvestment in strategic assets makes really good policy sense. If we implement the plan describes in this Bill, we'll be able to invest 50% more -- 50% more in our core transportation program every single year.

Finally, I want to emphasize that implementing such a strategy requires time, it requires process, and it requires professional talent. We do not want to sell our public assets for cheap. We want to sell

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them to private partners, who will invest in such assets. The future development of such assets should be to promote public good as -- so the asset sale may come with constraints. This Bill proposes setting up a privatization office in the Department of Transportation with the help of DCD.

Fortunately, our DCD houses Connecticut innovation, and has a talent and capacity to analyze, develop and implement such a program. The DOT has the best knowledge of these assets. And it's a partnership between the challenge of DCD and the experts at DOT can help us develop and implement such a plan. I firmly believe that such a program would be of immense benefit to our state, considering investment --

PHILIP MAINIERO: I hate to interrupt you, but you're right about your deadline. If you could just summarize.

REP. ARORA (151ST): Yeah, I'm wrapping up I'm in the last line anyway. Accelerate investment in our critical transportation assets and help create jobs and grow our economy. I would be remiss if I did not point out that my good friend from -- State Rep. Meskers from Greenwich has also co-sponsored the Bill. I urge you to pass this Bill. I'm available to answer any questions you may have. Thank you.

REP. LEMAR (96TH): Thank you, Rep. Aurora, for introducing this Bill before the Transportation Committee, and having us consider it this year. We have a few questions for you. So, hold on tight. First is going to be Representative Steinberg, followed by Representative Meskers.

REP. STEINBERG (136TH): Thank you, Mr. Chair, and thank you, Representative, for bringing this concept forward. It is a very interesting idea. A number of years ago, I chaired the Pension Sustainability Commission that looked at a very similar approach to

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using state assets, non-DOT assets to help work down the pensions, which I still think is a better idea than using their Rainy-Day Fund. Have you done any analysis? I mean, obviously, we've talked a lot about DOT development of properties in a TOD context. But if you don't the analysis as to the order of magnitude of the opportunity with regard to what you're proposing?

REP. ARORA (151ST): Yeah, absolutely. The display assets in themselves are exciting. You know, you could pay off the -- you know, if developed properly you could pay off half or all of your STF debt of \$6.4 Billion dollars with it, because they could have, in all of Connecticut, what they call "a net cash flow" \$200 million dollars, \$300 million dollars, and these assets go for 20 times as they call it in the business. So, you could you know -- no, but it's \$2 billion dollars or \$4 billion dollars, listen, I'm not the expert. But the order of magnitude, which is the right approach, or which I was thinking, when I was looking at idea is not.

Same thing applies for some of the parking lot assets, because they tend to be stable income, and so go for a very high multiple. And once again, they are somewhat non-strategic once a parking lot is built, and we have several around the country -- or around the state. And the idea is to first bring them together, not sell them cheap. That's one of the things which I really want, and that we all should guard out for that once we put them together, they can go for fair value. And, again, there'll be recycled into strategic assets. So that's another opportunity.

Now, if we put the -- put, you know, smart people like those we have in the Connecticut Innovation and DCD to work, they'll figure out what's really non-strategic, and what is high value to in some other hands, where investment is needed, where they will

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put the investment they see more value, and more public good is going to create it?

REP. STEINBERG (136TH): Thank you for that answer, Representative. I think it's a very interesting concept we should explore further. Though, I will say that if we're talking about some of these projects, we should make sure we engage the local municipal leaders and their communities because I think that each circumstances development is unique to itself, and we should respect some of the local traffic and zoning issues that may result in developing some of these properties. Thank you, Mr. Chair.

REP. ARORA (151ST): Thank you, Rep. Steinberg.

REP. LEMAR (96TH): Thank you, Rep. Steinberg. Rep. Steinberg, I think for saw -- where I was thinking, this could go too. Representative Meskers, followed by Representative Thomas.

REP. MESKERS (150TH): Yeah, I -- first I want to thank Representative Arora on this issue. Bringing you forward, I was thrilled to in his request I co-sponsor. You know, I'll question the model in terms of a privatization. But because the issue is we can either sell the asset or we can find a management company and take the revenue stream and own the asset. But I think identifying the asset in the cash flow stream and using that to pay off, we could literally, you know, sell it for the multiple or we could dedicate the cash flow to service the SDF and free up the SDF or other -- you know, there are a couple of different financial machinations we can do, if we could recognize the asset pool.

I think we have to realize that, you know, we're in a \$3.5 million dollars person state. We are managing assets with reduced workforce. You know, Department of Transportation, we just finished our hearing on the pier in New London, questioning the

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Port Authority and the technical memorandum of understanding for the management and build out of it significant asset. These are significant commercial assets that are going to hit the advertising world. I don't have an advertising maven sitting in my Department of Transportation.

So, recognizing how we manage those assets, and oversight and getting a -- you know, getting the study done, getting evaluation and then figuring out the idea of either privatization or warehousing and doing that activity at some level of the DCD or in the innovation exchange and creating the value, which we either sell off or use it to pay down the SDF, we have multiple models. But what we've identified is assets that we are dusting or painting or doing nothing with for 20 years, and so monetizing the asset is super important, whether it's in our hands or a third party, so I totally support the study, and I encourage all of us to support it. Thank you

REP. ARORA (151ST): And thank you, Rep. Meskers. I -- and you have an excellent point. There are two -- there are multiple ways to look at it. You know the specific strategic teams, I want to point out is we should only look at some substantial ideas, because just as was pointed out there's -- these are not simple things to do. They will take time they need to be done right.

And the reason I bring up display assets is because that has what I would call a "growth multiple" where it's going to end up is there it's going to end up, but at this point, these are things you know which can be sold at values, which you know, in the future, maybe, perhaps, the markets is -- there's going to be more attitude come up across around the country so valuations would be what they would be.

Now that I'm evaluation expert on display assets, but when I look at numbers of Billions, and I look

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at our state or state debt and look at this possibility that we could be debt-free and in this -- in the SDF, not overall in the SDF. It just -- it's just super exciting, and that's why I bring -- brought up from a point of view of, you know, developing and privatizing it.

And it requires investment too. So, the partner would initially invest -- so there would be some kind of a deal to be done, but that's why it's not something we do immediate -- quickly, it has to be done with some kind of experts on it.

REP. LEMAR (96TH): Representative Thomas, followed by Representative Hanes.

REP. THOMAS (143RD): Thank you, Mr. Chair. Thank you. I do think this is a very interesting concept -- sorry, can you hear me?

REP. ARORA (151ST): Yeah. Yes, I can. Yes, we can.

REP. THOMAS (143RD): All right. I'm getting an echo. I do worry -- I hate to use the term "unintended consequences", but that is what I worry about. I've seen from various types of models around the country where state, cities and municipalities sold off these assets what -- for what they thought was a fast price at that time, but over the span of many years, they lost out on a lot of income, so I'm glad you touched a little bit upon various ways to structure it. But -- so, if you would like to expand on that, great. If not, I have some other questions. But I would be really concerned about how do you set that right price without knowing how things will change a decade or two decades, because once you've sold it, you can't reclaim it. Oh, use it now.

REP. ARORA (151ST): Good one. Okay, thank you so much, Rep. Thomas, this -- that's a great question

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I'm so glad you asked it. And as a result, as -- if you -- if you -- if you recall, in my testimony, I dedicated one of my three minutes. I worked on it, so I had -- on the caveats that, okay, don't send them, so they were -- my caveats would be don't sell them cheap. You know, make sure that you sell it to the right people with right constraints and develop them properly thoughtfully.

Now, to your point, there are some assets, where the technology is so established in there, so as I would say -- I don't want to use the old school assets. But, you know, it's very highly unlikely that there's a lot of changes that can happen. For example, think about parking assets, there's upside downside. You know, as we go forward, you know, if people take more over to the train station where that's going to go, their shared right concept which are coming -- so yes, we do take some risk, but there are some ideas, where I would say the experts would say that the risk is low. Others, for example in the display asset, we want to be slow. That's why my suggestion here in the Bill has been let's just put it in some kind of a privatization office for with experts to develop it, to develop a partnership, go slow.

It's not going to perhaps we give somebody a minority interest to develop it and then keep that whole thing and over a period of time do it because their interest, what if it's worth 10? We shouldn't be selling it for three if it's worth 10. I'm totally with you. I think we have to be very careful, but the point is if we leave it alone and do nothing with it, 10 years from now, the value of money is lower obviously. There's a cost-time value of money and we may miss the train as well.

So, I think we have to develop it. There is also public good with developing the assets. These assets, when you actually develop them can be used for public messaging and public safety. New York

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has a very good example. They thought that these some of these assets -- and I'm using rough numbers, so I hope nobody's going to hold me to that. When I was talking to industry folks, they said that initially, they thought these would go for \$300 million of revenue a year, which you can just take 15 or 20 times as the value of the asset.

They ended up developing where they think they are generating a \$1 Billion a year. So, the value of the asset is basically closer to \$20 Billion dollars. And this only metro New York area and obviously, they will be much larger. That's a fact, but that really develops why we think that -- my assumption is that we're going to be somewhere to \$300 million, to \$400 million, \$500 million of cash flows a year, which would mean that the asset is \$5 Billion to \$10 Billion or somewhere in that range.

So, this an exciting opportunity to not explore it by putting some resources to make a make a few Billion for the state. If we put a few hundred thousand here early on by creating a privatization office, I would suggest, is a good bet. Nothing is going out right now. We got to put some smart people. I also am impressed with the quality of talent, which we have at the DCD, so a lot of good things are coming together.

That's why I'm urging you to support the Bill and do something now.

REP. THOMAS (143RD): I appreciate your optimism. I don't care if you ask me because I just think I have seen so many examples of -- the market can only bear so much. So, even if someone is overpaying for the value of the asset by current standard, it is often hard to predict out because someone's not going to pay now for what it might be worth 20 years from now, by and large for certain types of assets.

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But I'm glad you mentioned display ads and New York City because that's again where I have seen some unintended consequences. As you may know, I worked in and for the nonprofit sector and I remember very clearly when I first entered the industry, people could buy nonprofits, could just buy display ad space to talk about all types of issues, which they can no longer afford to do by and large. And they rely on big companies to donate space, which as you might imagine is not quite what was intended when those assets were sold off.

So, I do worry about something like display ads. There would probably only be one companies that bought up all the space. So, in the absence of competition, usually what you see your prices go up, and quality goes down or fairness could be eroded. So, can you address that a little bit for these types of assets? You're muted.

PHILIP MAINIERO: Representatives, you guys are actually right on the deadline. So, if you could wrap this up as the final.

REP. THOMAS (143RD): Still muted, Harry. Rep? You're muted.

REP. ARORA (151ST): I think I get automatically muted I just realized after I answer. Thank you. Thank you, for doing that because there is feedback. But quickly answering the question -- I won't take too much time here, that if we do not develop the assets, the idea of having those access ads for example, for nonprofits, doesn't exist. We could always constrain the asset sale by saying 3%, 5% should go to nonprofits at a at a certain rate.

But the first thing is to develop the assets. I don't think the Department of Transportation budget would have the capacity to spend whatever few hundred million dollars of expertise at this time or in the next two or four years to really do this.

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So, it has to be done somewhat in a partnership and as my friend Mr. Meskers pointed out, what form we take is different, but we need to do something.

REP. THOMAS (143RD): Thank you for the time, Mr. Chair.

REP. LEMAR (96TH): Thank you Rep. Thomas. We have Rep. Haines, followed by Rep. Chafee.

REP. HAINES (34TH): Thank you, Mr. Chair and thank you, Representative Arora for being here today and bringing forth this Bill. Really unique Bill in its conception and looking forward to talking about it more. But you didn't touch a little bit when you were speaking to Representative Thomas in regards to where is this used elsewhere and how is it going there? So, I just wondering -- obviously New York has lots of display assets.

Can we look at somewhere a little bit more rural that are using this in success? So, could you speak to a little bit of that? And thank you so much.

REP. ARORA (151ST): Thank you. That's an excellent question. I really appreciate. Thank you for asking that. New York is the most easy, so as to say -- I am unmuted, yes. New York is the most easiest comparison for us so that's, the reason I investigated that. I did not want to talk too much to the industry because that would be at some point I think, they need to testify themselves. We think there's is stuff going on, they tell us. I had easy simple conversations with folks in the industry. They said well, this going on across not only the US, across the globe and there are specific firms which are really focusing on these things.

So, I am not aware. I do not have details of what is going on in Massachusetts, but I'm told there's some stuff going on there. But the New York program was really very clearly defined. They said that's

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been such a success that in the amount of dollars being generated, is so strong that it really bodes very well because at least in the southwest Connecticut perspective, it is a similar market. It bodes very well.

But at the same time, I also think that being a state which at this point can kind of move nimbly -- there are others who may not be able to -- it would be a positive. But again, this an emerging field, things are going on, few states have done it, others may do it later, but there's a unique substantial opportunity to leverage.

REP. HAINES (34TH): Well, I agree with you and I think -- am I muted? No?

REP. ARORA (151ST): No, no, I can hear you.

REP. HAINES (34TH): Thank you. It's an exciting opportunity here. Last question, have you had conversations with DOT, and DECD 3:07:57] in regards to this yet?

REP. ARORA (151ST): Thank you, Rep. Haines. These are all things I'm doing right now, because it's interesting because when I proposed the idea -- thank you to Members of the Committee, it got put on the Public Hearing pretty quickly, so it has this kind from a scheduling perspective, I have been really exploring it. I have placed a call into both the DECD and they were very interested. So, I spoke to Commissioner Lehman and he said, "Well, let's look at this."

He's been very involved with the processes on reopening, so I don't want to bother him anymore. But at the same time, I think there is interest. With the DOT, I have been trying to make contact and I'm sure with those discussions, we can have -- but it would be great to have the blessing of the

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Transportation Committee, so I thought that would be the right format to bring it up first.

I will also emphasize that once this kind of a privatization idea offices -- for non-strategic, I just really want to keep emphasizing, it has to be non-strategic assets, not strategic assets -- is set up, we will identify other really good ways with the goal to recycle and invest in more core assets. That's really what business capital allocation is about. Businesses do that all the time and they take the assets, which to as to say return, are well-developed and then take that money developing assets, which need more investment, are exciting, will bring more public good.

We don't want in returns in terms of financial returns. We're talking about public good, social utility, a bridge somewhere, a road and so on, so forth, which the DOT obviously would know precisely about. So, this whole concept overall -- and I like to focus on display assets -- but I bring it as a concept, which can really change some of the fixed thinking we have been having. I have been here since 10:00 a.m., listening to discussions of the esteemed Committee and we've been talking about tolls, versus this, versus that.

But think about this, let's think out of the box. If we do something like this, we can have our cake and eat it, too. That's why I really I would request the Committee to look at it in aggregate. Display assets being one, there will be other ideas. I'm not as much of an expert in identifying these assets, but the work I have done shows that the potential is quite large.

REP. HAINES (34TH): Well, thank you very much. I appreciate the out of the box thinking. I'm looking forward to following this along. So, thank you. Thank you, Mr. Chair.

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REP. ARORA (151ST): Thank you, Rep. Haines. Thank you so much.

REP. LEMAR (96TH): Representative Chafee?

REP. CHAFEE (36TH): Thank you, Mr. Speaker, thank you, Representative Arora for coming for us today. I just want to echo some of the concerns of Representative Thomas. All too often when these privatization schemes are pursued, it ends up costing the state -- that we misvalue more money in the long term. It creates a windfall where you sell the asset and you're kind of plugging a temporary hole on a budget, but it's taking the revenue streams off of the books in the long run.

To your point, especially parking lots, park and drivers, things like these, these are steady sources of income. That's why they're desirable for people to purchase them. Are these assets currently providing revenue to the state and the municipalities at the moment? And how would you account for the loss of revenue over the long term?

REP. ARORA (151ST): Yes. I shared those concerns as well. Please don't take this lightly that I don't share those concerns. I am elected to preserve public good, to preserve public assets, to preserve the value for our public. So, I do not for one moment would take this lightly. The reason I say that some of these assets, in the private strategy analysis, this is done quite often and it applies very well to the government side.

That there are assets, which in some sense will need more investment. Sometimes what happens is let's say -- talk about a parking lot. There's a parking lot we built and I researched this, so I know \$50 million dollars or \$60 million dollars, maybe a decade and-a-half ago. It requires in the \$5 million dollars, it requires some updating, it requires some ability, it has high-demand parking

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lot, it is actually overcapacity, or overdemand is overcapacity.

At this point, the DOT may have a list of such projects that may get there five years from now. So, think about the revenue stream you're missing. The revenue stream that you have missed, which is not created for five or 10 years is a revenue stream we didn't get, nobody got, it's what you call not a zero-sum game. It is value which we left on the table. The plane left with nobody on board.

So, that's why what I'm saying is that these are things we cannot invest too much in. These are things, which there are some private industry guys who would love to. That's what they do. For them it's a 7% cost of return. They do their thing, what they do, they will invest more. And that's why when you sell them, you really make sure that some of those things are experts do it, they're done properly. There is no gun to our head. We don't have to do it tomorrow, we don't have to do it. To your point, we don't have to do it.

But if we do it right, there's so much value created for our stakeholders, our constituents, because that same thing, to your point, I'm not saying take that money and throw it away. I'm saying recycle into the strategic bridges and transit and things which we have identified in which we are under perhaps not funding as much as we'd like. And so, suddenly that parking lot is still going to be there and to your point you are we replacing the revenues? We are going to grow those revenues because you are only selling them if you think there's a strategic -- somebody else is better off owning it and then you're recycling goes revenue.

So, this a thinking which is done and it adds a lot of value outside government and smart governments do that, too, and the risks we should guard. I appreciate that you raised the concerns and we

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should be very smart about it and that's why I say do put together a small group of smart folks now and then maybe two years from now they'll say, "Well, parking lot, bad idea, but display works. This doesn't work, but that works."

REP. CHAFEE (36TH): I think the fundamental issue is going to be any firm that wants to purchase this asset is going to be looking at it in terms of return on investment. So, they're going to pay as little as they can for the asset, looking to recoup costs as quickly as possible. So, if we want to continue with the parking lot analogy, that means it's going to cost consumers and residents of the state more to park in the lot than it would now.

What is the typical return on an asset like that? How quickly would a firm that purchases a parking lot, want to recoup their value and start making profit off of it?

REP. ARORA (151ST): Really good question. Those are the same questions I went through. You're basically exactly asking the questions I asked, only a month ago. And the questions that parking lot says, that the cost of capital out there because interest rates are right now. Interest rates are zero, technically, so there's a lot of demand for yield.

And some of these parking lots, the way they look at it is not -- let's assume it's generating \$1 million dollars right now. They will look at it as, and please --

PHILIP MAINIERO: Representative, you're actually right at that five-minute deadline again. If we could just wrap up this thought. Thank you.

REP. ARORA (151ST): I'll wrap it up.

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REP. CHAFEE (36TH): Thank you for the information. Thank you. Thank you, Mr. Chair.

REP. LEMAR (96TH): Thank you, Representative Chafee. Representative Arora, I just want to say thank you for bringing this to the Committee again. Look, I, too, have some pretty deep concerns with the concept, but I do frankly recognize that sometimes opportunities like this, allow the state to recognize the value of the assets that we hold that we may not be maximizing at the current moment.

I get terrified at the idea of Privatization Committees that are studying non-strategic assets, like everything about that is like 14 red flags going up all at once in my mind. But I will say that this an opportunity for us to maybe take a different look at the assets that we do control in the state government and determine if there's a more advantageous way for us to deploy those assets and collect revenue. Maybe we're missing an opportunity on these display assets under state ownership and there's an opportunity for us to do something different by learning from this process or learning from this sort of endeavor.

I, too, wonder if we like full-throated supported privatization of non-strategic assets, we may end up as Representative Chafee and Representative Thomas are suggesting, taking so non-advantageous deals that 20 years down the road, we would regret. And I would point to specifically one, the current state of rail ownership across Connecticut. If we were to look at who owns rail right away throughout the state of Connecticut, you'd have I believe 23 separate ownership entities that largely make their revenue by providing right-of-way permit access to individual users.

And if those rail ties were still owned by the State of Connecticut, we could consider broad investments in rail. It would rather be city-to-city or

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statewide rail connections that right now are just so expensive and so unwieldy to put back together again. And so, I would hate for us to privatize a state asset that we consider currently non-strategic to find out that the world has changed 20, 30, 40 years from now and we do anything to control that asset again and position the state further.

So, I think that's the challenge that we'll run into as we investigate this, but I think the idea of making sure the state is aware of the asset that we currently have and the revenue options that we may be able to consider is right on point. And I appreciate this conversation for that.

REP. ARORA (151ST): Well, I really do appreciate your point of view and the fact, the openness of the Committee to look at this. Because this is something I had started exploring and as I said, I was even through it and as you know, the Committee said, "Let's listen to it." So, I do appreciate the openness. And the risks are there. I have studied enough privatizations, to see how they can go wrong. But I have also studied many where they really go well and utilities created both for the state and for the public.

Because public will enjoy better goods and services, more goods and services, because we are most of many times investment-constrained. And this kind of a process is done all the time in organizations, nonprofits, in private organizations especially and in government organizations which think through these things and say, "Well, where do we need to invest?" Because everybody has a finite number of investment dollar.

But having said that, I really think it's really very thoughtful of the Committee to discuss this. Many Committees would not. Many Committees will just shut it down and say, "Well, too far out idea." You're listening to me, you're thinking about these,

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that was my objective. I would say mission accomplished at Level 1 and I strongly urge you to take the Bill a little forward and there will be good stuff coming out of it.

Perhaps, maybe not just, it may not be one way, but maybe another way. So, I really appreciate your time and thank you for the consideration.

REP. LEMAR (96TH): Thank you, Rep. Arora. Next up is Jeff Aiosa and then a group led by Representative Paolillo.

JEFF AIOSA: Thank you. Good afternoon, Representative Lemar, Senator Cassano, Senator Somers, Representative Conley and Members of the Transportation Committee. My name is Jeff Aiosa. I serve as the Legislative Co-Chair of the Connecticut Automotive Retailers Association, also known as CARA, which proudly represents 270 new car dealers and their 14,000 employees. I'm the owner and President of Carriage House of New London and I also serve as the Director of the National Automotive Dealers Association.

I'm here today to testify in opposition to Senate Bill 127, AN ACT CONCERNING THE SALE OF ELECTRIC VEHICLES IN THE STATE. Connecticut's over 270 new car dealerships provide consumers with local, convenient, dependable service and sales in their communities. Where at the pandemic, our dealerships have remained open as part of the essential workforce, providing support to Connecticut's frontline workers.

We offered sales and maintenance services to first responders and the general public. Additionally, we serviced fleets of emergency vehicles and grocery delivery trucks. Our dealerships are flexible, nimble and are always working to meet the demands of our customers as demonstrated over the past year and this difficult year as well.

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To that end, Connecticut new car dealers have quickly adapted to the promotion of a greener future. Most dealerships utilize solar energy, offer electric vehicle charging stations. We make purchasing, servicing and charging electric vehicles easily accessible to our customers. CARA has also partnered with the Connecticut's own cheaper program which provides car buyers with incentives to purchase electric vehicles.

Most importantly, our dealerships protect consumers while providing personal and local service. Connecticut's Franchise Act, which governs the sale of new vehicles and our dealerships protects Connecticut consumers by guaranteeing state and federal laws are followed, as well as ensuring the fair lending laws are enforced.

Senate Bill 127 harms Connecticut consumers -- consumers who will no longer have our dealerships to advocate for them, and they will also lose access to local and reliable repair services. Senate Bill 127 jeopardizes jobs over the 14,000 Connecticut employees, and finally Senate Bill 127 is unnecessary because Connecticut consumers have access to electric vehicles and that access continues to grow.

So, I ask you to reject Senate Bill 127 to protect Connecticut's consumers while protecting its 14,000 employees --. Thank you.

REP. LEMAR (96TH): Thank you, Mr. Aiosa for your testimony today and for sharing with us the opinion of the industry on this issue. An industry that employs a lot of Connecticut residents who we greatly appreciate the work and service that you do on behalf of them.

JEFF AIOSA: Thank you.

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REP. LEMAR (96TH): Senator Somers?

SENATOR SOMERS (18TH): Good afternoon and thank you for testifying. I had a question. If you could speak to -- there's been some implication that maybe our dealers that are through franchise auto dealers do not necessarily offer electric vehicles. Could you talk about maybe the last few years and into the future, how the auto manufacturers are working to reduce carbon emissions? And what is the future for electric vehicles through your model?

JEFF AIOSA: Sure. Well, specifically with my model, we have an EQS that's launching this year. That technology will upstage Tesla specifically not only in range, but in overall technology defined as AV and telematics of the vehicle. As it relates to my store, I put over 1,000 solar panels on my store seven years ago. I just completed actually last week tens of thousands of capital investment and electric charging stations to replace the existing ones that I have in my store and drove a B Class, which is an all-electric vehicle for over three years.

So, I'm probably not the best example of electrification of our industry, but I think an average one, and I think my brand has got an onslaught of new product coming out, not just the end of this year, but right through starting next year with six new models, probably representing close to 10% of every new car that we sell within the next five years. So, transformation to electric is here. It's serious. We are very excited about it; we embrace it and we look forward to as we have over the past hundred years being nimble and flexible and rising to the challenge.

SENATOR SOMERS (18TH): And then my last question, do you feel that if we allow Tesla to have this direct sales agreement -- because for years Connecticut has had this agreement where you go

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through a dealer et cetera -- does that create a competitive advantage for them? Do you think that will impact your jobs? How do you see that impacting all of the employees in the automobile industry per se?

JEFF AIOSA: Yes, that's a great question, Senator Somers. I think that the 14,000 employees of this state and our dealerships rely on the franchise system. It's obviously the protection for their jobs. When you allow the direct sale model to come in, it's not only a consumer unfriendly model, and I say that because frankly, it strips out the inter-brand competition. So, for example, if you came into my store today and wanted to buy a vehicle and for whatever reason you didn't like the price, you didn't like my culture, you could go to another store and you can negotiate that price, you can obviously experience a different culture.

That doesn't exist in the integrated vertical sale model and additionally, I think that the jobs that would be dismantled by this direct sale model would not be limited to Tesla, but as I heard in testimony with Lucid and Rivian and over 100 Chinese manufacturers that also would come in -- not all of them, obviously, but some of them -- on the direct sale model, it would pivot the local community jobs to overseas or other states and that's a huge concern for not only me as a business leader in my community, but for my employees.

SENATOR SOMERS (18TH): And then, just one last question quickly is -- Representative Conley had brought this up before. It's not something that I have really thought about, but what about the aftermarket for a direct sales product that maybe the dealer goes out, or no longer does business here, where does that leave the person who has an issue with the car if there's no direct sales operation in Connecticut any longer?

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Is there use for that car? Because right now, if there's a Saturn or something that no longer exists, somebody can go into one of the dealers and get a trade in or something for that car. Is that correct?

JEFF AIOSA: That is correct and it's a great question because obviously, when a manufacturer shuts down -- and they do Saab is a good example of that, there are still dealerships that are in operation that have the technical know-how, the equipment and the resources to facilitate those repairs. That's not the case when a manufacturer goes out of business. There's no one to see.

SENATOR SOMERS (18TH): Thank you very much for your testimony.

JEFF AIOSA: You're welcome.

REP. LEMAR (96TH): Representative Thomas, followed by Representative Conley.

REP. THOMAS (143RD): Thank you so much, and thank you so much, Jeff, for being here. Something you said just made me think. I think you may have heard earlier that I was actually quite sad that I had to leave the state to buy my electric vehicle recently. And I think what I heard you say was that dealership would probably be increasing their supply of EVs by about 10% over a number of years.

And we heard earlier, that there's a big gap right now that between the number of vehicles available and the number that we need on the road to meet our climate goals so -- I don't want to put you on the spot, but if you know, what is the inventory? By what percent would the car dealer structure need to increase the sales of EVs to meet our goals?

JEFF AIOSA: Yes, that's a really great question, Representative Thomas. Our distribution system is

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referred to as a push system from the manufacturer that we refer to as the OEM. Meaning that it's not a matter of the dealer saying, "We don't want that product" or, "We don't want to sell that product." It's a matter of the manufacturer producing it and then distributing it to us and then it's on our lot. Remember that we own 100% of everything. The manufacturer has no capital investment in us. We are private capital establishments.

I think to answer the question, perhaps a different way is for many years, combustion was still invoked. It's not. All manufacturers are pivoting and transforming to electric and in a blink, there's going to be more inventory than we can imagine. And I think that's why it's really prudent for dealerships to do what I have already done and most have in terms of putting electrification in their dealership -- electric charging stations.

We are applauding the federal government, this administration for putting in a whole new charging infrastructure, over \$500,000 at the federal level. This not something that the manufacturers are putting their big toe in the water. They're committed. They've spent Billions of dollars in research and development. My manufacturer alone has spent \$5 Billion. There's no turning back. This is real and this happening and it's a good thing for the consumer because the technology is awesome. It really is.

REP. THOMAS (143RD): Thank you for that. I do agree that we are only moving forward, which is positive for environment and to one of the Representative's points earlier, I do think it's more people in our technical schools are trained in EV technology, et cetera, I also think we'll start seeing service stations crop up that only service electric vehicles, et cetera outside of the dealer system. But thank you for your time, I appreciate it.

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JEFF AIOSA: You're welcome.

REP. LEMAR (96TH): Representative Conley?

REP. CONLEY (40TH): Thank you, Representative Lemar. I just wanted to follow up on -- I appreciate Senator Somers following up with you on questions I would asked a prior speaker about the dealership model and service when companies no longer exist. And I actually learned about this owning a used Oldsmobile, which Oldsmobiles were great cars, but don't exist anymore. When I had a safety recall -- just for the record, that Oldsmobile or that Saab could be brought to anyone in the state of Connecticut that have formerly sold those vehicles for safety recall. Is that correct?

JEFF AIOSA: Sure. And that's an excellent question because that dealer has the ability to facilitate that repair, more so than a non-Oldsmobile dealer in this case or non-Saab dealer because they have the tools, they have the equipment, they have the training. They can still do that, yes.

REP. CONLEY (40TH): And I have to just share that Oldsmobile may have been before airbags were standard and vehicles, but let's say if we had an airbag repair -- very important repair, just to let others know, if airbags often are not made by Oldsmobile Saab, the company that's out of business, oftentimes they're made by other aftermarket companies. Correct?

JEFF AIOSA: Correct.

REP. CONLEY (40TH): So, if there's no dealer model to exist, if I had a problem with an airbag by a third party or fourth party company, would I have to then find out who manufactured that part and outside the dealership model find that company and as the

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consumer, try to figure out where that company exists and how to get that safety part replaced?

JEFF AIOSA: No. Easily go to a former Oldsmobile dealer and they would be able to facilitate. Let's call that Takata airbag and have the safety and correct protocol in the installation of that airbag. Tesla is a great product and if it went out of business tomorrow, or if it's sold, with this direct sale model and there was no representation, if a Tesla came into my store and needed a recall it's not that I wouldn't be able to attempt to do it, but it wouldn't be something that I couldn't facilitate without the technical know-how, the training that we have for our technicians.

So, the answer is, I don't know where a Tesla owner would go if they had a recall that would not be able to be facilitated through a representation that no longer exists.

REP. CONLEY (40TH): But here in Connecticut under our dealership model, if some company goes out of business, leaves, the consumer could just take their vehicle to that shop that formerly sold Oldsmobiles, or Saab, or whatever the next company is and get those safety recalls taken care of in one stop with the personnel at that location. Correct?

JEFF AIOSA: Correct. Yes.

REP. CONLEY (40TH): I think that along with the jobs is one of the reasons that I appreciate our dealership model here in Connecticut. Hopefully my current used car will last me just as many years as that old vehicle did. Thank you.

JEFF AIOSA: You're welcome.

REP. LEMAR (96TH): Representative Carney?

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REP. CARNEY (23RD): Thank you very much, Mr. Chairman. Hi, Jeff, it's nice to see you and thank you for your testimony. You may have answered this but one of the things -- I feel like a broken record because I think I have asked this every year that this Bill has come up. There's a reason for this Bill. The gentleman from Tesla said, I think roughly 80% of the electric vehicles on the market are Tesla's, so they're obviously highly-desirable.

I know people in my generation and younger are very into electric vehicles. I would like to own one sooner rather than later. So, with Tesla really taking over the market -- it's not always going to be that way, probably -- but with them taking over the market, I think one of the frustrations I have and I see major manufacturers creeping into the market, but it's not going as quickly as somebody like me would like.

So, what is happening right now to try to compete with Tesla?

JEFF AIOSA: Great question, Representative Carney. I think that you're right, year-over-year, that was a really I think timely question and the answer to it today is very different than years past and as much as we're here. You've heard in the past week that Jaguar Land Rover is abandoning combustion, Volkswagen is abandoning combustion -- the list goes on including my manufacturer. So, it's not just a matter of the commitment to a carbon-neutral footprint, but it's the commitment to this departure from combustion.

And when we talk about Tesla owning 80% of the market, that's an easy thing to do when you have no competition. It also should be understood that 70% of everything they sell is in the state of California. I think Tesla has a thirst for the rest of the market to be electric as the other 31 OEMs do, but there's a very compelling reason why in my

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opinion, they would be more successful if they used the franchise system and not to get into the level playing field of argument. But I come back to when a customer has a vehicle that is pushing up against the end of the warranty and we have it on a workshop and there's perhaps a seeping seal that you could argue is going to leak post-warranty, we replace that seal on the warranty because we know the next time it comes in the workshop, it's going to be at the customers' expense.

Years ago, I read in the SEC filing of Tesla that their business model is more advantageous to their shareholders because they are effectively the judge and the jury and can make the decision whether to spend the money on that seal when it's just about out of warranty or not. That's not consumer-friendly, just like if there's a lemon law issue, we don't stand with our manufacturer. We stand with our customer and align ourselves with the customer against the manufacturer to get the resolution that's needed because we are private. There's a lot of advantages, especially in the consumer area that really supports the franchise model over the integrated vertical direct model.

REP. CARNEY (23RD): Okay. I appreciate that. I know we've sat in rooms together when Representative Greyer and Senator Leone were the Chairs of the Committee. This was a couple years, a few years ago. Now, there's more manufacturers in the electric vehicle game that want the direct sales model in Rivian and Lucid, which aren't major parts of the electric vehicle market yet, but they want to follow that Tesla market. What would you say to them, those two, Lucid, Rivian and Tesla as to why despite not doing it in other states, why in Connecticut should they be part of the franchise system?

JEFF AIOSA: Well, again, it's a consumer-friendly model, it's existed for over 100 years and frankly,

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for not any other reason, but if you look at the economics of it, when a manufacturer builds a car and puts it on a car carrier, they already paid for the car. It's a push distribution system. The car is now owned by the dealership. That asset has shifted and now it's our responsibility to sell it. There's tremendous value to a manufacturer to use the franchise system.

Look, the billions and billions of dollars that my brand would have to spend to convert the independent model to the factory-own model is something that they have no appetite for and frankly, if we're not doing it, then they would have to do it. Just a shift in the expense. So, when you look at we talked earlier about, or someone's talking earlier about, the J.D. power survey and if you look at the consumer reports survey and Pied Piper, Tesla was always at the bottom of those surveys because we as independent retailers who again understand our communities are aligning ourselves with the consumer with the customer for consumer issues is really something that I think sets us apart from the direct sale model.

REP. CARNEY (23RD): Okay. All right. Well, I appreciate your answers, Jeff. I'm sure we'll have additional conversations on this. This issue is certainly not going away. It's been in the Committee for quite some time now and I would really like to hopefully, come to some resolution to this because like I said, people want to buy Teslas and I think they would like much prefer to buy them in Connecticut than in a different state. So, thank you very much, Jeff.

JEFF AIOSA: You're welcome.

REP. LEMAR (96TH): Thank you, Rep. Carney and I think Senator Cassano has a question?

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SENATOR CASSANO (4TH): Off the top of your head or approximately how much do the dealership association pay into taxes to the state of Connecticut?

JEFF AIOSA: Probably the best way to answer that is almost 20% of all retail taxes in this state come from our industry.

SENATOR CASSANO (4TH): And if Tesla operated as it would like to, they will not be contributing to that?

JEFF AIOSA: No.

SENATOR CASSANO (4TH): All right. It's a tax evasion thing to me. It's almost intellectually dishonest to even approach it. That we want to be able to sell Teslas, we want to go to one of the wealthiest parts of the United States of America to sell them, but we aren't paying anything to the State of Connecticut. That's enough for me to say this is out of line. Thank you.

REP. LEMAR (96TH): Seeing no other questions. Thank you, Mr. Aiosa for your comments today and for helping to educate the Community on an ongoing basis. You have great representation up at the Capitol and I know that you've been someone who Members have been able to call and ask questions of in the past. So, I deeply appreciate your time today.

JEFF AIOSA: Thank you.

REP. LEMAR (96TH): Next up, we have a group that's combining their testimony to help save the Committee a lot of time and I'm greatly appreciative of that. Lieutenant Rentkowicz, Chief Jacobson, Alder Antunes, Alder Ferraro and leading it off is our Representative Al Paolillo. Thank you all for joining us today.

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REP. PAOLILLO (97TH): Thank you, Mr. Chair, Co-Chair Lemar, Co-Chair Cassano, Vice Chair Simms, Ranking Member Somers, Ranking Member Carney and Members of the Transportation Committee. For the record, my name Al Paolillo and I am the Representative from the 97th district, representing part of the city of New Haven, along with the good Chair. I would like to take this opportunity first to thank the Committee for hearing these two Bills today and also the New Haven contingent that Chairman Lemar referred to. Some great representation from our Police Department and several Members of our Board of Aldermen here in town in New Haven.

I have submitted some written testimony and will be very brief since we have several folks to speak on this directly, but I'm here to offer testimony and support on H.B. 6066, AN ACT INCREASING THE PENALTIES FOR STREET RACING and H.B. 6067, AN ACT CONCERNING EMISSIONS INSPECTIONS DURING THE COVID-19 PANDEMIC, specifically on H.B. 6066. Unfortunately, illegal street racing is something that we deal with in the city of New Haven almost daily. It's a frequent adverse impact on our city and municipalities throughout the state.

That's a huge concern when it comes to the safety of residents and pedestrians and other motor vehicles on the road. And I know that it's another important issue that the Committee is dealing with this year with the safety and speed limits on our municipal roads. I thank you for that. You'll hear from the New Haven Police Department in a second. That part of the problem with the current Statute 14-224 is that it's difficult to enforce and Mr. Chairman, with your indulgence, I would like to yield my time to Lieutenant Rentkowicz who can talk about that issue a little bit further.

REP. LEMAR (96TH): Thank you. Lieutenant Rentkowicz, thank you for joining us today.

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LT. JASON RENTKOWICZ: Thank you, sir. Good afternoon. Yes, in support of House Bill 6066, I would like to speak how the street racing activity and the street racing community and culture surrounding sort of a change over the years. So, I have been the lieutenant in charge of all the research, and planning, and development of strategies for street racing to combat street racing New Haven for the past four years. To kind of explain it best, I'll give some examples.

We would look four years ago on any given weekend on Foxon Boulevard, you'll find a large group of cars staged in a parking lot. We'll say McDonald's, a line of spectators on the sidewalk, two cars, side-by-side, a flagger in the middle, who will then start the race, record the time for the race, declare a winner and bring on the next group. So, on a typical night of enforcement, those two cars will be on 91 North in Wallingford by now and then what's the best part of the Statute as it is today is the spectators are charged with the same crime.

So, those sitting ducks in the parking lot we'll typically grab where we can, we'll stop them. The first thing they're going to say is, "I'm not racing. I'm just watching." "Thank you admittance. Here is your charge for spectating racing." Now they can come from Newport, Rhode Island or Yonkers, New York and it sends a message. They're not going to come back to New Haven to participate in an activity any more. Those are pretty successful operations.

Now if we fast-forward to last weekend. Same situation. There'll be cars in the parking lot, spectators watching, but now it's just one car. There's no flagger, not really much control. He'll spin those tires, roars engine, put on a show, smoke out the street and then got it.

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So, now let's say we have really good plan together and we have some units available to take them down and we apprehend them. What we're looking at in that situation is he's not racing. For Statute we could have some infractions such as unsafe start or speeding, ranging from \$137 dollar ticket to \$191 dollar ticket. At the very most we can possibly articulate probable cause for reckless driving.

So, it's good, we have an arrest, but there's no part of the Statute where it's unlawful to spectate reckless driving. So, we have essentially a lawful gathering of spectators, because what they're in all reality spectating is a stunt show. It's a demonstration of skill, a demonstration of your speed and it's stunts. It's stunts that you would see in Madison Square Garden on a public roadway.

So, I suggest adding language to the Statute to include a demonstration of speed, or skill, or stunt. Because as time goes on and social media became more popular -- there's a new app out there. It will be a couple months. That's what the racing community is seeking. They're seeking gaining attention, creating content to put online and not so much the glory of winning a race.

That sums up my comments for that.

REP. LEMAR (96TH): Thank you, Lieutenant.

LT. JASON RENTKOWICZ: Thank you, sir.

REP. PAOLILLO (97TH): Chief Jacobson?

KARL JACOBSON: Sure. First, thank you for having us. We appreciate the time on this matter. It may seem like a minimal matter but it isn't. These incidents bring 300 to 500 cars and people to one area. And when we have these incidents, we've also seen them become violent. I know West Hartford had a race area and there were multiple people shot and

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we've had people shot after or before these incidents as well.

But I'm going to reflect on one thing that's really as a police administrator, the issue. It takes a large amount of personnel to do any kind of enforcement and Lieutenant Rentkowicz explained that, too. You need multiple cars, you need the ability to stop them safely. We're not going to chase them around. They already want to take off. So, we need multiple police cars and officers to kind of get around that parking lot and have them not get away.

And I'll tell you about an incident in August of 2020 where there were over 300 racers in the Sargent Drive area down near 95. They were jumping on and off 95 and racing, they were racing on Sargent Drive and we didn't have a detail working. So, we sent numerous officers over there. I think there was even a shot fired incident at that no one was struck, but someone fired a weapon. So, we went there to take care of that.

In the meantime, in another neighborhood in New Haven, which now has no police in it, there were six people shot and one murdered in one incident. Because this really pulls our resources to a different level. So, what we ask for is when we do commit resources and over time, we need the teeth when we do make those enforcements to kind of say, "Hey, this a fine. We can find more people." We can kind of put the message out there not to race in Connecticut.

Because Lieutenant Rentkowicz is right, we get large groups from New York, large groups from Rhode Island and they're going to go where it's easier to go. They're going to go where the police resources are less. They're going to go where they're not going to be fined as much or they're only going to get motor vehicle violations. And that's the case

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sometimes. So, we would appreciate any tool in the tool basket. We've even put on speed bumps throughout Sargent Drive to slow them down. On weekends, we'd have details and shut certain roads down to observe for them, but we just need more tools to be able to do that.

And I think we are heading in the right direction with an ATV Bill recently through our ordinances and that's the type of stuff we're looking to do. But I would really stress the public safety angle. The ability that when all your resources are dumped into one area, it leaves other areas unprotected and that's something in New Haven that we are seeing a spike in violence. So, when we do go after street races, which that's another point. You can hear them all night long from 2:00 in the morning till 6:00 in the morning, you hear street racers and that's another issue for our residents.

We just want to make it a better, safer place here in New Haven and the rest of Connecticut. Thank you for my time.

REP. LEMAR (96TH): And thank you, Chief, for your time. I think Alder Antunes Followed by Alder Santana.

ALDER GERALD ANTUNES: Thank you, Mr. Chairman.

REP. LEMAR (96TH): Good to see you.

ALDER GERALD ANTUNES: Good seeing you again. Just looking at a picture of you the other day in our group chats. Thanks to the Committee for hearing me as well. My name is Gerald Antunes and I'm an Alder for the Quinnipiac Meadows area of New Haven. I'm also Chair of the Public Safety Committee and a retired Police Captain in New Haven Police Department.

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I'm really glad and thank you again for hearing this issue on House Bill 6066. The area in my neighborhood that illegal racing or general show-off activity is happening, every Friday and Saturday night is near a residential area and in front of a hotel. They have a lot of complaints that people don't want to stay there because they can't even get in and out of the driveway. And this a state road, Route 80. In fact, that area sees over 39,000 vehicles, every day and we average just over 100 motor vehicle accidents every year.

Now, with that mind, some time ago I arranged a meeting with New Haven Police, the Connecticut State Police, DMV inspectors and hopes that these law enforcement teams could work together to end this dangerous activity. Now, I know that it's a clear possibility that someone can be hurt or killed in these out-of-control vehicles. I know because I've driven a race car on a racetrack at Lime Rock, in Charlotte, in North Carolina, so I know what it's like to try and maintain control of a vehicle that's going 130 or 140 miles an hour. It's not something that our city streets or state roads are designed to handle.

In addition, the neighbors in my area, they're kept up as the chief said, all night, they hear the noise of racing engines, the smell of racing fuel and burning tires. And we know the only people who like those smells are guys like me who would like risks. Now, there needs to be a better way to deal with this kind of problem. These racers are known to spend between \$10,000 dollars and \$30,000 dollars just on the engines in their cars. Then you consider the tires and the other go fast parts that they have.

We really need to hit these people in their pockets. Let's consider increasing the fines and seizing the cars. It's reckless driving. Why not hold their cars for their court hearings like we would hold

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evidence in any in any other crime? I really appreciate your time. That's all I have to say at this point. Thank you again.

REP. LEMAR (96TH): Thank you, Alder Antunes for your testimony and for your commitment to the city of New Haven. Like you said, even the Police Captain in our city, Chair of Public Safety in our city, longtime member of the Board of Alders, we serve together over a decade ago on the Board of Alders and greatly appreciate the dedication time you've given to our city.

ALDER GERALD ANTUNES: Was it that long? Geez.

REP. LEMAR (96TH): It was that long. Representative Ferrero-Santana, who I also served with on the Board of Alders just a couple days ago. Right?

ALDER ROSA FERRARO-SANTANA: Yes. Just a couple of days ago. You were a young man and I appreciated everything that you did and I was excited when you went to the state. It was really a great opportunity for you. And you've grown so much in your position.

REP. LEMAR (96TH): You're not talking about my waistline, are you?

ALDER ROSA FERRARO-SANTANA: No.

REP. LEMAR (96TH): Okay. Just checking.

ALDER ROSA FERRARO-SANTANA: Well, you're not talking about mine. Are you?

REP. LEMAR (96TH): Of course not.

ALDER ROSA FERRARO-SANTANA: I wanted to echo everything that my colleague Alder Antunes had said. There are many times because Route 80 also crosses

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Quinnipiac and that becomes a gateway where traffic spills over and they race down the street on Quinnipiac. It's unbelievable and we've had so many accidents at Quinnipiac Avenue as well because of that in both directions, north and south.

So, anything that would help enable us to get a better position on racing in urban areas -- it's hard. It's hard to maintain and the cops are constantly on the go and they've got other things they need to do and you can't always have police doing spot checks on how fast the speeders are going. I recognize that.

So, if there's other things that we can use, it would greatly be appreciated. Thank you.

REP. LEMAR (96TH): Thank you, Alder Santana for your time and for your commitment to the city of New Haven as well. Thank you, all, State Rep. Paolillo, for your willingness to organize this for us and having all five of us be able to testify on this issue with a good presentation, I think. It hits the issue that we're facing in New Haven, but I think other communities are starting to see as well. And if we are able to temp down this issue in New Haven, we know it's just going to move somewhere else in Connecticut.

So, as Chief Jacobson said, we need to give additional tools for our community to use, but for communities across the state to be able to use. Chief Jacobson apparently keeps his tools in a tool basket. But wherever a community keeps their tools, we want to make sure they have enough of them to properly enforce and ensure that our community is protected. Representative Paolillo, anything at the end?

REP. PAOLILLO (97TH): I would just like to reiterate one specific point and recognize the work that the men and women of our New Haven Police

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Department and all police departments do every day in protecting us and addressing these public safety matters and quality of life matters, especially Lieutenant Rentkowicz and Chief Jacobson and the good work that Alder Antunes and Rose Santana do every day in the city.

This change in language would allow all municipal police officers and police departments, along with the state police to effectively enforce this particular statute. And it's a simple change, but something that will be sustainable not only in the city, but throughout the state as we confront this type of illegal activity. So, I would urge your support and again, Mr. Chair, thank you for your continued work and for raising these Bills.

REP. LEMAR (96TH): Of course. Are there any questions for any of the panelists? Seeing none. Thank you all so much for your time this afternoon and talk soon. Next up is Terry Poley, followed by Chrissy Monaco and Senator Formica.

PHILIP MAINIERO: We might have to move down the list and call the next person.

REP. LEMAR (96TH): We have Chrissy Monaco.

PHILIP MAINIERO: Can you say that again? You broke up a little.

REP. LEMAR (96TH): Do we have Chrissy Monaco?

PHILIP MAINIERO: She's in the waiting room. We do have Senator Formica while we try and connect with Chris and all.

REP. LEMAR (96TH): Okay. So, before we move on to another public official, I just want to see if we have anyone from the general public available. Rob Glaspy? No? Alright. We'll go to Senator Formica

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and we'll try to capture members of the general public quickly thereafter.

SENATOR FORMICA (20TH): Good morning.

REP. LEMAR (96TH): Good to see you, Senator. How are you today?

SENATOR FORMICA (20TH): Good to see you, Mr. Chairman, too. I'm doing very well. Thank you. Thank you for the opportunity to address you this morning. I will begin my testimony. Chairs Lemar and Cassano, Ranking Members Somers and Carney, and the distinguished Members of the Transportation Committee, I'm Senator Paul Formica and I wish to testify today in support of this Committee's increased participation in the oversight of the Connecticut Port Authority, specifically drafting a Bill that includes language taken from the intentions of proposed Bill to 241, 607, 610 and 866. All of which are contemplated to at the very least, create more oversight and increased reporting by the Connecticut Port Authority Board into a new model or direction.

As a former Co-Chair and now Ranking Member of the Energy and Technology Committee, one of the many focuses that the Committee has, which is a critical responsibility is the facilitation of the necessary generation of power sources to meet the state's growing energy demand as well as making that electricity as sustainable, practical and affordable as possible.

I believe offshore wind development is an important part of this discussion, as it is getting an industry foothold here in Connecticut and New England, utilizing both the ports of New London and Bridgeport. The Connecticut Port Authority was created around 2016 to help our large and small ports achieve their best economic potential.

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Unfortunately, the problems surrounding the management's indiscretions and quotes early on have and are continuing to have a negative effect on achieving this mission. There have been many concerns regarding the Connecticut Port Authority's behavior and while I truly believe that the current leadership is working diligently to reverse the misdeeds of the past, revelations continue to suggest that the problems of the past linger and some changes need to be made.

Just recently, the Connecticut's Contracting and Standards Board released information on excessive finder's fee payments to a vendor that they found after reviewing CPA activities. As this Committee considers the next best option, I believe working in association with the current management of the Connecticut Port Authority the contracting standard board to review all past contracts for services and vendors negotiated previously by the CPA.

Also, working with the Office of Policy and Management in their role as fiscal watchdog of the agency will ensure that the port renovations are managed for the keen eye and all matters or part of the public process. Additionally, a continued focus should be on Connecticut small port success as this a key economic driver to our state.

The Host City Agreement for the city of New London has language and should be completed quickly as in the London state peer is critical to Connecticut's economic recovery and New London's voice is critical to the CPA's board conversation. The CPA's past is in need of a thorough review and necessary steps need to be taken so that the economic success of Connecticut ports is the story, not the continuing past problems of the Connecticut Port Authority.

I thank you for your consideration of my request and for the time the Committee has allotted me to speak this morning or afternoon.

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SENATOR CASSANO (4TH): Are there any questions for Senator Formica? Seeing none. Senator, thank you very much for your testimony.

SENATOR FORMICA (20TH): Thank you very much, Senator Cassano. I appreciate it.

SENATOR CASSANO (4TH): You're welcome. Next in line? Philip, do we have the next speaker?

PHILIP MAINIERO: The next speaker unfortunately are not in the waiting room. We will have to move down the list back into the public and after Senator Formica, I believe we have Terry Poley, Rob Glaspy, Samantha Dynowski or William Hughes. I don't see a lot of them is in the room. It seems we do have both Samantha and William from the public list. So, Samantha Dynowski from the Sierra Club, the next one. She should be able to speak now.

SAMANTHA DYNOWSKI: Hi. Thank you. I think I'm on now. Yes?

PHILIP MAINIERO: You're on and ready to go.

SENATOR CASSANO (4TH): Welcome.

SAMANTHA DYNOWSKI: Thank you, Senator Cassano and Members of the Transportation Committee. My name is Sam Dynowski. I am the State Director of Sierra Club Connecticut. On behalf of our more than 40,000 members and supporters in Connecticut, thank you for the opportunity to testify in several Bills before you today. The Sierra Club is committed to solving the climate crisis with just and equitable solutions that will result in a healthy world for everyone. Transportation pollution in Connecticut is a serious problem, both for climate and for public health.

According to the latest greenhouse gas inventory from the Connecticut Department of Energy and

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Environmental Protection, the transportation sector accounts for 38% of greenhouse gas emissions. Poor air quality is contributing to a health crisis, disproportionately impacting Black, Brown and low-income communities with acute and chronic respiratory problems such as asthma, chronic obstructive pulmonary disease and other lung diseases.

And as noted by a previous speaker at Harvard report released last week shows that annually eight million premature deaths worldwide are a direct consequence of fossil fuels. And that the northeastern United States is one of the hardest-hit areas in the world. We seek solutions to reducing transportation emissions that include clean pollution-free vehicles and making our communities more walkable, bikeable and transit-friendly.

We are testifying today in support of three Bills to promote clean transportation before you: H.B. 5419, H.B. 5423 and S.B. 127. Sierra Club supports H.B. 5419, revenues collected for clean air greenhouse gas reduction, other environmental purposes should be used as intended, on clean transportation initiatives. And our written testimony shows there's no shortage of possible investments that we could be investing in. Sorry, I'm looking at your dog. There's a little dog. Got distracted there for a minute.

Sierra Club also supports H.B. 5423 to expand passenger rail and transit in eastern Connecticut. With growth anticipated at EV, transit can play an important role in alleviating traffic and the emissions that will come with it. Rail transportation is significantly more energy-efficient; freight rail is two-thirds more efficient than trucks. It reduces carbon and air pollution from automobiles and trucks and in addition to reducing emissions, this Bill could be an important

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project to be shovel-ready for anticipated federal stimulus.

And lastly, Sierra Club supports S.B. 127 to permit electric vehicle manufacturers to sell electric vehicles directly to the consumer. Direct sale of electric vehicles by manufacturers is an important strategy to accelerate the adoption of zero-emission vehicles to meet the state's greenhouse gas reduction targets under the Global Warming Solution Act.

Thank you for your attention to these important issues and consideration of our testimony.

SENATOR CASSANO (4TH): Thank you for your testimony. Any questions from anyone on the Committee? Seeing none. Thank you very much. Appreciate your testimony.

PHILIP MAINIERO: I see Representative Carney has his hand raised. Wanted to make sure we get it.

SENATOR CASSANO (4TH): Representative Carney?

REP. CARNEY (23RD): Thank you, Senator. And Sam, thank you so much for testifying today and for support of the Clean Air Act, the Bill. Certainly, a source of frustration for me that a lot of those dollars don't go to where they were originally intended. So, I certainly appreciate your support on that. One question I do have regarding S.B. 127 is do you see affordability as one of the one of the reasons why more people aren't purchasing electric vehicles?

SAMANTHA DYNOWSKI: I do think that is an issue, but is becoming less so every day. I myself, I'm in the market for a vehicle and planning to get an electric vehicle. I've been planning to get a used one because that is the price point that's right for me. But I'm sure there will be several other

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manufacturers that are testifying today. The worldwide market is huge and any look at the news on this shows there are new models coming on constantly and getting cheaper and cheaper and more affordable for the average person.

REP. CARNEY (23RD): Okay. Well, thank you very much for that and it's nice to see you.

SAMANTHA DYNOWSKI: Nice to see you, too. Thank you.

SENATOR CASSANO (4TH): Somebody else had a question here? Seeing none.

PHILIP MAINIERO: I do not see any.

SENATOR CASSANO (4TH): Okay. Thank you for your testimony. Who do we have next? I don't have the list here, Philip.

PHILIP MAINIERO: William Hughes is the next speaker from the public list. I believe William is in this room. William, if you could turn your camera on and unmute yourself?

WILLIAM HUGHES: It's all right. Can you hear me?

SENATOR CASSANO (4TH): Okay, we got you.

WILLIAM HUGHES: Okay, good morning or good afternoon. Thanks for letting me speak. Yes, I'm testifying today in favor of Bill H.B. 6067, which expands the deadline for emission inspections during the pandemic and waives any late fees associated with the delay. I'll make this short and sweet. Basically, I received a couple of notices from the Emissions Department, which I think you could see here and I was going to ignore them initially during the pandemic and just wait until it was over, and then go down and get my car checked out.

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But what happened is following the emission notices, I got a registration renewal. And the registration renewal said I couldn't renew my registration until my car was expected. So, the initial plan of just not doing anything fell upon. So, what I did is I contacted Stephanie Thomas, Representative Thomas and she was kind enough to pass my problem along to a contact that she had at DMV. And then I found out about she, Stephanie eventually -- or after she contacted DMV, she told me that there was a Bill, 6067 that had been proposed.

So, I wanted to testify in favor of that Bill today. Just quickly, I have lived in Connecticut for 42 years. Normally to take my car from inspection is no big deal, but when you have the pandemic, it is a problem because we go to a local service station, the quarters are very close, there isn't a lot of space in there, the ventilation, is for people coming in and out to pay for gas and there's only one way in or out. So, you could say, "Well, I could wait outside," but then I still have to give my keys, and my mission notice and pay \$20 to the attendant.

And then the other problem becomes one of not only does the attendant have to touch my keys, but the mechanic who does the inspection also has to get in the car and touch various pieces of that. So, I just feel that given the time that we're in with the pandemic, with the effort that everyone has made to stay safe, stay away from grandchildren, wash your hands, use a mask, do social distancing, I just feel its conflicting messages that we send out as a state if we say on one hand, "Hey we got the pandemic, and this what you have to do," but on the other hand, we turn around and we say, "Here, take your car down."

Now I know there's been two extensions granted recently for the emission testing, but unfortunately the last extension I think expired on December 30. So, I'm here today to ask you folks to please give

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some consideration to renewing the extension that Bill H.B. 607 will give us --- give all citizens of Connecticut. Thank you very much for your time and if you have any questions, I'll be glad to answer them if I can. Anybody?

PHILIP MAINIERO: I see one hand raised for Representative Thomas.

REP. THOMAS (143RD): Hi, thank you. Not so much of the question. I just wanted to thank you again, Mr. Hughes for reaching out and raising this issue in my district. As you can see, a Bill was proposed already because other share a similar concern. So, I just like to thank you for bringing it to our attention and coming here today. Have a good afternoon and stay safe.

WILLIAM HUGHES: Thank you.

SENATOR CASSANO (4TH): Thank you, Representative and Mr. Hughes. Thank you for coming forward. It's a good common sense request and I believe that the Committee would be unanimous in putting this Bill through. Thanks for taking the time to testify.

WILLIAM HUGHES: Thank you also.

SENATOR CASSANO (4TH): Next is Michael Frisbie.

PHILIP MAINIERO: Michael is in the room. He should be starting his camera and his video any moment. Michael can you hear us?

MICHAEL FRISBIE: I can you. Can you hear me?

PHILIP MAINIERO: Yes, we can. We see you on video. You're ready to start whenever you're ready.

MICHAEL FRISBIE: Great. Well, good afternoon. My name is Michael Frisbie and I'm a resident of Somers Connecticut and the owner of Noble Energy Real

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Estate Holdings and Noble Gas Inc, with my office located at 135 Buckingham Street in Hartford, Connecticut. I was asked to speak today in support a Senate Bill 127 and as an owner/operator of a network of gas stations and convenience Stores in Connecticut, you wouldn't think that I would be a typical supporter for such a thing, but I am.

There are a couple of critical issues in my mind that need to be resolved with regard to the future of EV transportation. First, is range anxiety. I can help with that. Second is getting the vehicles in the hands of the consumers. By passing this Bill, you can help with that. I believe that we need to do something to change people's habits and to change their mindsets about the climate. We can have an impact not only for ourselves, but for our children and their children.

I'm working with the JuiceBar, a Connecticut-based company manufacturer to install EV chargers at my current locations. I plan to build 20 to 25 new fueling centers in Connecticut over the next 24 to 48 months. These facilities will be in the same areas that were identified by the State of Connecticut in its EV roadmap. This will help alleviate that range anxiety.

The new Noble fueling centers will be high-end market C stores with coffee and breakfast, our [inaudible] shops Connecticut based, [inaudible], it's a Connecticut-based company that has healthy me Grab and Go options and Frisbie's Dairy Barn, a Connecticut-based sure homemade ice cream. There will be indoor seating, outdoor seating for folks who enjoy these food offerings while their vehicles are filling up. These larger facilities will support both gas and EV charging for now, but will be prepared to accommodate all levels of EV charging for the future as gas starts to go away and there are more EV vehicles on the roads.

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In addition to the Noble fueling centers, I'm designing and planning to build several EV showrooms and service centers. I'm optimistic that this Bill would be approved and when it is, the showrooms and service centers will allow for the quicker transition for Connecticut residents to get their hands on these vehicles and make an impact to our environment.

I'm excited to be part of the future of transportation and I would like to think that I'm doing my part to help foster that. With a blended family and seven children, my options for vehicles are somewhat limited in general today. But I'm happy to say that I finally found one that will fit my needs. I have pre-ordered my first EV vehicle and look forward to going and getting it sometime this summer.

I think it would have I would have done it sooner, if I had the opportunity to see, touch, feel and drive one here in Connecticut. I drive more than 30,000 miles a year here for my business. Knowing that I can make a difference by buying and showing off an EV vehicle makes me excited about what the future holds. Knowing that in the near future I'll be able to charge that vehicle in many more locations throughout the state makes me even more excited.

How great would it be if Connecticut residents didn't have to leave the state to go through this process. By passing this Bill, you can help set the standard and push Connecticut to the forefront. I appreciate the opportunity to speak in front of you today. Thank you.

SENATOR CASSANO (4TH): Thank you for your testimony. Are there any questions by any of the Committee Members? Representative Carney?

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REP. CARNEY (23RD): Thank you very much, Chairman Cassano. Thank you very much, Michael, for your testimony. I think it's really neat what you're trying to do. My only question is as we learn more about the future -- I think electric vehicles certainly are the future -- I'm just wondering as a business person, how would you transition from gasoline to having either both gas station and an electric charging station or eventually just electric charging stations, how you would make a profit on that as a business person?

MICHAEL FRISBIE: Well in my opinion and where I'm going with this building new to industry locations is we're able to allow for both the gas and the electric vehicles to be on the forefront. And as we transition over, it's going to be similar to what the what we do now, we're making a making a margin on our gasoline sales. We'll be able to make a margin on the per kilowatt sale at some point.

But more important to that is what I'm trying to create is build a facility that allows customers to come on property for more than just gas or more than just charging your electric vehicle. You're on property for other offerings -- higher end coffee or breakfast program, a grinder program, ice cream convenience stores, market-type things. So, I think for me, my model going forward is to have multiple offerings on the property to be able to help support the costs associated with building these facilities and managing and running them.

REP. CARNEY (23RD): Thank you. No, I appreciate that and again, I think it's a really great concept, and I wish you the best of luck going forward with this.

MICHAEL FRISBIE: Well, thank you very much.

SENATOR CASSANO (4TH): Any other questions? Seeing none. Thank you very much for your testimony.

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MICHAEL FRISBIE: Have a great day.

SENATOR CASSANO (4TH): We'll move on. Mr. Steever? Zell Steever, we can see you on the screen. Welcome.

ZELL STEEVER: Thank you. I do got contact there?

SENATOR CASSANO (4TH): Yes, we hear you well.

ZELL STEEVER: Chairman Cassano, Representatives Simms and Ranking Members Somers and Representative Carney and distinguished Members of the Transportation Committee, my name is Zell Steever, Chairman of the Groton Resiliency and Sustainability Task Force and I'm offering a written testimony today in support of House Bill 5423, that I think would definitely benefit eastern Connecticut and the public transportation in Connecticut.

It will provide the public with an alternative mode of transportation, but typically for commuters who now drive to work in single-occupancy vehicles. It would promote transit-oriented development, reduce highway traffic congestion, reduce carbon dioxide emissions and further the state's policy goals for economic development and climate change. In addition, it would provide critical support for our industrial base, retain our workforce in southeastern Connecticut.

Presently, 3% of Electric Boat employees live outside of Groton and New London and commute by automobile mostly in single occupancy vehicles. While the anticipated addition of 12,000 new hires bodes well for building submarines to protect our national security interests and for economic growth, unless it is accompanied by a modern commuter rail and local transit-oriented development, it will increase traffic congestion, have a negative

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environmental impact and reduce its economic benefit.

In preparing for the proposed Bill 5423, I provided Chairman Lemar and Representative Conley with suggested language to be considered in the proposed expansion of passenger rail and ground services. And I would like to respectfully the Transportation Committee to consider adding language to the Committee as the Committee moves forward to fully draft the Bill with language attached in my statement. I will briefly outline what those four items are.

The first one is to direct the DOT to examine all steps, regulatory matters and require resources necessary for both the expansion of Shoreline East and the establishment of a new Norwich branch line and that is so that as we go into this end of the study, it would be clearly of information that will be necessary if you're really going to go with the next steps.

A second is I'm suggesting or directing that the Connecticut DOT conduct a feasibility study and undertake a demonstration pilot project for operating battery-powered M80s or the equivalent to determine if a self-contained M80 railcar might be used to operate passenger car service until a full overhead catenary systems installed and becomes operational on the Norwich branch line.

And the final point that I think should be considered is that DOT should be directed to conduct a feasibility study on the new Norwich branch line for operating the trains using a fully=automated modern ticket entry system without conductors.

PHILIP MAINIERO: Pardon me, Zell, I hate to interrupt but you're right at the end if you're speaking time limit. If you can just summarize.

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ZELL STEEVER: Let me finish the last sentence. I urge the passage of the Bill and extended passenger service for Eastern Connecticut. I know this a detailed proposal and I would be delighted to answer any questions that you may have. Thank you very much.

SENATOR CASSANO (4TH): Thank you for your testimony. Are there questions from any Committee Members?

PHILIP MAINIERO: It looks like Representative Conley has the question.

SENATOR CASSANO (4TH): Representative Conley?

REP. CONLEY (40TH): Thank you, Mr. Chair Cassano, and thank you, Mr. Steever for testifying in front of us today. It's a pleasure to see you on this virtual world and to hear more about the trains. I had a couple questions. How do you feel the community, the greater Eastern Connecticut community would be benefited by having additional train service on the shoreline and then up 395?

ZELL STEEVER: Well, it will benefit in several ways. By taking automobiles off the highways and roads, it will improve air quality in our region. It will also reduce greenhouse gases which adversely affect our changing climate and it will connect up people with the major industries both Pfizer and Electric Boat in a way that will be important. As you will see from their testimony, both Electric Boat and Pfizer, they very much support this proposal. In addition, we have support from the town of Stonington, town of Groton, and the city of Groton city, and the city of New London all support this effort.

So, I think it is a matter of making life much better in our community and also allowing employees to get to employers in a safe and sound manner.

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REP. CONLEY (40TH): Thank you. And can you just elaborate on the stretch of track from New London up to 395 and why the battery changes are needed?

ZELL STEEVER: Well, the reason for the proposal to do a battery-operated train is that -- of course, you could run it, which is what happens now, you can run a diesel-electric on that track, because there is no catenary system. Its electric capability as there is on the Shoreline East, which is the Amtrak line and the proposal is basically run a shuttle train to begin with on the so-called new Norwich branch line on the tracks that are owned by and operated by the P&W Railroad, which is a short haul freight line that goes from starting up in Worcester Massachusetts and comes down the eastern part of Connecticut going through Norwich and the up on the east side of Thames river and then it comes down to where it crosses the Amtrak line and then run runs parallel -- literally parallel to the Amtrak line and would be a place where there could be built a station, so that people could transfer from Shoreline East to the NBL.

And then the train hooks around by the airport, the New London Airport and literally ends up between Electric Boat's front door and Pfizer's front door, so it would be a door-to-door type of service. It solves the last mile problem, which is classically the problem that mass transit has. And it also would have a station located at the south gate of the navy base, which is important because for every new submarine that the Electric Boat builds, they build it with two crews. The two crews that will operate the submarines and actually those crews are brought from the base down to Electric Boat to help in the process of constructing and learning how to operate those rather complicated ships. So, it is a door-to-door opportunity.

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In addition, that line runs in the section through Groton parallel to Route 1, which then opens up the possibility for the development along Route 1 from mixed use and making that into a truly transit-oriented development area. The same thing can happen in Stonington and also the same thing in New London.

REP. CONLEY (40TH): Thank you. And this Bill that we're proposing and we'd like to talk -- is this the first step to a major federal study that the state would have to do preliminary before the federal government involved with some of these details?

ZELL STEEVER: Let me answer that in no way. In talking with the Connecticut Department of Transportation, they indicated they need to do two conditions: one, they needed to have local support, and now we have that; and they also needed to authorization from the General Assembly in order to undertake a feasibility study. And there is money currently available in the federal DOT to provide for such studies.

There's also federal money available through to states and other entities for looking at the creation of battery-powered electric passenger cars. So, there is federal money on both ends, but you need to have the authorization for DOT to do this. That's why this coming about at this point in time.

REP. CONLEY (40TH): Thank you. And again, I appreciate you're working on this project with us, spearheading this project and I also appreciate your willingness to work with LCO as you have so much knowledge in this area. The LCOs are the folks who helped us draft the language to assist in this Bill moving forward. I do appreciate you being here today and thank you, Mr. Chair.

SENATOR CASSANO (4TH): Are there any other questions from Committee Members?

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PHILIP MAINIERO: I see Representatives Smith has their hand raised.

SENATOR CASSANO (4TH): Representative Smith?

REP. SMITH (48TH): Yes, I do. Thank you so much, Mr. Chair. Thank you, Mr. Clerk. Thanks Mr. Steever for your testimony. Maybe this an unfair question. I'm located in Colchester and I know firsthand that we have -- many people from our area here are more than 25 miles away from New London and Groton, approaching 30 miles or more on that work at EB. So, I know that the workforce is widely dispersed in eastern Connecticut. Is it your sense that it's even more widely dispersed?

I'm just trying to get a sense for how far the reach of just commuters that work at Pfizer and EB reaches? If you have any sense of that, I would appreciate if you could share with us and obviously, it may be an unfair question and, if so, I apologize.

ZELL STEEVER: No. I'm happy to address that question, but I have to acknowledge that I didn't do these studies and I'm only reporting what other people have done. The first is that when the Navy went ahead and put under contract Electric Boat, one of the concerns the Navy had was their transportation and where people available and were their housing available to get new additional people at Electric Boat to build one additional extra submarine, now it's three a year.

And that study shows a scattered location of employees that really ranges out about 40 or 50 miles from the facility at Electric Boat. Now, I also should say that Electric Boat has decentralized some of their activities, because the design section is actually located over in New London and there are operational facilities up in Quonset Rhode Island,

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but basically the submarines are actually built in Groton. These parts are brought in, and so forth.

And so, there is this need to bring people together. At this point, there really is no other alternative than to driving your car and it turns out that almost all the people who do commute and I should say about 30,000 people come to Groton every day for all the various things that they do there. So, it's a huge impact on the community. That's the situation with Electric Boat.

In Pfizer, on the other hand as you probably also realized, they have decentralized some of their facilities. They have facilities in New York, I believe it's in New haven and also in Boston. And they have indicated in their letter they would like to be able to have their employees come from Boston, come from New York, come from New haven end up at the Pfizer facility in Groton.

Now, a point that I would like to make about this is that you may have heard that there's been a lot of discussion about rail service going to New York City and that there's some concern that after we get through the pandemic, that people may not be returning to New York City, which is how most of our most of our people who use commuter transportation, that's what they do, they go to New York, a good portion of them. Because they have now figured out they actually can work from home and that's very different from what happens at Electric Boat and Pfizer.

Both of those operations, you can't build submarines at home, you have to build them at the shipyard. And you can't make vaccines and drugs at home at least you shouldn't, anyhow. Those need to be done and Pfizer's. And so, unlike the model or the situation with the western part of the state, Groton, New London area, and I would include Norwich as well has a unique situation where we have a very

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steady manufacturing community and this simply is providing people a real alternative that would allow them to be able to commute from their homes to work.

Now that's not to say that doesn't solve all the problems because people will have to basically have some way of getting from where they live to where train stations are and I suspect that's the other part of this Bill where it talks about extending good modern transits services from homes and communities to rail stations.

REP. SMITH (48TH): Great. Thank you very much for that. I appreciate your answer. Thank you, Mr. Chair.

SENATOR CASSANO (4TH): Thank you for your questions. Are there any other questions? Any other questions? Seeing none. Mr. Steever, thank you for your testimony and for being so well-prepared in your presentation. It's very interesting, very good.

ZELL STEEVER: Thank you, Senator.

SENATOR CASSANO (4TH): Next? Representative Nolan? We have Nolan in the room?

PHILIP MAINIERO: Yes, he's here now. Representative Nolan, can you hear us.

REP. NOLAN (39TH): Can you hear me?

REP. MESKERS (150TH): Did you mean me?

SENATOR CASSANO (4TH): There we go. Rep. Nolan, welcome.

REP. NOLAN (39TH): Hello?

REP. SIMMS (140TH): We hear you.

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PHILIP MAINIERO: We hear you, Representative Nolan. Turn on your camera so you can begin whenever you're ready.

REP. NOLAN (39TH): All right, thank you very much. First off, Thank you, Senator Cassano and other legislative colleagues who are listening to everybody today in regards to some of the Bills that are being proposed today to be taken care of hopefully, next week. I'm coming to talk about three different Bills -- proposed Bill 610, 241 and 5423. In regards to proposed Bill 610, a Bill that Senator Formica put forward and talked about earlier, along with numerous other people. I was glad to hear so much support for New London getting a seat on the Port Authority, something that is far overdue, that would help New London have more of a voice in regards to things that happen in and around our community. So I'm very glad to hear that and I hope that the Committee will happily agree on that happening to help correct a wrong -- that was promised to us back in 2019 by the Governor. So I'm hoping that we can really move forward with that and make things right.

The next Bill is 241, AN ACT CONCERNING the OVERSIGHT AND TRANSPARENCY OF THE CONNECTICUT PORT AUTHORITY. This is to provide oversight to ensure proper transparency. As we all know, a lot of things in the newspaper and a lot of surprises coming out in regard to some of the things that we need to understand a little bit better.

This Bill will allow legislators to review payments, such as like in lieu of taxes provided to the Port Authority and compare it to other similar quasi-public agencies, as well as representation, again, on the Board of Directors of the Port Authority. It will require the Executive Director of the Port Authority to submit a report or a report on small projects, port projects and bonding and funding, as

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well as an analysis of the job gain and losses occurred in the New London state pier.

This act will also offer an ultimatum that if the Port Authority is not able to fulfill these agreements that DOT will have to reckon with how to return the duties of the Port Authority to maybe the DOT, it just creates the needed transparency and accountability that the Port Authority, apparently, over the last few years have shown to need. So we're hoping that, that nips that in the bud.

So supporting that proposed Bill number 5423, AN ACT CONCERNING THE EXPANSION OF THE -- EXPANSION OF THE PASSENGER TRAIN AND GROUND TRANSPORTATION SERVICE IN EASTERN CONNECTICUT, I think this is another great Bill to provide Connecticut's workforce faster commute to help reduce traffic and congestion in our highway. It also helps reduce the emissions that we're having such a hard time with greenhouse gases and opens up the opportunity for economic development with Shoreline East Rail.

These Bills are extremely important and would help to Southeastern Connecticut region a great deal. And I hope that they can get past this year, as we have been waiting for a few years for some corrections in our area. And this would help and a great abundance. So thank you for your time. And if there's any questions, I'll try and answer them. But I just wanted to let that be known. Thank you.

SENATOR CASSANO (4TH): Thank you, Rep. Nolan. Are there any questions for the Representative Nolan? Seeing none, I thank you for your presentation. Appreciate it.

REP. NOLAN (39TH): Have a nice day everyone. Thank you.

SENATOR CASSANO (4TH): Steven Reynolds is next. Is that correct?

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PHILIP MAINIERO: Yes, I believe it is Hayden Reynolds.

SENATOR CASSANO (4TH): Hayden Reynolds.

PHILIP MAINIERO: Mr. Reynolds should be in this and asking to unmute and turn on his camera.

HAYDEN REYNOLDS: Hello.

PHILIP MAINIERO: Perfect. We can hear and see you Mr. Reynolds. You can begin whenever you're ready.

SENATOR CASSANO (4TH): Welcome, Mr. Reynolds.

HAYDEN REYNOLDS: Representative Lemar, Senator Cassano, Senator Somers, Representative Carney and Members of Transportation Committee. My name is Hayden Reynolds and my twin sister, Kathryn Reynolds, is with me. We proudly operate Reynolds Subaru Lyme Connecticut. Our family run dealership has been serving the community for over 150 years, dating back to 1859. We employ a workforce of 50 people. We're here to testify in opposition of Senate Bill 127 at AN ACT CONCERNING THE SALE OF ELECTRIC VEHICLES IN THE STATE.

KATHRYN REYNOLDS: Connecticut franchise laws provide important protections to Connecticut consumers. Franchise laws help keep customer costs down by providing competition between and among locally-owned auto dealerships. These laws ensure that new car buyers have access to fair and encompassing warranties, guidelines for safety recalls, and enforcement of the lending law and fair lending laws. New car dealers like ourselves, serve as advocates for the consumers.

HAYDEN REYNOLDS: Senate Bill 127 undermines these protections by providing a corporate loophole in the Connecticut law at the expense of not only the

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consumer, but also the 270 locally owned new car dealers in Connecticut and their 14,000 employees. Small, locally-owned dealerships rely on franchise laws to provide a level of -- to provide a level playing field with large corporations.

KATHRYN REYNOLDS: We take a lot of pride in the services that we offer to our local community. Throughout the pandemic, we have remained open as an essential business. Like the rest of you car dealerships in Connecticut, we have been there to support frontline workers and their families. We provide reliable customer service with a personal touch that can only be found when you buy local. We ask that you support small business and oppose Senate Bill 127. And I also just want to say we are the third oldest continuous owned and operated dealership on -- in the U.S., the oldest on the East Coast. And we feel very strongly about this. And we really feel like the new car dealers support and protect consumers. And I thank you for your time today.

SENATOR CASSANO (4TH): Thank you for your testimony include background information. One of the reasons you've been able to continue for so long is that you haven't had Bills like this before you, so we understand. Any questions? Are there any questions?

PHILIP MAINIERO: I see Representative Carney has raised his hand.

SENATOR CASSANO (4TH): Representative Carney.

REP. CARNEY (23RD): Thank you. Thank you, Mr. Chairman. I don't have any questions for Hayden or Kathryn. We've discussed this issue before. I just wanted to thank you both for coming on today to speak about your business. I know because I'm your State Representative, how important Reynolds Subaru is to the area, and what a good job you do and how

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great your employees are. And I just want to really thank you for that and for coming on here. And I'm sure we will continue our conversations.

KATHRYN REYNOLDS: Thank you.

HAYDEN REYNOLDS: Thanks, then.

SENATOR CASSANO (4TH): Any other questions or comments? Seeing none? Thank you very much. James Furlong is next.

PHILIP MAINIERO: I do not see James in the room. I think we might have to move to Chris Regan, and Mayor Passero, that would be the next two.

SENATOR CASSANO (4TH): Mr. Regan and Mayor Passero, are they in the room?

CHRISTOPHER REGAN SR.: Thank you very much, Senator, and Members of the Transportation Committee. I'm testifying on House Bill 5423, PASSENGER SERVICE ON THE SHORELINE EAST. I think it's a big benefit for our region. It was -- the FRA came in here with the high-speed train and wanted to go through all of our mainstays of tourism, which was going through the aquarium in the village of all mystic village and through old line, without any really input from us until we got the groundswell against it.

This definitely helps our area for tourism. I'm very involved in it on the Mystic Chamber, Eastern Regional Tourism District and the Connecticut Tourism Coalition. This will be a benefit for our region, economically and also, to have transportation-oriented development. We have a shopping center in Groton. We've owned it for 70 -- close to 70 years. It used to have a train stop back in the 70s. I used to be called the clam digger.

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I would love to see transportation through our local community to move throughout the towns where it would generate commerce amongst all the towns within our region. I think that's a benefit for everybody. And I'm very, very supportive of this Bill. And I think it would be a big, big impact for electric boat, Pfizer and the Navy base. So I am thumbs -- 1,000% behind this Bill.

And I'd like to see if we can't get Amtrak to give ownership of the -- of the tracks from New Haven to the Rhode Island border, and have us control it, instead of having a high-speed train to try to come through us to other states and be the pass through state. We could be the slow train to nowhere, bring our workers to work and also bring our tourism to our area and have our economic impact for our region. I appreciate the time today.

SENATOR CASSANO (4TH): Thank you for your testimony. Any questions from Committee Members? Seeing none, I appreciate your comments. And I think you would really --

PHILIP MAINIERO: Sorry, I see one hand raised from Representative Conley.

SENATOR CASSANO (4TH): Representative Conley.

REP. CONLEY (40TH): Thank you, Senator Cassano, and thank you to our Clerk, I appreciate it. Mr. Regan, good to see you on Zoom. I know that you are heavily involved in the travel tourism business and you have had some negative effects of COVID. Correct?

CHRISTOPHER REGAN SR.: No, I've been divulged to well through COVID. But I mean, we've had some tenants that have struggled a little bit here and there. But, overall --

REP. CONLEY (40TH): Okay.

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CHRISTOPHER REGAN SR.: We benefited from being an open air outside venue.

REP. CONLEY (40TH): Do you think since you're heavily involved in the Chamber with others who have had more struggles, do you think that having more train access and having more folks able to come into your Bennett -- businesses will help with those who have really struggled due to the economic downturn and travel and tourism would --

CHRISTOPHER REGAN SR.: Absolutely. No, I think it will definitely help. And I appreciate you guys working on this Bill. I think it's great.

REP. CONLEY (40TH): Thank you, Mr. Regan. Thank you, Mr. Chair.

SENATOR CASSANO (4TH): Thank you, Representative Conley. Any other questions. Thank you for your time.

CHRISTOPHER REGAN SR.: Thank you, thank you. May Headrick? Grant --

PHILIP MAINIERO: Well, I'm sorry, sorry. I think it's actually Mayor Passero of New London is here. Okay.

MAYOR MICHAEL PASSERO: Good afternoon. Am I on, Phil?

PHILIP MAINIERO: Yes, you are on, Mr. Mayor. We can hear and see you.

MAYOR MICHAEL PASSERO: Okay, great. Thank you. Representative Lemar, Senator Cassano and Members of the Committee, thank you for this opportunity to testify with regard to four Bills related to the Connecticut Port Authority that are on your agenda today.

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The proposed requirement and Senate Bill 866 mandating that the CPA submit an annual report is good public policy. Over the short history of that agency, its lack of transparency has been its hallmark, resolving that issue is of primary importance, especially to the host city, since we have been especially impacted by the activities of CPA. More robust public oversight is necessary and, perhaps, requiring and scrutinizing the proposed annual report of the agency would be a start.

To build does not however, solve the problem this struggle -- troubled agency running rush on over the city of New London. For example, the CPA has unilaterally decided that greater economic benefits for the region and the state promised from its port the redevelopment project justify sacrificing city jobs and businesses. The CPA is unilaterally ignoring the municipal development plan, that regulates development of the state peer property and recognizes the role of the city in those decisions.

The MDP is binding -- is a binding agreement between the city and the state, and it requires the consent of both parties to dissolve the agreement. Despite the existence of the MDP, the city has had no voice in the CPA's decisions that have directly impacted the city that hosts the only property owned by the CPA and the only property that generates the CPA's revenues.

With regard to Senate Bill 605, I thank Senator Somers and Carney for including the provision that would give the city of New London a voice on the CPA Board. However, I would ask that rather than a Representative to the city who was appointed by the Governor, the Legislation to provide for a seat for the Chief Elected Official. That would ensure that the seat is held by someone who has been elected to speak for the residents of the whole city.

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The Governor already has numerous appointments to this Board. Appointing the CEO of the city as an ex-officio member of the Board is consistent with the Board membership design of the original legislation that provides for other ex-officio members, including the independently elected State Treasurer, a Constitutional Officer.

Similarly, New London also strongly supports Bill 610 that simply provides for adding the CEO of the City of New London to the Board. Had that appointment been included in the original legislation, I believe the CPA would not have had such a dysfunctional start and, perhaps, the agency's reputation would not be so tarnished, as it is, as we sit here today. The local knowledge of the city could have provided -- could have provided invaluable advice in the Board's decision making processes.

Had New London been able to provide the local perspective, mistakes might have been avoided. The most costly of those mistakes was the collapse of the initial \$97 million dollars design. With that failure of the CPA's arrogant assumption that it will be allowed to disrupt the operation across on ferry, the project ballooned to \$157 million dollars to redesign the entire facility.

The final Bill regarding the CPA before you today is proposed Bill 241. The city thanks the sponsors from the Southeastern Connecticut Delegation for proposing this legislation. While it does not directly resolve the negative impacts of the CPA in the host city, we support the goals of the proposed, excuse me, Legislation.

With regard to the proposal to review the representation of host cities on the Boards of quasi-public agencies, in this case, there is only one host city, New London. The city appreciates the CPA support expressed in earlier testimony today for

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New London having a seat on its Board. However, we have seen little or no actual effort to help see the goal achieved during the more than two years since the commitment was made by the Governor's then Chief of Staff, Ryan --

PHILIP MAINIERO: Mr. Mayor, I'm sorry to interrupt but we're right running into the time limit, if you could -- .

MAYOR MICHAEL PASSERO: I can wrap it up.

PHILIP MAINIERO: Conversation. Thank you.

MAYOR MICHAEL PASSERO: I can wrap it up. You know, in some, I hope that the Legislature will find some relief to the city. I also just want to mention that I've also submitted written testimony in support of House Bill 5423, AN ACT CONCERNING THE EXPANSION OF PASSENGER TRAIN AND GROUND SERVICE. You've had great testimony from Zell Steever and Chris Regan on that, and I thank the Committee for the time, I thank you for your work and your service. And if you have any questions, I will stand by for them.

SENATOR CASSANO (4TH): Thank you for your presentation. Very well done. Other questions of Committee Members? Any questions?

PHILIP MAINIERO: Yes. I see a hand raised by Representative Carney.

SENATOR CASSANO (4TH): Representative Carney.

REP. CARNEY (23RD): Thank you, Mr. Chairman. And thank you, Mayor Passero for coming here today to testify. I appreciate what you had to say. And my question, I guess, for you is, is there anything more in your -- from your perspective? Because I know no one's been more frustrated by this process, and I think you have. Is there anything more that

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you think we should do, as a legislative body, to try to write this ship at the state pier in New London?

MAYOR MICHAEL PASSERO: Oh, absolutely. For one thing, as I testified to -- if the -- if the city had a seat on that Board, an ex-officio seat, I think it would benefit the whole front -- project -- the whole operation of the facility. It isn't -- it is a New London, they shouldn't be operating in a vacuum, have -- having no local knowledge or influence on that Board.

You know, most importantly, I think, while the pilot system, as we -- you know, debating in this legislative session is broken and we've -- you know, I think the Legislature have spent decades trying to fix it, this is an egregious overreach on that. So I know the Bills are in front of the Appropriation Committee coming up on the funding aspect of this.

But currently now that the property is turned over to a quasi-public agency, and it's also going to benefit private corporations and their profits as we build out this -- hopefully build out this offshore wind industry would be certainly great for our -- for our green economy, for the nation, and for the state, I don't think it should be done on the backs of the -- of the other taxpayers in New London.

And if there is a blanket tax exemption for the property, then that means that your porous tax base in this -- in the city is being forced to subsidize these corporate profits in the revenue of the CPA disproportionately. That's a terrible injustice. And that needs to be the focus of this legislative session to fix that.

REP. CARNEY (23RD): Great. Alright, thank you very much, Mr. Mayor, for your comments and for your suggestions. I -- you know, I'm in agreement. We really need to do something to get this under

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control because they're definitely, from my perspective, there could be huge benefits for the city in the region. And there could also be a lot of issues for the city with what's been going on. So, hopefully, we can move this forward in a positive direction. And I, personally, you know, would like you to be a part of that, and you've got my support. So thank you very much for coming on.

MAYOR MICHAEL PASSERO: Thank you, Representative Carney.

SENATOR CASSANO (4TH): There aren't any other questions. Phil, do you see any other?

PHILIP MAINIERO: I'm not seeing any hands raised at this time.

MAYOR MICHAEL PASSERO: Thank you.

SENATOR CASSANO (4TH): Mr. Mayor, thank you for your testimony. As a former mayor, I kind of watch what goes on around the state and now you have had your hands full and I think you handle it well. Stay in there and congratulations and let's move this forward.

MAYOR MICHAEL PASSERO: Thank you.

SENATOR CASSANO (4TH): Phil, who's next?

PHILIP MAINIERO: Who would be next on the public list is Steve Taranko, who does not seem to be present followed by Charles Rothenberger, who is present, is being pulled into the waiting room now. Charles, if you could unmute yourself and start your camera.

CHARLES ROTHENBERGER: Fantastic. How's that?

PHILIP MAINIERO: Perfect. We can see and hear you. You can begin when you're ready.

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CHARLES ROTHENBERGER: Great. Thank you for the opportunity. Senator Cassano, Members of the Transportation Committee. My name is Charles Rothenberger. I'm the Climate and Energy Attorney with Save the Sound. We're a nonprofit organization representing over 4,200 member Households and 10,000 activists statewide, and our mission is to protect and improve the land, air and water of Connecticut and the entire Long Island Sound region. And in line with that mission, we're very pleased to offer our testimony today in support of three Bills 5419 REGARDING THE FEDERAL CLEAN AIR ACT FEES, SB 127, CONCERNING THE SALE OF ELECTRIC VEHICLES IN THE STATE, and 5423 CONCERNING THE EXPANSION OF TRANSIT SERVICES IN EASTERN CONNECTICUT.

So you're aware, Connecticut's Global Warming Solutions Act requires that the state reduce its climate emissions 45% by 2030, and 80% by 2050. Transportation currently accounts for the majority of our climate emissions, and is also a significant contributor to harmful air pollution that Connecticut experiences and although it's a great place to live, Connecticut does experience some of the worst air quality in the entire United States. So increasing the electrification of our transportation system, and expanding access to transit and better transportation planning is absolutely critical, not only for our economy, but for the environment and for our quality of life.

With respect to the specific Bills, I'm very excited to see 5419 up for consideration. This Bill would require that the Clean Air Act fees that are part of vehicle registrations actually be devoted to clean air programs. We think that is critical. You know, Connecticut residents frequently support legislative proposals to establish dedicated funds for issues that they care about, and they prioritize. But unfortunately, all too often those funds are diverted to other purposes. And, you know,

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Connecticut residents get weary and they're less eager to support important initiatives in the future. It's sort of a case of, you know, fool me once.

So this Bill ensures that the funding mechanism that Connecticut voters supported for clean air programs goes to its intended purpose. We do recommend that it could be expanded to include the greenhouse gas fees that fund the state's electric vehicle incentive program cheaper. You know, we'd like to see all the dedicated funds be subject to a Bill like this. But we think that cheaper funding is really germane to this particular Bill and should be included.

The sale of electric vehicles in the state, you know, we've heard a lot of testimony. Other states in the region have direct -- say, a direct sales model, it does not seem to be impacting traditional OEM franchisees, although it seems like they feel that this is an attack on them, nothing could be further from the truth. This is going to increase competition for the benefit of everybody.

And finally, with respect to 5423, THE EXPANSION OF PASSENGER TRAINING GROUND TRANSPORTATION SERVICES IN EASTERN CONNECTICUT, as a resident of Eastern Connecticut, I'm aware of how sorely underinvested that region of the state is in terms of transportation, and this would be a critical asset to the economic development of that region. And I know I'm a little bit over time, so I will end there. And happy to take any questions. Thank you.

SENATOR CASSANO (4TH): Thank you for your presentation. Are there questions from Committee Members?

PHILIP MAINIERO: I do not see any hands raised for question.

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SENATOR CASSANO (4TH): Thank you for your testimony.

CHARLES ROTHENBERGER: Thank you.

SENATOR CASSANO (4TH): Bill now --

PHILIP MAINIERO: Thank you. Next on the list should be Steve Taranko, like not see him waiting, followed by Mayor Hedrick, like also do not see in our waiting list. Moving down, we have Kim Curtin, followed by Daniel Witt. Both Kim and Dan are here. They're coming into the room. Yeah, Kim if you can hear us if you could turn on your camera and unmute yourself. Kim, can you hear us? Okay, I don't believe she can at the moment. Daniel -- Mr. Witt, are you able to hear us and turn on your camera? Oh, I can hear someone that.

EDWARD ERNST: Okay. I'm in place. My name is Edward Ernst. I'm with Curtin Transportation Group.

PHILIP MAINIERO: Certainly. And, Ed, would you be able to turn on your camera?

EDWARD ERNST: Looking for the ability to do that and start my video. I guess that would be it.

PHILIP MAINIERO: Yes.

EDWARD ERNST: Okay, can you see me now?

PHILIP MAINIERO: Yes, we could see you now and you can begin.

EDWARD ERNST: Thank you so much. As I said earlier, my name is Edward Ernst. And I'm the risk manager for Curtin Transportation Group, Ms. Curtin was unable to attend this meeting due to a prior commitment. And she regrets her inability to do so. It's my understanding that the Committee has a copy of Curtin Transportation Group's written testimony.

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And, therefore, I won't reiterate what's already there.

This issue was brought to the Legislature since 2012 in various manners. It's a Bill that is proposed today, that would provide lower cost transportation to persons who have non-emergency appointments that are confined to a stretcher. They've been some concerns by opponents to the Bill saying that it's not safe to do so, et cetera. This is refuted by the fact that in order to utilize the transportation, persons wishing to have transportation would have to produce their certificate from the doctor saying that it is a viable means of transportation for them in non-emergency mode.

Further, the combine -- the employees of this type of service would be trained in the use of example of Stryker apparatus, stretchers and other brands, and all provided the training programs. The safety concerns I don't think are -- is warranted as our opponents would picture. The cost of the state, as far as the inspection of vehicles is minimal. They're already inspecting the equipment for wheelchair accessible vehicles. It's just a matter of a couple of extra minutes to assess the viability of the equipment being put in for stretchers. So I think that should be brought out to the Committee.

This is a regulated industry and would have oversight on the state and various departments. That's about all I would have to say about it at the present time. The rest of the testimony that was prepared by Ms. Curtin is already in your hands written. If there's any questions? I'd be happy to answer any.

SENATOR CASSANO (4TH): Thank you for your testimony. Any questions from any Committee Members?

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SENATOR OSTEN (19TH): Yes. Senator Cassano, I have a question.

SENATOR CASSANO (4TH): Yes. Senator Osten, proceed.

SENATOR OSTEN (19TH): Thank you. Thank you very much for coming up today on this piece of legislation that's sort of been with us for a number of years now. I just have -- tried to express how much this is about dignity of the person that's still in a stretcher that does not want to be brought to a family event or a funeral or an appointment, you know that -- that's not medically related in an ambulance. So this is -- and this is for people who don't need ongoing medical care, but are confined to a stretcher, which does happen. So I just wanted to thank you for coming up and testifying on this. And I was wondering, do you perceive it as a dignity issue for those -- for those people who have disabilities without having to force them to be driven around in an ambulance?

EDWARD ERNST: Absolutely. You know, as we grow older, as I am myself, one of the biggest fears I think we have is our lack of transportation, our ability with, for example, when you can no longer drive.

SENATOR OSTEN (19TH): Right.

EDWARD ERNST: Now imagine being confined to a bed in wishes so much you could go to the various things we take for granted. This is a quality of life issue. With this -- with the address that within a greater -- we've been talking all day about fiscal impacts, well, this has a major fiscal impact on persons who have to take an ambulance because of the amount of money that's expended in equipment and the ambulance and all the infrastructure that's required in this. And rightfully so for emergency situations, these are non-emergency situations that

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will be certified by a doctor that they are able to utilize this type of transportation at a much lower cost.

SENATOR OSTEN (19TH): Exactly, and it's not relative to Medicaid dollars either. This is barred from Medicaid paying, as currently written. So I just really want to thank you for coming in. And I think that -- I know people that would like to be able to go to an outside concert, to a family birthday party, to a funeral of a loved one without the added humility -- the added inhumane way of not that ambulance is not necessary for some people, but it's not for everybody. And some people just want to go as a regular person. This form of transportation allows people to remain and have their dignity. Thank you very much for coming. Thank you, Mr. Chair.

EDWARD ERNST: Thank you for the opportunity.

SENATOR CASSANO (4TH): Any other questions? Any Committee Members? Seeing none, thank you for your testimony.

EDWARD ERNST: Thank you.

SENATOR CASSANO (4TH): Phil, next?

PHILIP MAINIERO: I believe we have Daniel Witt in the room with -- Daniel, if you can hear us and you could turn on your camera.

DANIEL WITT: Yes, yes. Can you see and hear me?

SENATOR CASSANO (4TH): Yes, I can.

PHILIP MAINIERO: Yes, I can. We are ready whenever you are.

DANIEL WITT: Wonderful. Thank you. Chairman Cassano, Chairman, Lemar, Ranking Members Carney and

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Somers and Esteemed Members of this Committee, thank you for allowing me the opportunity to speak in favor of S.B. 127 today. My name is Daniel Witt, and I'm the Head of Public Policy for Lucid Motors.

Lucid is a new electric vehicle company focused on bringing the next generation of E.V. technology to the masses. Our first vehicle which comes out next quarter, will have a remarkable range exceeding 500 miles and will be able to recharge 300 miles of that range in about 20 minutes. Our industry-leading efficiency when paired with lower battery costs will be one of the keys to unlocking a much wider market for electric vehicles in this coming decade.

As to this matter, direct sales by electric vehicle manufacturers -- rep -- our legal and majority of states, and direct sales by at least a single manufacturer are legal in eight of the top 10 car markets in the United States. Direct sales is legal in the states with the largest and smallest populations California and Wyoming, respectively. And as already noted, Connecticut is bordered on all sides by states who already allowed direct sales by at least one manufacturer.

As such, I would submit we need not speculate as some have done about the potential ramifications of enacting this law in Connecticut, we can say with certainty that it has resulted in millions of additional dollars on investment and taxes in retail and service locations, as well as the hiring of hundreds of retail and service technicians and, equally important, more choices for consumers, all without having a detrimental impact on existing franchise dealers or their contractual relationships with the manufacturers that they currently represent. These are the facts. This is not a zero sum game, it is a net win for consumers and the state.

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I'd also like to address a couple of comments that were raised in some earlier testimony. First, recalls are the responsibility of a manufacturer and the federal government requires that even in the event of a bankruptcy, our manufacturers need to provide warranty services is not negated. Assets to provide such service will survive any bankruptcy and arrangements for recalls and other repairs must be made.

I'd also like to address the issue regarding allocation of taxes. Vehicle sales taxes are remitted to the locality in which the vehicle is registered. As such, the only taxes Connecticut is failing to receive are the property taxes and other business taxes that would be imposed on retail and service locations where we actually able to operate within the state.

To close, let me attempt to go to the root of this legislation as I see it. Justice, Ford, G.M. and other legacy automakers were given the right to choose their method of distribution. So should new companies like Lucid, Rivian, and Tesla and others. This is not somehow an exemption or picking winners and losers, it's consistent with what is with historical precedent and when boil down fair. Nothing more. So thank you very much for listening to my testimony today. I'm pleased and honored to answer any questions you may have.

SENATOR CASSANO (4TH): Representative Chafee.

REP. CHAFEE (33RD): Thank you, Mr. Chairman, thank you for coming and speaking with us today. Just a quick question I'm new to this Committee so I've not met involvement in previous conversations, but is there any particular reason why you don't operate in the current system -- current franchise system in Connecticut? Is that just a business decision, or is there some sort of rational behind that?

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DANIEL WITT: I'd say there's about 10 different decision -- 10 different decisions that go into them some are business related, some are driven by our desire to be close to the consumer. And, frankly, some are driven by the facts on the ground. When you look as a new entrant at the -- at the current statistics, 80% of all electric vehicles sold in the State of Connecticut, sold across the country are currently being sold directly from the manufacturer. As a new entrant, we should be allowed to ultimately determine, according to what's in our businesses interest, what's in the consumers best interest and, ultimately, getting this technology into consumers hands to -- it -- to assess that and make it and make that decision.

REP. CHAFEE (33RD): So when you say is that overly burdensome to participate in the existing structure in Connecticut?

DANIEL WITT: If the -- unfortunately, my connection cut out just a sec, would you mind just repeating the question?

REP. CHAFEE (33RD): Would it be overly burdensome for you to participate in the existing franchise system here in the state?

DANIEL WITT: So I would say the direct answer is yes. We do not have excess inventory. Our cars are built custom for each -- for each customer who's -- who ends up purchasing that. We have the ability, with ease, to distribute and provide that vehicle -- that product directly to consumers, adding an extra step, an extra an extra -- an extra point of distribution, where a car has to sit on a lot for an undetermined period of time does nothing for the manufacturer, does nothing for the consumer and all -- and raises costs on both sides.

REP. CHAFEE (33RD): Thank you. Thank you, Mr. Chairman.

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SENATOR CASSANO (4TH): Thank you. Representative Michel and then Representative Carney.

REP. MICHEL (146TH): Thank you, Mr. Chair. Well, well, I mean, certainly, in support of the Bill. I'm just curious because I'm not familiar with your -- the company you represent. What price range are you looking at? I know you're not necessarily operational, but you're about to be. So which -- what are your targets in terms of clientele?

DANIEL WITT: Yes. So our first vehicle, the Lucid Air is a premium sedan. We also expect to have a premium SUV that follows it in about 18 to 24 months. Both of those vehicles have a pretty wide range in terms of the cost of that product. Right now, it's around -- it's between about \$70,000 dollars and goes up to \$160,000 dollars.

I would add just so that everyone has a full picture, though, the cost of the technology is borne within the cost of those vehicles. When you talk about the efficiency gains that come with our product, that's a result of 10 years plus of R&D work that's ultimately gone into that.

We fully anticipate to produce lower price vehicles in our future. And we've also made it very clear that in an effort to seek the widest possible adoption in the shortest period of time, we are open to licensing our technology and getting it in -- and help in assisting other manufacturers who have much more robust supply chains at this point to, ultimately, get down that cost curve more quickly to get these into the mass market.

REP. CHAFEE (33RD): Right. It sounds to me that the quicker we get involved with the program, then the quicker the price used car sales, and the price also will drop in such. Thank you very much for testifying today.

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DANIEL WITT: Thank you.

REP. CHAFEE (33RD): Thank you, Mr. Chair.

SENATOR CASSANO (4TH): Representative Carney.

REP. CARNEY (23RD): Thank you very much, Mr. Chairman. Thank you, Daniel, for testifying. I too, like Representative Michel, I'm not too familiar with your -- with your vehicle at this time. I hope to learn more about it, though, for sure. So I was just wondering, you mentioned the state you are able -- or so you're able right now -- Lucid is able to sell in eight states?

DANIEL WITT: Sorry, I did just sort of fumble through that. In a majority, the United States direct sale is legal for at least one manufacturer. In this case, that would be Tesla because they've been in operation for quite some time. In eight of the 10 largest car markets in the United States, direct sale is legal with the same caveat that for at least one manufacturer. So the number is a little less it for a company like Lucid because in several states where Tesla has been negotiated with dealers and other states where they've been successful. The door has ultimately been closed behind them.

So we're in the process of going back through those markets to ultimately extend the ability for new manufacturers who weren't around at the time that Tesla was working on these pieces of legislation to, ultimately, take advantage of the same policy.

REP. CARNEY (23RD): Have you had any success yet?

DANIEL WITT: Yeah, I'm we're just getting going. The most recent example of this would be work that Rivian did last year in the State of Colorado. And so others -- frankly, this is an issue that many

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legislators are taking on this year and we're very excited about the potential of the market expanding greatly.

REP. CARNEY (23RD): So as you're trying to do that, in states where, you know, Tesla is already allowed to sell, are you finding similar issues that Tesla faced? Is Tesla supportive of you entering the market into those states?

DANIEL WITT: Yeah, credit where credit is due Tesla would like to see all manufacturers -- you sell these vehicles, zero emission vehicle manufacturers, probably chief among them, and those who've, ultimately, embraced the direct-to-consumer model. That's a principled matter that the coalition of manufacturers you will see testify today be it Tesla, be it Rivian, Lordstown, I'm not sure if they're going to be testifying as well. But these are all folks who were all in the same boat.

REP. CARNEY (23RD): Okay. Okay. All right. Well, I appreciate you taking the time to testify, and I will certainly be looking -- loose it up to learn more about the company. So thank you.

DANIEL WITT: Thank you.

SENATOR CASSANO (4TH): Thank you for your questions. Any other questions for any Committee Members? Seeing none, thank you for your testimony.

DANIEL WITT: Thank you.

SENATOR CASSANO (4TH): Next, Phil?

PHILIP MAINIERO: Peter Jones should be next. Mr. Jones, if you can hear me if you could turn your camera on and unmute yourself.

PETER JONES: And, yep.

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PHILIP MAINIERO: Perfect. We can hear you if you could --

PETER JONES: Oh, here we go.

PHILIP MAINIERO: Yep, there we go. Alright, we can begin if you're ready.

PETER JONES: Okay. Well, thank you. I was just updating my thing that I was printing it, so I can repeat it a little better. So my name is Peter Jones. And thank you, the Chair and the Committee Members and -- for having the support S.B. 127. This -- the current log stymies -- I need to print -- oh, here we go. stymies -- the purchase of Tesla's because you have to go out of state and just hang on. Oh, boy, I was just printing it and he called me. Let's go.

So it's stymies then from the purchase of some of the best environmentally friendly and safest vehicles on the road. The -- Tesla is the largest auto and solar energy company in the world by market value. But along with other E.V. manufacturers, they're not going away. So no bankruptcy and I know there was some issues with that.

The Tesla vehicle is purchased and paid for -- excuse me -- while, all the documents are done inside online. Just like any other type of online purchase, you can buy things the -- from the retailer and other outputs. While these line -- online purchases, except Tesla are delivered to your door, even including alcohol. So in other states, Tesla will deliver the vehicle to your door or predetermined destination. They cannot even deliver to Connecticut, because it's a sale. So this law -- the existing law prohibits them to deliver. So I'm a senior citizen, and I look to test the safety and driving features to prolong my independence and mobility and quality of life in Connecticut.

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So last year, I drove my new Tesla from New York over 100 miles back home. And driving this very high-tech vehicle for the first time, then itself to unanticipated distracted moments while becoming familiar with the new tech vehicle's technology. So it was lucky I was following my son because in his car, well, my car, because he had to bring me there. So S.B. 127 would enhance the safety of Connecticut citizens by eliminating their need to travel to and from the state in other locations.

So Connecticut received the full tax benefit of about \$4500 dollars for my purchase, which I had to go pick up that day on sacrifice.

PHILIP MAINIERO: Pardon, Mr. Jones, you've right about hit the three minutes speaking time limit, if you could kind of bundle your last thoughts together and summarize.

PETER JONES: Yes, I'm sorry. The existing law protects the manufacturer from the -- their own dealership. And that should not be imposed by Tesla because they don't use that franchise as left -- sat from Tesla stated earlier. So direct sales simply reduce the cost. The allegations and worries about service and warranty recalls should not be an issue. Everything that any dealer or franchise does, Tesla will do. They are evolving. You can't compare with a dealership because there aren't any dealership or any outlets in Connecticut.

So while in all, this would improve the support the ballot -- environment. And so in the spirit of safety, fairness, the -- this -- the law needs to be changed to allow cars to be sold in the new way. So -- and Connecticut would get all of the benefit of -- more benefit from sales. So sorry. Thank you for all of -- allowing me to speak today.

SENATOR CASSANO (4TH): Thank you for coming to speak. Are there questions from any Committee

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Members? I think we probably asked all of the Tesla question by now.

PETER JONES: Yeah.

SENATOR CASSANO (4TH): Thank you very much for coming forward.

PETER JONES: Yes. Okay. Sorry for the moment in the beginning.

SENATOR CASSANO (4TH): Phil, who's on next?

PHILIP MAINIERO: Yes, on deck, I'm positive I'm going to mispronounce this name but is Michael Liebow? Michael, if you're in the room, you can --

MICHAEL LIEBOW: Yep, oh, you got close. It's Michael Liebow.

PHILIP MAINIERO: Liebow.

MICHAEL LIEBOW: So, Chairman Lemar, Representative Carney, Senator Somers, Members of the Transportation Committee, I want to thank you for the opportunity to offer testimony in support of S.B. 127. For disclosure, I am a Connecticut resident Tesla owner and a Member of the Connecticut Tesla Owners Club.

Connecticut is one of only six remaining states in the country that hasn't allowed Tesla and other EVs to sell direct. It begs the question, do we want to be leaders or laggards? EVs are certainly at a tipping point. It's likely that Tesla will sell upwards of a million vehicles this year. I have two, and I have a reservation on cybertruck. I also own two legacy ice vehicles, a Jeep and a V.W., both of which I plan to sell soon before the expected ice market crash when residuals will plummet.

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The market is pivoting to electric. I imagine many of you watched the Superbowl. You saw the OEM ad for Norway was featured. Norway has a population of 5.3 million, and over 50% of the vehicles are EVs, roughly 347,000 registered, and they target 100% by 2025. And that's a mix of all manufactured EVs. Connecticut has a population of 3.5 million and only 14,000 registered EVs. It's interesting to realize Norway had only 10,008 or so years ago in 2012. And so I think we need to think big.

Listening today. I see many of you have no first-hand knowledge of EVs. It's good to rely on friends for information, but there's a lot of preconceived notions and questions about affordability. The fact is, is that Tesla's when compared to a Camry is actually cheaper to own over five years. Now personally, I would prefer not to make another trip to New York to make my next E.V. like most of my neighbors. Dealers seem to be resistant to change and are unlikely to drive E.V. adoption. There's been many research studies, mystery buyers and whatnot experiences at the dealerships. Even when Cadillac G.M. went to the Cadillac dealers for their new E.V., I think about 26% of them declined to make the improvements required by G.M.

So, you know, having owned many ice vehicles from a variety of manufacturers, I can say their model is anything but consumer friendly. I've been left you know stuck with engineering defects and whatnot with cars. Tesla's are certainly based on the NHTSA reports are the safest vehicles on the road. Service is not an issue. They've really evolved the model for mobile service, they come to you, and so there's not the requirement for extensive facilities. They will come to you at home or at work. The TCO -- you know the vehicles are rated highly. The motors are rated for more than a million miles the batteries are rated over 500,000 -

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SENATOR CASSANO (4TH): Excuse me, Mr. Liebow, hate to interrupt but you're right at the three minute deadline, if you could --

MICHAEL LIEBOW: Okay, so --.

PHILIP MAINIERO: Thank you.

MICHAEL LIEBOW: Thank you. So low maintenance, high customer SAT. Happy -- I think there's a lot of people here would be happy to give you a test drive to better inform you about the experience and, hopefully, it's not an inconvenient to go to New York. But it would be better if we really pushed the envelope here on E.V. adoption across the state. Let's be a leader. Thank you.

SENATOR CASSANO (4TH): Thank you. Other questions. Representative Steinberg, you have a question?

REP. STEINBERG (136TH): I haven't raised my hand, Senator. It must like me to ask a question.

SENATOR CASSANO (4TH): There's a hand underneath your chin here. So I'm just -- that's not your -- seeing no other questions, thank you for your testimony, Mr. Liebow.

MICHAEL LIEBOW: Thank you for the opportunity.

SENATOR CASSANO (4TH): Next them on.

PHILIP MAINIERO: Next should be Analiese Paik.

ANALIESE PAIK: Hi, thank you so much. My name is Analiese Paik. I'm from Fairfield, Connecticut, and I'm a Member of the Leadership Team of the Electric Vehicle Club of Connecticut. Chairman Lemar, Vice Chair Cassano, Vice Chair Simms and Members of the Transportation Committee, I am in support of S.B. 127, the sale of electric vehicles direct to consumer.

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Currently, it's burdensome for the consumer to buy the number one selling electric vehicle in the United States, which is American-made. And in the State of Connecticut -- I know this because I'm a Member of the Electric Vehicle Club and we do these statistics -- of the -- of the electric vehicles in our state, 5,879 are Tesla's, 50% of all new E.V.'s registered in the DMV file are Tesla's. So you have 5,879 people leaving a state going to New York to get their Tesla's, which really is quite burdensome.

It's also bad for the economy. And it's also bad for meeting our state goals. Because, again, the testimony earlier showed that there's actually growth in sales when you allow competition, when you allow direct to consumer sales. I don't think anybody wants anything bad to happen to dealerships. Nobody wants anything bad to happen to anybody, especially our business people. So it's not an either or it's a both. And I want to address some of the information about alleged negative impacts out there that don't ring true to me about service, for example.

So I drove a Nissan LEAF, which is full battery electric vehicle for three years before I got my Tesla Model 3. And I actually did have a problem with the car, they only had one technician to work on if he was out for two days. And they would not supply me with a loaner vehicle nor give me a voucher for a rental vehicle. So I had to call Nissan USA.

Contrast that with when I got my Tesla Model 3, the alignment of the front hinges on the on the front -- the front trunk, were a little off. So I made an appointment through my app went to Milford and they -- and they realigned it for free. So I'm not saying that's -- everybody that has that type of experience. But when you take a look at the fact that Tesla topped first place, in Consumer Reports

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Owner Satisfaction Survey, you don't need an ad hoc report like mine, you have a crowdsourced, you know, result there.

So I am going to be getting a Rivian. I have a pre-order for Rivian RNT, that's the pickup truck coming out in January 2022. I would really like to not have to leave the state to go pick up that truck. So I really hope that we take this opportunity as a state to lead and to really focus on what our goals are. And focus on the fact that there is no evidence even the Acadia Study shows that there's no evidence of negative impact any dealership in any state. And that is a 2017 study that was done. So I would say that we have to really treat this as an opportunity and really understand what the opportunity cost of doing nothing. This is a 38% solution. And has history -- has its eyes on you. I hope this is the room where it happens.

SENATOR CASSANO (4TH): Thank you for your testimony. Are there any questions? Committee Members?

PHILIP MAINIERO: I see Representative Steinberg with his hand, and Representative McCarthy being as well.

REP. STEINBERG (136TH): This time. Senator, I did raise my hand.

SENATOR CASSANO (4TH): Okay, I see it then now. Thank you.

REP. STEINBERG (136TH): And it's very hard for me to resist anyone who quotes Hamilton as a means to get our attention. You know Analiese it's good to see you. You spoke a lot about statistics that relates to Tesla. And as some of us have said, you know, we think it's moved beyond just being an issue about Tesla, though they have really, in some ways,

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proved concept on EVs and how successful they've done direct sales in other states.

You mentioned you're buying a Rivian. So here we are, we're talking about a different vehicle. Is it reasonable to assume some of the things that Tesla's brought to the party? Look, they've got Elon Musk, they're innovating all the time, they're going to the moon, the kinds of things that we're talking about -- service at your facility, fixes over the Internet. Is this the advent of a whole new way of not only selling cars, but servicing and maintaining cars? If we're inevitably going towards EVs, is there effectively a revolution going on in the automobile industry?

ANALIESE PAIK: Oh, Representative Steinberg, I couldn't have said it better, we are in the middle of a revolution. This is a complete transition and transformation of not only the type of vehicles that we buy, but how we do -- how we do actually buy them. So direct to consumer sales, leasing, instead of buying, subscriptions are coming there's a company called Canoo, C-A-N-O-O, they're going to be doing subscriptions, where you get all in one because consumers want one point of contact for everything they need. So they are combining the insurance, maintenance and use of the vehicle.

And it's not even a lease, they're not even tying you up. You can end it whenever you feel like it. So there's complete transformation. And, you know, I'm so glad you asked me this question, because I didn't have room in my testimony to say it. But if anyone were to Google what the automotive industry is writing about, they have been warning the dealer franchisees for years that this transformation is taking place. And they have been urging them to pivot. And indeed, some are.

Some of these manufacturers are actually selling the cars online, because that's where consumers go first

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for their information. And then just using the dealership as a facilitator, so that the talent for helping the consumer is actually online, and then they go to the dealership to take delivery.

REP. STEINBERG (136TH): Thank you for that. My concern is that if we continue to frustrate direct sales, particularly of electric vehicles, Connecticut will be less and less competitive. We're going to fall further and further behind as this revolution picks up steam, and the kind of consumer choice and innovation that other states will benefit from will not be available to citizens in the State of Connecticut. So thank you for your testimony -- for putting this in perspective.

ANALIESE PAIK: Thank you very much, Representative Steinberg.

REP. STEINBERG (136TH): Thank you, Mr. Chair.

SENATOR CASSANO (4TH): Representative McCarthy Vahey, welcome.

REP. MCCARTHY VAHEY (133RD): Thank you so much, Mr. Chair, long time no see. It's wonderful to be here in Transportation. Six of us, I believe, are Members of Planning and Development and Transportation. So I know this may have been discussed earlier today, but Analiese, it's really wonderful to see you and I'm grateful to you and so many other fair fielders, who really help lead the discussion in electric vehicles and sustainability for our state.

One of the things that I wanted to ask you about was your statistic that you shared about the number of electric vehicles that are Tesla's, but the conversation may have happened earlier when some of us were at Planning and Development, about affordability of electric vehicles. And you mentioned that you also had a Nissan LEAF, and the

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previous testifier spoke about the long-term costs of vehicle.

I wanted to see if you could just touch on and maybe share just some price points in terms of some of the more affordable electric vehicles are out there. And why is it -- you know, just to be explicit about that long-term, ongoing cost and the reason why even though, you know, other types of vehicles may be available at more inexpensive price points that cost over time, ends up being more.

ANALIESE PAIK: Right, so we're talking about TCO, or total cost of ownership. So over time, it does cost less to own an electric vehicle than an internal combustion engine vehicle because there are only 20 moving parts. The servicing is close to zero. The only thing I did on my Model 3 was put some air in a tire. And that's kind of it for now, because of the regenerative braking. The friction brakes don't get worn, so you don't need to replace them as quickly. There's no oil, there's really so very little to do. Plus, the cost of fueling your car is the price you pay for electricity. And that is a lot less than gas. So this is -- our Department of Transportation has published this information. And there's also a carbon calculator where anyone can put in a vehicle and get this information.

That being said, actually obtaining the vehicle is clearly part of the equation. So I choose to lease instead of buying. I want to hold on to my money as long as possible. I also want to trade in the vehicle and get a new one every couple of years because I want the latest technology. But when we do talk about affordability, it's important to know that China has eaten our lunch on affordable EVs

So there's a company called Kandi, K-A-N-D-I, and they offer electric vehicles in the United States for \$20,000 dollars and \$30,000 dollars. And when

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you take advantage of the federal tax credit, that takes the price down to just under \$13,000 dollars for that vehicle, they are tiny cars.

Then you also have Solo and Aptera. Solo is a single-vehicle passenger car, and that's out of Canada. ElectraMeccanica is the manufacturer. They've already launched in California, and they're expanding to other states. They are selling direct to consumer. And Aptera just launched as well, that's a two-passenger, three-wheeler \$25,000 dollars without using -- you know, without the incentive supply. And they are taking pre-orders for those vehicles. So the prices are coming down, and they are making vehicles for really every segment.

It's really important for us to advance the adoption of EVs by consumers because passenger vehicles are the largest percentage of all vehicles on the road. And we know that transportation is the 38% solution to the climate crisis to reducing greenhouse gases, and reducing particulate pollution, all in the name of minimizing climate risk, improving public health, and making good on the commitments that we have as a state.

I just want to add really quickly when you talk about affordability, I'm very upset that DEEP has not put in place yet the cash incentives for used electric vehicles that you all approved back in -- at the end of 2019. They were late before the pandemic hit, they were supposed to come out in the summer, and they're still not out. So that would be very meaningful. Since a used electric vehicle market is out there, You can get an electric vehicle for \$7,500 dollars.

REP. MCCARTHY VAHEY (133RD): And, Analiese, I am always floored by the level of your information and your ability to very clearly articulate it. And I think that those of us on the Committee will walk

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away to today and remember your 38% solution, which I think is a really effective phrase that you've used with me a number of times. But I also appreciate you highlighting the issues, very specifically, naming price points so that people know that there are affordable options that are available, especially when you look at the cost of the vehicle over time. I really -- I really appreciate that, especially in light of this Bill and providing access. Because as consumers become more and more aware of the options that are available to them, there's going to be the desire to be able to purchase them here in our state. And as Rep. Steinberg said, we want to remain competitive. So I thank you for your time here today but also for your tireless advocacy over many years. Thank you, Mr. Chair.

ANALIESE PAIK: Thank you.

REP. CARNEY (23RD): I think Senator Cassano's on mute.

PHILIP MAINIERO: Yes, Senator, I'm going to ask you to unmute.

REP. SIMMS (140TH): Hear me?

PHILIP MAINIERO: Well, good evening, Representative Simms.

SENATOR CASSANO (4TH): Okay. All right. Thank you for your testimony. I truly appreciate it.

ANALIESE PAIK: Yeah.

PHILIP MAINIERO: Well, I think Representative Carney had his hand raised as a question on last speaker.

SENATOR CASSANO (4TH): I missed that. I'm sorry.

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REP. CARNEY (23RD): That -- that's okay. Senator, thank you. Thank you always to -- for your for your testimony, I agree with Representative McCarthy Vahey, it was certainly very informative. I actually learned a lot while you were speaking. So I really appreciate that.

I thought you brought up some excellent points regarding how cars are being sold. I see it. I'm a realtor, a part-time realtor and I see it in that industry to kind of moving in that direction where people like to look online, hence why Zillow is so popular, they find exactly what they want. And that agent is almost there just to get the paperwork signed. So I appreciate you bringing that up. And I really appreciate you bringing up China because in my research on this, you're absolutely correct. China is way ahead of us, especially in terms of that affordable vehicle that's readily accessible now.

So I just have two questions for you. One of the things you mentioned that Tesla represents about 50% of the electric vehicles that you say were sold last year on the -- yep.

ANALIESE PAIK: Oh, yep.

REP. CARNEY (23RD): What are some of the other -- I'm just curious, what are some of the other companies that, you know, are in the other 50%?

ANALIESE PAIK: Right, so a Chevy Bolt. There's -- the BMW has an electric car. There are a bunch of other ones out there. But, really, most of them are our Tesla Model 3 and now Tesla Model Y. The Tesla Model Y, the adoption rate is really quite impressive. And that's the crossover SUV. So that is the great preponderance of the cars. And Chevy, unfortunately, dropped off when they discontinued the Bolt. So, yeah. So it's, Tesla owns the space right now.

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REP. CARNEY (23RD): And I'm just curious, because I know, you said you were going to get a Rivian. Where are you planning on purchasing? If this Bill doesn't pass, where are you planning on purchasing that?

ANALIESE PAIK: So, I sort of have like, a concierge team that's available to me everything. And I feel like I'm very taken care of when I email them, they email me back. I've configured my vehicle, they told me it's going to come out in January 2022. You know, if anyone says to me, "Well, why aren't you buying, you know, the American pickup that's coming out?" It's like, "Well, you don't have a camp -- you don't have a camp stove in it. I want to camp stove." You know, it's like these pure E.V. manufacturers. They're just like disrupting everything. They're just coming up with things you never thought of before. So I'm like, yeah, of course, I want to be able to cook when I'm out wherever I want to go. So I -- you know, I hope I answered your question.

REP. CARNEY (23RD): Oh, I was just curious, because I -- when Lucid was testifying, I don't think -- I could be wrong. I'm not sure if any states actually approve of -- have approved Lucid to sell yet. So I was wondering if any states -- I guess, where would you be purchasing that Rivian? Or any states actually allowing sale of that particular?

ANALIESE PAIK: Right. So at this point, I'm actually not really worried about that. Because I kind of feel like it's their problem to get me the vehicle and my problem to get to where they can legally sell it to me.

REP. CARNEY (23RD): Right.

ANALIESE PAIK: And I'm really hoping -- I mean, I'm not being frivolous. I really hope this is the room

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where it happens. I hope this is where we say, "Holy cow, we're afraid of the wrong thing. We're afraid of losing jobs. But there's no evidence that that will happen." We should be afraid of being Texas, of being California. We should listen to what's going on. And there's other states and say, "We need to crack open this marketplace, so that we can meet our goals as quickly as possible."

Answer the cry of consumers for the freedom to buy any vehicle they want, any way they want, drive economic development, we've seen what it's done. And in jobs and green jobs, how much you know? Representative, I think it was Rosario. I want that Smart program in our state. It should be here. And you know, Tesla, if you're still on the call, "Hey, how many -- we have like 6000, owners of Tesla's here. You know, what do we need to do to get that program here?"

So, yeah, so I would say, I'm really not worried about it is the short answer. And I might be super inconvenienced as one of the early adopters of that vehicle to pick up that car. And you know what? I would not be upset with Rivian they did the right thing. I'd be upset with our state lawmakers to say, "Guys, what's up with this? Let's do it."

REP. CARNEY (23RD): Great. Well, I appreciate that. And again, though -- and your wealth of knowledge on the -- on the issue is fantastic. So thank you for your comments.

ANALIESE PAIK: Thank you so much.

SENATOR CASSANO (4TH): Any other questions? Seeing no other hands, I want to thank you for your testimony. It's been very informative, and I appreciate it.

ANALIESE PAIK: Thank you.

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SENATOR CASSANO (4TH): Next in line I have is Chris Fryxell.

PHILIP MAINIERO: Chris should be signing on now. Chris, if you can hear us, turn on your camera and your microphone.

SENATOR CASSANO (4TH): When Chris is finished, I'm going to pass the torch to Representative Simms, who will conduct the rest of the meeting. Is Chris on yet?

CHRISTOPHER FRYXELL: Yes. Can you hear me?

PHILIP MAINIERO: Yes, we can hear and see you, Chris. I -- you can begin your three-minute testimony when you're ready.

CHRISTOPHER FRYXELL: Okay, thank you, Chairman Lemar, Chairman Cassano, Chairman Simms, Ranking Member Somers and Ranking Member Carney and Members of the Transportation Committee, thank you very much for the opportunity to testify today. My name is Christopher Fryxell, and I am the President of the Associated Builders and Contractors of Connecticut. Our Association is a statewide trade association made up of over 200 companies large and small, that represent merit shop contractors. We're testifying today on behalf of those members.

We write to add our names to the growing chorus of individuals, groups and businesses concerned about the lack of transparency and oversight at the Port Authority. And we applaud this Committee for attempting to address the issue through proposed Bill 241. I know that you do have my written testimony on file, so I'll attempt to paraphrase. But we'd like to urge you to make it clear that the Port Authority does have to follow state contracting standards and procedures and that watchdog agencies have jurisdiction in their matters.

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Our concerns really stemmed from the standards and processes followed so far by the Port Authority on the state pier redevelopment project. Specifically, last July, when the Port Authority released their RFQ, they included a project labor agreement on the project. We were surprised by that. We didn't know that a project labor agreement was going to be included. And just for background, we believe project labor agreements are discriminatory toward contractors-based solely on their labor affiliation. And so, we know that there are controversial. We're not here to necessarily debate the merits of the project labor agreement. However, I did submit a Freedom of Information Act requesting how they came to that decision, how they came to the decision to use a Project Labor Agreement. Few months later, they responded that they had nothing to give me, no documents were responsive.

A review of meeting minutes recordings of the Board of Directors meetings indicates that the PLA mandate was never discussed, nor was it voted upon by the Board. In a radio interview with the Executive Director who was not with the Port Authority at the time of the PLA decision nonetheless, we believe should be knowledgeable of such decisions. He claimed ignorance when asked how the PLA came to be. In short, there's just no explanation of how the PLA was decided upon, or how it was determined to be in the public's best interest.

Now, as I mentioned, we're not here to debate PLA specifically, regrettably, we know that they are legal through Section 31-56B of the general statutes. However, the statute also requires that any granting authority to determine a PLA is in the public's best interest and lists a number of considerations to be used in making that determination. In this case, the Port Authority apparently has none. Steering taxpayer construction dollars without proper justification to do so is a

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very dangerous precedent to allow. And it's clear that the Port Authority violated state statute here.

What's unclear is what remedy exists. State Contract Review Board has agreed to investigate the use of the PLA, but now has concerns that statute creating authority may exempt it from their jurisdiction. They've requested a formal opinion from the Attorney General to settle the question. We don't think such a question should exist.

PHILIP MAINIERO: Chris, unfortunately, you're right at the three-minute time limit if you could just condense and wrap up your testimony.

CHRISTOPHER FRYXELL: Absolutely. Representative Steinberg mentioned Hamilton quotes. I'll do you one better. I'll leave you with a quote from the state contract Review Board Chairman, Lawrence Fox, who had a recent meeting, said, "Nimble has come to mean all kinds of things that I don't think were intended with quasi public's. Nimble should not mean having bad procurement policies. Nimble should not mean an uneven playing field for people that want to bid on projects. Nimble should not mean sacrificing the due diligence that we need to protect the taxpayers of this state." And we agree, thank you.

SENATOR CASSANO (4TH): Thank you for your testimony. Other questions? Seeing none --

PHILIP MAINIERO: I -- you know hand -- I just see Senator Somers has raised her hand now.

SENATOR SOMERS (18TH): Yes, and thank you for your testimony. I had a question. So you said that you had asked the Attorney General to look into this because the Port Authority did not follow procedure. Is that correct?

CHRISTOPHER FRYXELL: No. So what we asked was for the State Contract Review Board to look into it,

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because we didn't feel that they followed state statute, which does require they're supposed to do some due diligence to look into whether or not a project labor agreements in the state's best interest. It is the State Contract Review Board that is now concerned, they may actually not have jurisdiction. And so they have asked the Attorney General for a written opinion on that matter.

SENATOR SOMERS (18TH): Okay, so does a quasi-state agency, are they required to do that for a PLA? Or is that normally just for state-only work?

CHRISTOPHER FRYXELL: Well, if the -- it is a quasi-public using state taxpayer dollars --

SENATOR SOMERS (18TH): Right.

CHRISTOPHER FRYXELL: For the construction of this. So we feel that it should fall under 31-56B.

SENATOR SOMERS (18TH): Have -- and have you reached out to the Port Authority for an opinion? And they have said they don't have to meet that requirement because they're a quasi-state agency? Or have they not responded?

CHRISTOPHER FRYXELL: They've given me no information whatsoever.

SENATOR SOMERS (18TH): Well, maybe that's something that we can ask as a legislative body that's looking at the Port Authority for that information. But I just wanted to be clear on what you said, so I can go back --

CHRISTOPHER FRYXELL: Absolutely.

SENATOR SOMERS (18TH): And think about it a little bit more.

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CHRISTOPHER FRYXELL: I appreciate that. And, you know, again, this isn't -- this is not the right venue for us. We really don't like Project Labor Agreements, for a lot of reasons. But it's significant that they're controversial. They're very controversial, and it leave a lot of local businesses from out -- from the ability to compete, including, in this case, very local businesses. There's a couple of businesses that are, you know, within could probably hit a golf ball to the state pier, and they weren't able to have a fair opportunity to compete because of the Project Labor Agreements. So that's why I think they really should have to go through due diligence when using them.

SENATOR SOMERS (18TH): Yes, I had heard that also, there's companies that are literally right across the river that can't, you know, do the work that they normally do or supply materials or anything.

CHRISTOPHER FRYXELL: Right.

SENATOR SOMERS (18TH): So that's interesting that you brought this up. So thank you very much for your testimony.

CHRISTOPHER FRYXELL: Absolutely. Thank you, Senator.

SENATOR CASSANO (4TH): Anyone else with questions? Most likely for your questions. And I'm going to pass the torch on to Representative Simms.

REP. SIMMS (140TH): Thank you, Senator Cassano. Phil, can you please call the next speaker, please?

PHILIP MAINIERO: Certainly, I believe the next speaker we have on our list is Chip Gengras, who is in the room? Chip, if you could unmute and turn your camera. It'll be followed by Yvette Sanchez. And then if Mr. Garavel, Paul Garavel returns to the

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waiting room, we will follow up with him. If not, Mr. Paul Braren will be the next -- the third speaker.

CHIP GENGRAS: Can you hear me?

PHILIP MAINIERO: Yes, we can hear you, Mr. Gengras.

CHIP GENGRAS: Thanks very much. Representative Lemar, Senator Cassano and Senator Somers, Representative Carney, thank you again and Members of the Transportation Committee. My name is Chip Gengras and I'm here today to speak in opposition to Senate Bill S.B. 127, AN ACT CONCERNING THE SALE OF ELECTRIC VEHICLES IN THE STATE. I am PRESIDENT of Gengras Motor Cars and Officer and Member of the Board of Directors of CARA.

Gengras Motor Cars has been in the state of Connecticut since 1937, was founded by my grandfather. Our headquarters is located in East Hartford. We have retail locations in East Hartford, North Haven, Plainville, and soon to be Torrington. We represent 11 franchises -- Honda, BMW, Volvo, Chevrolet, Chrysler, Dodge, Ram, Jeep, Volkswagen, Ford, and hopefully next week, Subaru. We employ over 500 people in the state. And then when the pandemic hit on March 23rd, my brother and I had the awful responsibility of laying off 75% of our employees. However, with the help of the PPP loan and navigating some of the pandemic, we were able to bring back 90% of those employees, which proves how resilient the automotive industry is and the people that work for us.

I believe that S.B. 27 undermines the state franchise law by creating an unlevel playing field to sell cars, which I think will result in job loss for sure. I've heard arguments that Connecticut retailers, I just heard a couple don't want to sell electric vehicles. That is entirely untrue. And it's really important to get the facts on that. All

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Connecticut retailers are fully committed to selling EVs I would invite any legislator to come to any one of our stores to see the many different vehicles that we have for sale that we have on our lots. And there are actually 40 options of E.V. available in Connecticut to consumers. They're both EVs, ZEVs and fuel cell vehicles. As someone's just testified most all manufacturers are now fully committed to electric vehicles.

Earlier this month, a report from the American Council for Energy-Efficient, Economy ranked Connecticut 13th in the country for encouraging people to buy cars of electric power. And since 2015, car and depot together for the cheaper program to provide incentives for purchasing EVs. The cheaper program will soon be offering incentives specifically for low to middle-income earners. Nearly all manufacturers now produce EVs. Some manufacturers like Volvo, a brand we sell, will have only electric vehicles by 2023, only. They -- most EVs right now are higher end cars that are second or third vehicles. The only way for Connecticut really to meet its ZEV goals will be through affordable electric vehicles. And the quickest way to do this is through a retail network, which already exists in the State of Connecticut.

Finally, we've seen a shift in recent years to interest in making purchases online, certainly pandemic accelerated that. And we are partnering with the manufacturers to enhance the ease for the consumer. But what we've also seen everything, Representative Carney said is that most online buyers start online, but then they do want to come in and understand the vehicle in the store with someone who they trust. And so, that personal experience is really really important.

Buyers want to see cars drive them before they make such a significant purchase. If we want EVs in and Connecticut roads, we need to do this for the

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retailer network. I urge you not to pass S.B. 127. I appreciate your time and would love the opportunity to address a couple comments one made by Representative Steinberg and then one about workforce development.

PHILIP MAINIERO: You're actually ready your three minute deadline for speaking, but I do see that Representative Steinberg has raised his hand to ask a question.

REP. STEINBERG (136TH): Thank you, I -- the least I could do is afford you the opportunity to respond to the question or the statement that I made. Please continue.

CHIP GENGRAS: Yeah, thank you. I think the reason -- one of the reasons why it's not taken off so much in the State of Connecticut is it is perceived to be an expensive alternative to transportation. And I understand the facts behind that, not every E.V. is \$50,000 dollars or \$75,000 dollars, like that Rivian truck. But it takes a relationship to be able to explain to a potential consumer the value of an E.V. It's not that we don't want to sell them, It's that not everyone really trusted and wants to buy it. And so we have to get them in and have a conversation and show them the benefit of an E.V. when there's going to be Bolt, which exists with the Volvo XC40 Recharge, or the BMW I3, or the Ford Mustang. The consumers have lots of questions, they just can't answer online. And if you're a high-end consumer, you do more research and more time for research, you're wanting to take a little more risk and the everyday person is skeptical, and we really need to work on that we're training our staff to do that on a daily basis.

REP. STEINBERG (136TH): And thank you for that clarification. A couple of things you said though, made me leave me scratch my head a little bit. You said that most people want the personal relationship

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in their car purchasing. And yet every time I turn on the T.V., there's Carvana ad or like four or five other things online.

Seems like a lot of people are perfectly comfortable making these purchase decisions. There's no doubt about it one of the bigger ones and making their lives totally online without necessarily having visited a dealer or had that kind of relationship. So how do you reconcile that trend with what you just said?

CHIP GENGRAS: Sure. So let me give you some facts. Tesla sold 200,000 units in the United States last year, 200,000. There was probably 15 million new vehicles sold. So is very, very small. Carvana -- used car market in United States 40 million units were sold in the United States, 40 million. Carvana probably doesn't even Eclipse 700,000. I think CarMax is the largest and CarMax is in -- you can go right to the store and talk to someone.

What we saw after the pandemic, almost all of our business was online. And we thought we'd start transacting online, we've been one-price store so there was no negotiation. It was -- everything was really easy point and click. People get nervous and they want to come in and see it smell it understand how the door fits, is their body style going to fit in the seat? How does the stereo sound? And if you rebind something, sure you can -- you can do it again online.

But that first purchase, if you're going to switch or your family has changed in its dynamics over the next -- the last three years, you can't -- what we're seeing is most people want to come in. Our floor traffic across our 11 stores has never been higher. And I would have thought it was going to be the exact opposite in a pandemic.

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REP. STEINBERG (136TH): I'm sure you have a good customer experience. Of the 40-odd brand, E.V. brands -- models that you alluded to you sell across your franchises, what's the biggest seller?

CHIP GENGRAS: For us, we don't represent all 40. For us, the Chevy Bolt is a big seller. And then we have seen Volvo with either electric only or partially electric is now the third or fourth highest Volvo or highest volume car sold in the United States. And their goal is, by 2025, to be the number one electric vehicle manufacturer in the United States of America. If Volvo sold about 140,000 units, so they're a little bit smaller than Tesla, and General Motors and Ford, obviously Toyota and Honda they're selling millions. And so, the investment they have is really significant.

REP. STEINBERG (136TH): I think they have a wonderful aspiration, I wish them luck in achieving it. What are the relative volumes of say, you know, the bulk versus like the BMW i3? What do you sell on an annual basis?

CHIP GENGRAS: I don't have the facts in front of me. We're selling -- a lot of it's about availability. Right now with the chip shortage, with the pandemic, it's very hard to gauge this year. The interest is way up. Every Volvo XC40 recount, we've been allocated open pre sold for over a year. Every Ford Mach-E is pre sold for over a year. We -- Chevy Bolt, I think we might have one left on our lot, they all get pre sold. So most of the manufacturers are going -- they see how consumer likes that Tesla online model. And so, most -- all of them have developed very similar technology with the consumer goes on to their website, picks their car, orders it.

And then the comment that I took exception to was the talent is an online. And that I think is something we've been talking about for years. That

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talent is -- are the employees in the State of Connecticut. That's where consumer makes connection. Not every consumer experience is a great one, I get it. But the talent is when someone has a face to face and has a question on it. And that's what's happening with these electric vehicles. They're going online, whether it's Ford and Volkswagen, or Volvo or BMW and making a reservation very similar to what others are doing. But then they have an outlet at the store for their questions to be answered, a place to trade in their vehicle. If a recall happens or something goes wrong with the car, they have many outlets across the connector where they can go.

REP. STEINBERG (136TH): Thank you, I was looking at EVs myself recently, and I ended up getting it Prius Prime because I've got some range issues with the capital. But I did look at i3, and I was surprised to see that even though you know, BMW is a real innovator and for disclosure, my brother used to work for them. They were having a hard time selling the i3s. They seem to have a lot on their loss. And they were really eager to deal, which disappointed me quite a bit. I didn't go with it for a couple of reasons. But I'm not seeing the trend that you describe that they're hopping off the shelves.

CHIP GENGRAS: So there's a -- there's a challenge with the price of the car as well. And not everyone can afford an i3. The Toyota Prius is it a different price point. And it depends how committed a certain manufacturer is. And if you look at where they've been versus where they're going, every single manufacturer is pushing E.V. even domestic, all the way up to luxury. And I think what's going to be really exciting for the consumers in the State of Connecticut and across the country is they're going to have hundreds of choices on how and where and what to drive.

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REP. STEINBERG (136TH): I think you're absolutely right. Thank you for your testimony, sir. Thanks for coming today. Thank you, Mr. Chair.

REP. SIMMS (140TH): Next is Rep. Stephanie Thomas.

REP. THOMAS (143RD): Thank you, Travis. Hi, Chair. I'm laughing because Volvo is going to have to fix their software issues, if they want to be number one in a few years. Thank you for being here. I applaud your resilience during this challenging time. I am new to this Committee. So I have not been involved in a lot of these back-and-forth conversations over the year. Just want to make sure people can hear me, right?

REP. SIMMS (140TH): Yep.

REP. THOMAS (143RD): Okay, great. My Bose isn't lightning. Quick question because I really am trying to understand this. And typically I don't like to interfere in market forces, if you will. And I would assume that as you say every major manufacturer is now trying to push EVs and these are relationships that dealers already have the retail network already utilizes. So it just feels like a fear of competition issue to me because when customers vote with their feet, if they want the support of a dealership they want the customer service, whereas someone who doesn't want that could simply, you know, do the direct sale model, I'm really trying to understand that aspect of the argument. can you expand on that?

CHIP GENGRAS: Sure. Sure, happy to do it. Thank you for the question. I think there is -- it's not about competition with a product and I don't think anybody would say they're trying to prohibit product choices. I think that it's an unlevel playing field that if we have direct sales model, then all of a sudden someone mentioned the Chinese they have 40 different types of cars and the reason why China so

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far ahead of us is as their government is supporting it. And if our Federal Government takeover get behind E.V., that will change the dynamics and that's what's happened on the national level, and why all these manufacturers are now moving in that direction, because that's policy.

And so, it's not about competing against Tesla, they only sell 200,000 units -- one of the smallest manufacturers of cars in the world, it is the direct sale model which eliminates a lot of people and all these existing dealerships which have made investments over hundreds of years through jobs in the state construction, employees that work their sales servicing training, all of a sudden now we're competing against someone who could just open up a 5,000 square foot storefront and have two employees and have everyone online whether someone thinks they're talented or not, and they could be all in Las Vegas or India or somewhere else, and not in Connecticut. We employ 14,000 people in the state of Connecticut for the automotive sector. That's a lot. And I think it's not about trying to eliminate or do with the competition with product it's just trying to say if we're going to sell something, everyone should have to sell it in the way that it's been legislated -- is our opinion and I understand their different opinions.

REP. THOMAS (143RD): No, I thank you for that explanation. I just -- I'm also thinking that sometimes market develop in ways that no one even wants or anticipates as things become very popular that no one foresaw, etc. So I'm curious, even if this Bill does not see -- you know go any further, the fact that it keeps coming back leads me to believe that there is innovation of foot in this industry. Has your sector thought about how you might innovate --

CHIP GENGRAS: Yeah, yeah.

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REP. THOMAS (143RD): To meet this? You know I'm just curious.

CHIP GENGRAS: Yeah, sure. I think -- I think what will happen is if all these -- if the investments of all the major manufacturers come through General Motors, Ford, Volvo, Toyota, Honda, the only way tesla will survive is if they franchise. There'll be such a small niche business if they can't scale. And if they're going to sell 2 million units it'll be really hard to do it directly very because it's very -- I think it'll be too hard. And I think the innovations that we've tried personally, we've tried selling cars one price we've tried selling only online, pickup and delivery to someone's House, guaranteeing them if they don't like the car will give them their money back, a seven-day trial period, all the things that you hear Carvana, CarMax, Tesla other doing because supposedly everyone wants that. Some people take advantage of it, and some people it's just not relevant.

So I think the entrepreneurial ship of any business owner, if he or she is going to be successful, is listening to their constituents and trying to solve their needs constituent by constituent. And what works for one or 5,000 people in the state of Connecticut is probably not as relevant for the other 3 million, 400,000 or whatever it is. And so, I think that's one of the values of having independent locally owned businesses, rather than something owned by someone who lives in California and manages a call center in Nevada or wherever that might be.

REP. THOMAS (143RD): I think you raised an interesting issue, which is that shift this Bill move forward Tesla and companies like them, whoever enters the market could find out there is no market for it and that people continue to use, you know dealerships like yours. And I'm still thinking about it so I'm not sure it makes, sense again to

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suppress the market without giving consumers a chance to weigh in but I definitely see your point, and, again, I applaud your resiliency and thank you for being here today.

CHIP GENGRAS: Sure, my pleasure.

REP. SIMMS (140TH): Thank you, Representative Thomas. Next up is Rep. Michel.

REP. MICHEL (146TH): Thank you, Mr. Chair, and thank you for testifying today, Mr. Gengras. I was just curious do you -- do any franchisee dealership in the State of Connecticut like any other Volvo dealers sell EVs from -- I know you mentioned BMW here and Volvo a bit. Volvo -- I went from a Volvo to a Mazda, to a Volvo. And I was looking for full electric vehicle that you could take me to Hartford and back, and so I did look at Tesla as well, and the Model 3. But for the range, I don't -- I was kind of -- it was really hard to decide, and I really do want to pollute less and -- so -- but my problem is or my issue is that -- I think the intent is for the dealerships to sell you these.

So, why limit on other companies? It's solely because they are not franchising and I understand that concern. And then another question is this a new domain that's just emerging and trying to expand. If we don't open the doors in Connecticut, other states are going to take the lead. I'm trying to see if we're really jeopardizing jobs. If I'm looking for an electric vehicle and I can't find it in Connecticut, will I buy it outside of the state? Probably, and I think most people do. So, why not accommodate? I think it's a different -- maybe a different product.

And I'm sure they will reach a franchisee type of setup if they sell more vehicles. That would be kind of what I would expect, but -- if you want to comment on that.

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CHIP GENGRAS: Thank you very much. I think there's three comments in what you said that resonated with me. One, I think by next year, there will be more choices and more electric vehicles sold than Tesla in the State of Connecticut for sure. There's just going to be so much competition. Ford, Chevrolet, Volkswagen, Volvo, Audi, Honda, Toyota, the tipping point is going to be there, so I don't think your comment someone leaving the state to buy electric vehicle - I think the best thing the state could do and what I sit on board with the Council and we talked about how to change the dynamic.

If Volvo is going to sell 180,000 units about the same size as Tesla in 2025, the infrastructure, your nervousness about driving to work and finding charging is what is the biggest challenge for consumers what we're finding when they come in to buy a car. It's that "How am I going to charge my car? Is it going to go far? I have that range anxiety." And as battery gets better and better in the investment of these new factors, I think that's going to solve the problem.

And Tesla is first. They are the first out of gate. So, got it, that's fantastic. But I think on the consumer protection - everyone has a bad experience, a story or a friend who's had a bad experience but, overall, I think one of the great thing that the franchise system does and the retail facility does is they protect the consumer against a large company.

And when you see companies have recalls, all that does this cost that company money and they have a design flaw and it's not safe. But the consumer, when we see the local level, if they have a product that's in there with someone who represent, someone who said they had a problem with their Volvo, okay they're not perfect. But when you have a problem,

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you want to be able to go to a number of places for someone to advocate on your behalf.

And when the time comes off of something new and exciting, the advocacy and the consumer protection, I think, is what I see as most vulnerable. It's not about not driving electric, it's not about competition.

REP. MICHEL (146TH): Mr. Gangers, I'm a wholesaler, so I understand customer service and it always changes and adapts to the times. So, I do want to see more electric vehicles and more choices in the state. I think it's very important that Connecticut participates in that expansion. But I appreciate your time and I don't think it will take away from any of Mr. Riley's customers, because I think kind of services is key, always key. And you still have a better price range to offer to the public.

Anyway, thank you. I'm done. Thank you, Mr. Chair.

CHIP GENGRAS: My pleasure.

REP. SIMMS (140TH): Thank you, Rep. Michel. Are there any other comments from the Committee Members? Seeing none. Thank you, Mr. Gengras. Appreciate your testimony

CHIP GENGRAS: Thanks very much. Have a good day

REP. SIMMS (140TH): You too.

PHILIP MAINIERO: The next speaker we have is Yvette Sanchez, who is in the room with us. Yvette, if you could turn your camera on and remove your mute.

YVETTE SANCHEZ: Hello?

PHILIP MAINIERO: Perfect. Glad to have you. We're ready to begin when you're ready.

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YVETTE SANCHEZ: Okay Representative Lemar, Senator Cassano, Senator Somers, Representative Carney and Members of the Transportation Committee, my name is Yvette Sanchez. I'm the Corporate Controller for Gengras Motor Cars in East Hartford and I'm also a resident of the city of Hartford.

I started with Gengras 15 years ago as a billing clerk and through hard work and opportunity I am now part of the upper-level management team. On behalf of my 500 colleagues at Gengras and the Members of the Connecticut Auto Retailers Association, I'm here to speak in opposition to Senate Bill 127, AN ACT CONCERNING THE SALE OF ELECTRIC VEHICLES IN THE STATE.

Connecticut's 270 new car dealerships offer good high-paying jobs to over 14,000 employees. They employ technicians, service advisors, sales staff, front office staff, and marketing staff, financial staff, community relations and human resources. Gengras Motors and Connecticut's new car dealers offer competitive salaries, benefits and job training. These employees work and live locally.

CARA dealerships have a combined payroll of \$180 million. The direct sales model proposed in Senate Bill 127 would outsource many of these jobs. CARA estimates that more than 10% of the existing staff at Connecticut's dealers will lose their jobs if a direct-sale exemption were placed into law. A direct-sale model also limits revenue potential for towns and states. The new car dealerships in Connecticut encompass large service facilities, auto and parts inventory and body shops to which in turn, property tax Bills that [inaudible].

For example, when the Gengras Volvo store in North Haven was built --

REP. SIMMS (140TH): Excuse me, Ms. Sanchez?

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YVETTE SANCHEZ: Yes?

REP. SIMMS (140TH): Rep. Reyes, can you please mute your phone, please? Thank you. Ms. Sanchez, you may continue.

YVETTE SANCHEZ: Okay. For example, when the Gengras Volvo store in North Haven was built, it added millions of dollars to the town's grand list, all taxable to the city. By contrast, the direct sale model could result in significant losses and property tax revenue for Connecticut cities and towns, because there would be no requirement that qualifies vehicles be sold from a physical facility, nor there a requirement that repair facilities be available.

In addition to tax considerations, service facilities are vital, critical for safety recalls, warranty work and local source, parts and service. We ask that you not allow for a carve out in our state law for the benefit of large out-of-state corporations. Connecticut's current law protects consumers, supports Connecticut's economy. Thank you for your time and I encourage you to vote no on S.B. 127.

REP. SIMMS (140TH): Thank you for your testimony, Ms. Sanchez. Are there any questions, Members of the Committee? Seeing none. Thank you Ms. Sanchez for your testimony.

YVETTE SANCHEZ: Thank you.

REP. SIMMS (140TH): Have a good day.. Mr. Clerk, can you call the next speaker, please?

PHILIP MAINIERO: The next speaker should be Paul Garavel. Paul, I've asked you to unmute and begin your camera if you can hear us.

PAUL GARAVEL: Can you see me okay?

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PHILIP MAINIERO: Yes, we can. You can begin.

PAUL GARAVEL: Okay. Thank you, Mr. Chairman and Members of the Committee. My name is Paul Garavel. I'm a member of the Connecticut Automotive Retailers Association, Board of Directors and past Member of the Connecticut General Assembly, so I kind of know the pain you're going through right now and often enough, good things haven't been said about what you do, so thank you for your service. It's truly important.

Connecticut Auto Dealers are a group of about 14,000 employees in Connecticut and they live here, pay taxes here and very importantly, we support local charities. We think that there are some things that are better off not being sold directly. There are relationships that are important. They help to give consumers the opportunity to put a face and a name together. Buying a car is supposed to be a very happy experience - and for the most part it usually is. Who is not happy coming to a dealership picking up a nice shiny car?

Servicing a vehicle is not generally the same experience. When you have a relationship, you have a contact. It helps to relieve anxiety for consumers. Last year, our store, for example, sold 1,200 vehicles, which was actually the easiest thing we do. We service 11,000 of them. Where will direct-sale consumers go? I don't think any of us disagree of the importance of electric vehicles. They're vitally important to the environment and we certainly encourage the sale of when we actually sell them. But the vehicles we sell, we can service.

I think the difference of opinion that we have today - and it's not about Tesla. It keeps being referred to as "Tesla, Tesla, Tesla." It's about electric vehicles and the difference of opinion we have is

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the way they're sold. I think this is a great opportunity for the state and the legislature to - I won't say turn things around a little bit - but perhaps require electric vehicle manufacturers to follow the same approach that we do as dealers and use the franchise system.

It would create a terrific opportunity for the legislature to create jobs, have manufacturers utilize property, training, pay taxes in the State of Connecticut. It's very easy to do. The reason these electric manufacturers don't want to do that is it cuts into the profit margin. It's a very simple economic equation. Obviously, I'm against the Bill. I'm a car dealer, you would expect that, but I think there's a certain reasonableness that we need to bring into how electric vehicles are going to be sold.

I think some of the problem we've had is because this has been referred to as the "Tesla Bill" and it seems like --

PHILIP MAINIERO: I hate to interrupt you, but you're right about in your time limit. If you could kind of just wrap up your comments and move to question-and-answer?

PAUL GARAVEL: Okay. Sure. I think that referring to this as the Tesla Bill or entering Tesla's name into the picture often creates somewhat of a controversy. I think it's time for us to put that aside, figure out how to sell electric vehicles and go on with continuing with the franchise system. So, thank you. If you have any questions, I'm more than happy to answer them. I'm delighted to be here today. Unfortunately, I'm not in the Capitol building, haven't been there 35 years, but it's a great opportunity to see you all.

REP. SIMMS (140TH): Thank you, Mr. Garavel. Representative Carney?

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REP. CARNEY (23RD): Thank you very much, Mr. Chairman, thank you very much, Mr. Garavel for coming today and offering certainly, a unique perspective as a former State Representative commenting on this issue. So, one of the things, I have been on this Committee for the last - this is my seventh year on the Committee and I think five out of the seven years, maybe, six, seven years, with the exception of last year, I think this Bill has come up.

So, the thing that - when Representative Guerrero was the Chair and I was Ranking Member then, we tried to come to some sort of an agreement between at that time, it was just Tesla and the auto retailers. So, where we are right now is the same place we were before and it doesn't seem like the issue is going away. And I don't think it's going to go away and we have Tesla and other manufacturers that do not want to get into the dealer franchise system. For whatever reason, they don't and it doesn't seem to be changing.

And then you have the dealers who pretty much are saying they have to get into the dealer system. So, I'm kind of struggling with - and as a former state rep, what do we do in that situation? I'm hoping that we can come to some sort of happy medium. I thought we were getting close to that a few years ago. Obviously, that didn't happen, but with Tesla - I'm going to say Tesla and probably the other two, maybe Lucid and Rivian probably soon, there will be a pretty high demand for those.

I have constituents that have them, I have constituents that want them and it's difficult because they do have to go to New York, or they do have to go to Massachusetts. And none of that is changing. So, I'm just curious, what do we do to move forward to make sure everybody is satisfied from your perspective?

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PAUL GARAVEL: Well, thank you for bringing that up and it's a very interesting point, but if I was Chairman right now, I'd make a motion to adjourn. No, all seriousness, if we look at the way the Tesla or EV situation is going over the past few years - and you've been on the Committee for the last so many years and I have seen you here - you can realize that there is a real difficult situation that's been created because of the word Tesla.

And I hate to use that phraseology, but it hasn't been EVs and how do we sell it. It's been Tesla's unwillingness to want to make a concerted effort to get along with everybody in the state. They have had the same issues throughout the country. I think the Tesla is an absolutely fabulous car. Its revolutionary, it does things that are almost - I don't want to say spaceship-like because of Elon Musk, but the car is phenomenal.

The problem is the way they want to sell and that's why obviously, we're going to have a disagreement as dealers. If Tesla were to say to me today, "We will sell you a franchise." I would buy it and I would buy it because as someone who is selling a product to a consumer, I want to be able to satisfy that consumer with the service I provide to them. I want to be able to donate to the charities, to the bands, to whatever their children participated. We want to be part of the community and so should people who are making money from consumers in the State of Connecticut be able or have to give to those charities.

Because manufacturers that sell either online or direct, we're not going to have any association with them. If there's a complaint in the Department of Motor Vehicles - and there are a lot of - where will a motor vehicle instructor go to resolve a complaint? He's not going to go to the local Tesla branch or EV branch. He goes to a dealer and nine

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times out of 10, the complaint is resolved. It is resolved to the dealer and amicably to the consumer.

And that's what I feel we're talking about here. It's how we sell the car. As Chip Gengras said, Volvo will outsell Tesla in the next few years - has nothing to do with Tesla or Volvo. We need EVs. It's good for the environment. But if we sell 500,000 EVs like the Government or the Governor's Commission has recommended, how are we going to have a relationship with those people? How are we going to service them? How are we going to have to take care of them? And that's the point. From up from my point of view as an automobile dealer.

REP. CARNEY (23RD): Okay. All right, well, I appreciate that Mister - or I should say the Honorable Mister Garavel, but thank you so much for your time today.

PAUL GARAVEL: Thank you.

REP. SIMMS (140TH): Thank you Rep. Carney. Are there any other Members that would like to ask a question? Seeing none. Thank you Mr. Garavel. Thank you for your services.

PAUL GARAVEL: Thank you. Thank you for your time.

REP. SIMMS (140TH): Thank you. Mr. Clerk? Can we call the next speaker, please.

PHILIP MAINIERO: Certainly. The next speaker on our list is Dan West who we skipped over is now in the room. Mr. West, if you can hear me, if you could unmute and turn your camera.

DAN WEST: Hello. Can you hear me okay?

PHILIP MAINIERO: Yes, we can.

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DAN WEST: Okay. Well, Mr. Chairman, honorable Members of the Committee, thank you for the opportunity to testify in support of S.B. 127, AN ACT TO ALLOW MANUFACTURERS OF ELECTRIC VEHICLES OR EVS TO SELL DIRECTLY TO CONSUMERS - a process we'd colloquially referred to as "direct sales." My name is Dan West and I'm the Director of Public Policy for Rivian Automotive LLC, an independent US manufacturer of all-electric adventure vehicles.

Direct sales is critical to helping Connecticut reach its EV adaption goal of 500,000 by 2030. Right now, the state is less than 3% of the way they're. Allowing direct sales of EVS is the most effective, budget-neutral and market friendly way to accelerate EV adaption. States that allow direct sales have higher EV adaption rates than states with direct sales prohibitions, even in the absence of other incentives.

Beyond meeting the state's EV goals, direct sales will bring in new investment from companies like Rivian to hire local contractors, construction workers to design and build retail locations. We would also hire a local staff, invest in and become part of the community and pay taxes. Current law deters these investments.

Additionally, when we're not permitted to operate in the state as you've heard very much already today, residents must travel to neighboring states to test drive at Rivian or speak to a product specialist and the vehicle sales tax may be paid in the neighboring state. It's a net loss for the state economy and an unnecessary burden on consumers. Why use direct sales, rather than the dealer franchise model?

Dealerships rely on high inventory and frequent servicing to be profitable, an approach that works for gas-powered cars, but not for EVs. With direct sales, we can maintain affordability by avoiding dealer markups. We can educate consumers with this

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brand-new technology and we can have a direct relationship with the customer over the lifetime of the vehicle.

Direct sales empowers consumers. It gives them a choice to purchase an EV from a company like ours, or from their local dealer and that's probably the most important point to underscore, nothing in this legislation will harm existing dealers. Over the past decade when Tesla really came into the market, national dealership sales steadily rose from \$676 Billion in 2012 to over a \$1 trillion in 2019.

In Florida which has been open to direct sales this whole time, dealership sales increased 42% between 2012 and 2019. In contrast to just one interest that's opposed to it, direct sales is supported by a diverse array of interests from liberal environmental groups to nonpartisan consumer rights groups to conservative free market think tanks. The Federal Trade Commission has also weighed in, in favor of direct sales as serving consumer interests, open markets and competition, finding no policy justification for dealer protectionism.

In some, allowing direct sales is good for consumer choice, good for the economy, good for air quality, and it does not harm existing local businesses. Decarbonizing our transportation sector is a huge challenge, and we look forward to joining dealers in that urgent effort. Thank you for this opportunity to testify, and Mr. Chairman, if I may respond to a question that was asked earlier about bankruptcy I would like to.

REP. SIMMS (140TH): Please do.

DAN WEST: Thank you. Some previous speakers used Saturn, Saab and Oldsmobile as examples. Pontiac and Hummer are actually other examples, but I need to clarify that those are brands and when those brands were closed, it was the manufacturer, GM,

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that continued to support those vehicles by requiring other GM brand dealers to continue providing that service. So, the manufacturer was actually looking after the customer in those cases.

Now there's a recent example of what happens when a manufacturer goes into bankruptcy. In the late 1980s the Delorean Company went into bankruptcy. Local dealers did not stay in business to support customers. Instead, it was the Bankruptcy Court that set aside funds and reserved parts and components that allowed customers to continue to receive service for a limited time.

When that order expired, those dealers immediately got out of the Delorean business. The same thing happened even more recently with Fisker. When that company went bankrupt in the early 2010s, once again, it was a Bankruptcy Court that provided temporary relief for customers and as of today, there are no Delorean or old Fisker dealers still providing service or parts of those customers.

Thus, it's not the dealers that provide protection for the consumer, but the bankruptcy laws enacted by legislators and the implementation of those laws by Courts that truly protect the consumer. Thanks.

REP. SIMMS (140TH): Thank you, Mr. West.
Representative Steinberg?

REP. STEINBERG (136TH): Thank you. By the way, thank you for testifying today and for broadening the conversation somewhat beyond Tesla to another innovative electric vehicle company. You've heard maybe a testimony earlier from one the retailers who just spoke that they really guarantee jobs here in Connecticut. They've been a job creator, good municipal citizens and the like.

What assurance do we have that when you come into Connecticut - assuming that we make that possible -

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that you're actually going to create jobs in Connecticut? How do you address the concerns raised that you are basically going to end-run the kind of process the retailers have been known for a century?

DAN WEST: Thank you, sir, and thank you for leading this Bill in the Committee. The Bill language itself states that direct sales would only be allowed for manufacturers of all electric vehicles. So, the traditional auto manufacturers that already make gas-powered vehicles would not be eligible for direct sales and there's a secondary protection in there for existing manufacturer and dealership relationships that says direct sales would only be allowed for manufacturers that have not had an existing relationship with a dealer before.

So, that's what I meant when I said that the Bill doesn't harm existing businesses. It would just allow us new company, new EV manufacturers to invest in the state and open up retail locations.

REP. STEINBERG (136TH): Just to follow up. The real question is, are you going to be a job creator in Connecticut? What can we look for that actually will mean that you have good paying Connecticut jobs?

DAN WEST: Yes, sir. Pardon me for not answering that directly. The change in the law would just allow manufacturers to obtain a dealership license and be regulated as a dealer in the state. They would just be a manufacturer-dealer. So, we would have our own stores, we would have brick and mortar locations and we would employ people from the local communities to be our staff.

SENATOR LOPES (6TH): I got that Calzone that she left.

REP. STEINBERG (136TH): Rick, we're fascinated by your Calzones, but could you mute?

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FEMALE: The ones that looked --

PHILIP MAINIERO: Senator Lopes, can you please mute? Please?

SENATOR LOPES (6TH): See if there's sushi left.

FEMALE: No, there isn't.

SENATOR LOPES (6TH): Thank you.

FEMALE: I just know.

REP. STEINBERG (136TH): I don't know about you, I'm getting hungry.

DAN WEST: Me, too.

REP. MICHEL (146TH): I hope this is all vegan.

REP. STEINBERG (136TH): So, to your point, you'll be creating jobs here in Connecticut with the facilities that you will open.

DAN WEST: Yes, sir.

REP. STEINBERG (136TH): Let me just ask this is one last question. Is it really electric vehicle car manufacturer's fault that their cars require less maintenance and therefore there may be fewer people involved in the servicing business?

DAN WEST: It's not our fault, sir. It's a function of the technology. Electric motors, they have less moving parts in them and just for that simple reason, there's less potential for things to go wrong. The parts themselves are pretty elegantly designed. Internal combustion engine is internally-combusting all the time. There's thousands of explosions happening in there all the time and

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lubricants, oil and all that, you don't need that for an electric vehicle.

So just by a matter of fact of having less components and less moving parts really. You don't require as much service for an electric vehicle.

REP. STEINBERG (136TH): Thank you for that. I guess my surmise is that the concern about lost jobs in Connecticut are more of a reflection of a changing industry whereby internal combustion engine vehicles will slowly be moved away from and transition towards electric vehicles, and an inevitable outcome of that is that there'll be less servicing involved and therefore some of these employees will probably need to transition to the new green jobs like servicing EV batteries and things of that sort.

So, it is inevitable. The job loss is going to happen unless retailers plan for that inevitable transition and get out in front of it before it actually passes them by. So again, thank you for talking about the exciting prospects and Rivian coming to the state. Thank you, Mr. Chair.

REP. SIMMS (140TH): Thank you, Representative Steinberg. Representative Carney, you're next.

REP. CARNEY (23RD): Thank you very much, Mr. Chairman. Thank you, Dan for coming here today. Just real quick. I asked Lucid the same thing, are you are you able to sell now in any state in the country?

DAN WEST: Technically, yes. You can buy - anywhere in the country you can buy Rivian online. It's just the sales and delivery activity that that's limited by certain state laws. So, I think you asked this earlier, sir, where would you have to go if you're in Connecticut to pick up a Rivian? It would be

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Massachusetts or Rhode Island. They're the closest neighboring states that are open.

REP. CARNEY (23RD): Thank you for that. So, in those two states, did you have to go to the Massachusetts or Rhode island legislature to get a carve out for Rivian?

DAN WEST: To my knowledge, sir, I don't know the legislative history of those states, but to my knowledge, there is no carve out in that state for any EV manufacturer. It's open to - well, I guess, perhaps all manufacturers that don't have an existing dealership franchise relationship.

REP. CARNEY (23RD): Okay. That's good to know because to be honest, I wasn't sure about that. So, I appreciate that. And just last question. One of the prior speakers said, there is a camp stove on the truck. Where would that be located?

DAN WEST: Yes, sir. Because we don't have an engine block, there's plenty of room above the chassis now to innovate with design. It's R1T Pickup truck, as you can see behind me right here and it's right there in front of the back wheel. It's a new design. Rivian calls it The Gear Tunnel. On standard trucks, it's just open. You can put skis, fly rods, golf clubs in there, but you can also get an add on for an inductive stove that that's electric.

REP. CARNEY (23RD): Very cool. Well, thank you very much for your testimony.

DAN WEST: Thank you.

REP. SIMMS (140TH): Thank you, Rep. Carney. Rep. Steinberg, is your hand raised for a second time, or you left it up from last time?

REP. STEINBERG (136TH): Lowered away..

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REP. SIMMS (140TH): All right. Any further questions from the Committee? Seeing none. Mr. West, thank you so much for your testimony.

DAN WEST: Thank you, Mr. Chairman.

REP. SIMMS (140TH): Have a great day, sir. Mr. Clerk, can you call the next, please?

PHILIP MAINIERO: Certainly. The next speaker should be Paul Braren. Paul, I see you've unmuted and turned on your camera. You can begin when you're ready.

PAUL BRAREN: All right, thank you. I support S.B. 127 for direct sales of EVs and I'm an IT professional and a 25-year homeowner here and Wethersfield, Connecticut. Lately my town is known more as a backdrop for Hallmark channel and lifetime movies, not so much for EV ownership. But anyhow, I'm also currently active in the Tesla Owners Club of CT and EV Club of Connecticut.

So, my wife and I have been driving mostly Honda Civics for 30 plus years, two lasting over 14 years each. So, we're pretty frugal with our cars, but now we both have Tesla Model 3s. As you can see in my virtual background in my garage here, we absolutely love these cars. By far the best cars or purchase we made in our lifetimes. Practical even at winter and thankful to the \$7,500 or then \$7,500 federal tax credit and Connecticut's cheaper rebate for \$1,500. That together made each of these stretch purchases possible for us these past two years.

I published a lot about these experiences or driving these EVs over 40,000 miles from Canada to DC, mostly for my day job, an IT. The safest by far and least cost per mile four door Sedan choice in the entire automotive market. Notice, I did not say EV.

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In my blog, readers first learned about the third-generation superchargers and Tesla had picked Connecticut as the very first location anywhere in the entire northeastern US.

But picking our Model 3s up from Tesla in Mount Kisco New York wasn't exactly straightforward. You've heard this before, a theme today, both of us required to take a day off from work twice. So, that's four days away from work for two people. That's what it takes. You got to get another car to get there and then take two cars back.

Tesla has demonstrated that sales of direct cars without the franchise model apparently works and it works well. Let me explain. They're far ahead of the rest of the auto industry and meaningfully accelerating the transition to sustainable energy. They've passed sales of their millionth car about a year ago overall and growing production 50% roughly each year lately and building a factory in Texas now. Continuing a trend towards lowering average prices, staying true to their mission that was stated 15 years ago. That was always the intent, to bring the price down. They're also the only US-based car company who has increased sales in 2020 - something I didn't hear mentioned today, so far.

Think about that. I'm going to get to Rivian and Lucid in just a moment. If the Green Act Bill passes for Tesla and GM buyers, they might get a \$7,000 credit. So, that could mean that to plan \$25,000 dollar Tesla we heard about earlier could become an \$18,000 Tesla effectively as soon as 2022 perhaps, and still have over 200 miles of range. Imagine how many younger Connecticut buyers will have to take a day off from work find a car and a driver which they might [inaudible] own car yet, get them to New York to pick their first EV up.

Or in the case of Rivian or Lucid, maybe at Massachusetts or Rhode Island. Even Connecticut's

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own consumer reports test track driver viewers will have to go two hours away to get theirs and note that they've recently asserted that the lower total cost of ownership of EVs is a very real thing. Connecticut's unfortunate stance is only to get more pronounced with very promising Rivian and Lucid Motors trying to come to market. The optics of Connecticut being so far behind, all its northeastern neighbors aren't good especially in this age of increasingly influential social media.

Both my young sons are engineers.

PHILIP MAINIERO: Paul, I hate to interrupt you --

PAUL BRAREN: I know I think about this a lot as they get ready to settle down themselves.

PHILIP MAINIERO: You're right on that time limit.

PAUL BRAREN: Thank you very much for your time and consideration today. Really appreciate it. Thank you.

REP. SIMMS (140TH): Thank you, Mr. Braren. Representative Steinberg?

REP. STEINBERG (136TH): Thank you. Thank you for testimony today, for being so patient to get your opportunity. You raised some good points. I have one unusual question. You're probably the first person I have ever seen testified from his garage. Are you there for a specific reason? Did your wife kick you out? Oh, there you go, much better. Were you showing off your charger or something? Any particular reason?

PAUL BRAREN: Well, yes, there are two charges in the wall here. So, yes, both cars are electric, both cars are charging, takes my wife all of three seconds to hook up her car when she pulls in the

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driveway at night. She does not miss gas stations. I'll leave it at that.

REP. STEINBERG (136TH): You're like the future for all of us. Thank you for testifying today.

PAUL BRAREN: Thank you for your time.

REP. SIMMS (140TH): Thank you, Rep. Steinberg. Any further comments from the Committee? Seeing none. Mr. Braren, thank you so much for your testimony, sir.

PAUL BRAREN: Thank you.

REP. SIMMS (140TH): Have a good day.

PAUL BRAREN: Thank you.

REP. SIMMS (140TH): Mr. Clerk, can you call the next speaker, please?

PHILIP MAINIERO: Certainly. The next speaker is Wayne Weikel. Wayne, I see you're in the room. If you could turn your camera on.

WAYNE WEIKEL: Okay. Thank you. Good afternoon, Chairs, Members of the Committee. Appreciate the opportunity to present to you today. For the record, my name is Wayne Weikel and I'm here on behalf of the Alliance for Automotive Innovation. Formed last year, the Alliance for Automotive Innovation represents the manufacturers who produced nearly 99% of all new cars on the road each year as well as major Tier 1 suppliers and other automotive technology companies. I'm here today to strongly oppose Senate Bill 127, a legislation that's specifically designed to let some automakers play by a different set of rules than their competitors.

If someone clicked in today and have to click on the wrong link and listened in for a while, they would

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think the question before all of you is whether you support electric vehicles or whether you support the environment. But that's not the question. It's not a question of whether you like Tesla or whether you support electric vehicles. The whole industry supports decarbonizing the transportation sector. As noted earlier there, there are 40 battery electric vehicle and fuel cell vehicles available for sale in the US today, as well as 100 new models promised by 2025.

In fact, by the end of 2023 our Members will have spent nearly a quarter of a trillion dollars, bringing this technology to market. If this legislation were to pass, it would cleave the marketplace in two - on one hand, you would have existing manufacturers who would be bound by the franchise system; and on the other, you would have every new market entrant that followed that would be unencumbered by the franchise system.

I'm actually glad that Senator Haskell and the gentleman from Rivian and Lucid were able to go before me, because they proved one of the arguments that we're making for many years, that this is not just about Tesla - that it's about every other manufacturer that follows. There are about two dozen major manufacturers that sell in other parts of the world, but not here in the US. Were this to pass, each of those major manufacturers would be able to sell directly.

Apple's been in the news a lot lately, wanting to manufacture and sell an autonomous vehicle. Apple would be able to sell directly. And there are a number of manufacturers right on Rivian and Lucid's heels that are startups that want to enter the market soon. They, too, would be able to sell directly. All of these manufacturers would have an advantage over their competitors in the marketplace and their competitors are our Members.

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These companies sell electric vehicles. Our members sell electric vehicles today and we'll be adding more in the future. They sell the same product. They should play by the same rules. It was an act of your predecessors in the General Assembly that established the rules under which our manufacturers have built their business, including the rule that keeps a manufacturer from selling directly to the consumer. We simply believe that it is patently unfair for policymakers now to come up with a different set of rules for new market entrants.

Thank you for your time today and I appreciate your consideration of our views.

REP. SIMMS (140TH): Thank you, Mr. Weikel. Are there any comments from the Committee? Seeing none. Mr. Weikel, thank you so much for your testimony.

WAYNE WEIKEL: Okay. Thank you.

REP. SIMMS (140TH): You have a good day, sir. Mr. Clerk, can you call the next speaker, please?

PHILIP MAINIERO: Certainly. I believe the next speaker is in the room and I don't want to call the wrong person on this one. Will be both Rahul and Barry are in the room with us. One second, I want to make sure. And Aetna Ambulance. If Aetna can hear me, and unmute, and turn on your camera? Aetna I see you're unmuted. Can you hear us?

BOB MERA: I can hear you. Can you see me?

PHILIP MAINIERO: Yes, we can. When you're ready to go.

BOB MERA: Thank you. Good afternoon, Senators, Representatives and Transportation Committee. It's been a long day for everyone, so I'll be brief. My name is Bob Mera and I'm an EMT supervisor with Aetna Ambulance Service, serving the community of

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Hartford and the surrounding areas for the last 75 years. I'm here today to testify in strong opposition to proposed Bill S.B. 409. As you all know, it's AN ACT CONCERNING THE NON-EMERGENCY TRANSPORTATION OF ELDERLY PERSONS AND PERSONS WITH DISABILITIES CONFINED TO A STRETCHER.

I submitted a written testimony, so I'll just outline some of the talking points. I'd first like to thank everyone on this Committee for allowing me to speak again on this topic and acknowledging through your past decisions the importance of our service and ambulance transportation. I don't need to remind this group that this year has been a challenge and for our organization, we have seen employees tirelessly come into work, day in and day out without complaining about the five extra pounds of plastic they're required to wear on every call or the uncertainty of whether they will bring home this virus to their families.

With that being said, we have seen deterioration of wheelchair dialysis transports and patients who are too sick to miss appointments while non-train transportation providers stayed home. I can provide some data later on this testimony if you wish. But to all this, ambulance providers across the state have stepped up to help stabilize the systemic problem. As you're all aware by now, EMS personnel in our state are trained and tested on proper patient care methods during entry level courses that reflect our ability to maintain patient safety and ourselves as well. This is not limited to proper lifting and moving techniques, but proper donning and doffing of PPE - whether it be this pandemic or any future global issues.

At an ambulance service, we have an Infectious Control Officer and a dedicated training facility where all medical personnel is trained and tested annually by completing both the written and physical exam. Well, this Bill states that there will be

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similar training for stretcher van drivers, there is no substitute for preparing an EMT, which is continual and uses best practices updated by the Connecticut Office of Emergency Medical Services.

Just a small example that is not uncommon during a routine transport of stable patients to be redirected to an emergency department. This is mainly due to patient acute status changes such as a seizure, chest pain, difficulty of breathing or mental health issues when a patient can become suddenly violent. Having trained EMTs providing care ensures that all these patients will receive immediate medical attention during their most vulnerable condition. They are identified on a stretcher because they are not healthy like you and me. And really if a person is on a stretcher, they're already scared and fragile. They may be frail or debilitated, therefore they may require continuous medical support and supervision.

Stretchers vans jeopardizing an already delicate balance of emergency services among commercial, municipal and volunteer organizations, by creating an economic strain on the system causing an organization to reduce staffing. As I indicated earlier, these services have proven significant throughout this pandemic and any disruption would cause trickle down effects from hospitals to nursing homes and ultimately, a 911 emergency response system.

We should entrust our citizens' well-being to the medical professionals who have the appropriate training and continued education to assist some of the most vulnerable in our state. I want to thank every Member of this Committee for taking the time and I'm available for any questions.

REP. SIMMS (140TH): Thank you, Mr. West. Are there any questions from the Committee Members? Seeing

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none. Thank you Mr. West for your comments and your testimony. I really appreciate it, thank you, sir.

BOB MERA: Thank you. Mr. Mera. I'm sorry.

REP. SIMMS (140TH): Mr. Mera, have a great day.

BOB MERA: Thank you.

REP. SIMMS (140TH): Mr. Clerk?

PHILIP MAINIERO: The speaker is Rahul Shah. Mr. Shah, if you could please unmute and turn on your camera?

RAHUL SHAH: There. Can you see me and hear me?

PHILIP MAINIERO: Yes, I can. We're ready to proceed.

RAHUL SHAH: Thank you so much. So, good afternoon, respected Members of the Transportation Committee. Thank you for taking the time to listen to my testimony. My name is Rahul Shah, I am a New Haven resident who has completed my pediatric residency training at Yale New Haven Children's Hospital and I'm currently a pediatric emergency medicine fellow at Connecticut Children's. Please note that the opinions that I'm expressing today are that on my own and do not represent that of my employer or any medical institute.

I am speaking in support of House Bill 5419, AN ACT CONSIDERING THE FEDERAL CLEAN AIR ACT TO THE MOTOR VEHICLE REGISTRATION, provided it does not simultaneously reduced funding to clean air and environmental protection. Briefly, I recall evaluating a school-age boy with known history of asthma. He come into the emergency department, due to difficulty breathing. On my initial evaluation, it was apparent that he was very sick. He had

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barely been able to speak the words and was struggling to take breaths.

He was very tired and I could see his ribs [inaudible] significant respiratory [inaudible] struggling very significantly. He required critical care including multiple doses of inhaled medications, a powerful intravenous steroid and several other interventions - all before being admitted to the hospital [inaudible]

His parents were understandably alarmed though they had experienced similar events in the past. As someone who routinely manages asthma exacerbations in several cities, I can personally attest the significant role social economic status has for children afflicted with this disease. Poor air quality is a known link between urban centers and lung disease, such as asthma.

A recent study model had improvement in air quality from COVID-19 restrictions in New York City, offered benefits to childhood health. The findings there suggested thousands of forgone emergency department visits and hospitalizations and up to \$77 Billion dollars in healthcare related savings over a five-year period.

Imposing these current restrictions may not be socially or economically practical for years into the future, but the study gives us an opportunity to learn a bit more about how to improve air quality, you can dramatically improve childhood. House Bill 5419 could bolster efforts to improve cleaner forms of transportation and thereby improve air quality.

I have also submitted a written testimony and they were of House Bill 5726, AN ACT CONCERNING THE SEIZURE ALL-TERRAIN VEHICLES; and House Bill 6066, AN ACT INCREASING THE PENALTIES FOR STREET RACING. As my testimony indicates, I support these proposals in so far as they can reduce motor vehicle crashes

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with resulting injury and death. However, I also appreciate the concerns outlined by the American Civil Liberties Union and their written testimony and respectfully request that special attention be given to reduce racial bias and efforts to increase enforcing.

And that this Bill does not contribute to mass incarceration which obviously has its own devastating effects on families, children and communities. Law enforcement can have a role in preventing motor vehicle crashes. This approach should be partnered with outreach education, as well as civil engineering initiatives focused on reducing crashes.

I encourage you to vote in support of House Bill 5419 but, while ensuring that this does not simultaneously decrease funding for our clear air initiatives managed Connecticut's DE, EP, as well as 5726 and 6066, provided that the increased enforcement is focused on the goal of injury prevention and that special attention is given to decrease racial bias.

I would be happy to answer any questions that you have at this time. Thank you all for listening to my testimony.

REP. SIMMS (140TH): Thank you, Mr. Shah. Are there any comments from the Committee? Seeing none. Thank you so much for your testimony Mr. Shah. You have a great day, sir.

RAHUL SHAH: Thank you. You as well.

REP. SIMMS (140TH): Mr. Clerk, can you please call the next speaker, please?

PHILIP MAINIERO: Certainly. The next speaker we have his name is Barry Kresch. Barry, I'm sorry if

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I mispronounced your last name. If you could unmute yourself and turn on your camera.

BARRY KRESCH: Okay. Thank you.

PHILIP MAINIERO: I can see and hear you.

BARRY KRESCH: Representative Simms, Committee Members, my name is Barry Kresch and I am the President of EV Club of Connecticut. I live in Westport. I have been plugging in since 2012. I own a Chevy Volt and a Tesla Model 3 and I am here to testify in supportive S.B. 127. We have just been through a year of severe storms, wildfires and now Texas. The avatars of climate change made manifest. I had never heard of a Jericho until last year.

Our clubs supports all EVs. We also support innovation, putting consumers first and accelerating the rate of EV adaption in the state. S.B. 127 checks all these boxes. And Elisa mentioned the Acadia Center study which did a pre-post comparison of dealership employment in states with direct sales and found there was no discernible impact. That doesn't mean they shouldn't be concerned about EVs. They absolutely should be, because if they don't adapt, it will come back to haunt them.

They should be asking themselves why the manufacturers have devoted so much in the way of resources to lobbying for user emission standards. According to Fred Manchur's column yesterday and The Times, they're still at it. They should be wondering why a much-smaller company like Tesla which can't even open stores here was responsible for 68% of the net increase in EV registrations in the state over the past 12 months.

I analyzed five plus years of cheaper data and during this period, only five dealers awarded 100 or more incentives. 61% awarded fewer than 10. My

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point is that EVs are a macro issue for them. Direct sales is tactical. Let's not let it be a distraction. Passing the skill will increase EV adaption and bring investment and jobs into the state and not just from Tesla, Rivian or Lucid. Here is one example.

The police department in Westport bought a Model 3 which they fully customized for law enforcement, which has to be developed from scratch for the Tesla. The car has been a big hit and they have received hundreds of inquiries from around the world. The two companies that did this work see a big potential market and they're Connecticut-companies - one is at Chester the other is in West Haven.

There are 13,800 EVs registered in the state as of January 1, to update Senator Haskell's number. We need a high compounded annual growth rate 49% to meet the 2030 goals set forth in the ZEV MOU. I participated in a panel with Congressman Himes, who, when discussing direct sales said it shouldn't be about legacy industries stopping us from innovating in the ways we know we need to innovate.

As I have observed in testimony today, every consumer that testified has been in favor of the Bill. I thank you for your time and if it's okay, I would just like to respond to something that Representative Carney had asked. Is that okay?

REP. SIMMS (140TH): Sure. Go ahead. Thank you.

BARRY KRESCH: Yes. Just that when he was talking about how people have to currently go out of state for direct sale, EVs that sell direct, he mentioned Massachusetts, but I just wanted to be clear that, at least for Tesla you have to go to New York. The state laws of Massachusetts and Rhode island prohibit delivery of their vehicles to Connecticut customers.

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REP. SIMMS (140TH): Okay. Are there any questions?
I see Representative Steinberg.

REP. STEINBERG (136TH): Thank you, Mr. Chair.
Barry, thank you for your testimony. I really appreciate it when we put all this in context with good data. That really illustrates with the opportunity. As you heard a couple people perhaps because I understand you've been in and out talking about how Tesla is such a small factor in all of this. And again, I don't like focusing exclusively in Tesla.

But there's a big difference between selling a couple hundred thousand vehicles as kind of a niche boutique manufacturer and where Tesla and other manufacturers are going, I heard mention of selling over a million cars a year. Will the industry change as these direct sale or EV manufacturers ramp up their manufacturing abilities?

BARRY KRESCH: Well, I don't agree with the spokesperson from the dealership that said that Tesla was doomed to be a niche business. I think that their business model is eminently scalable. I also think that we will be seeing other business models. And Elisa mentioned Canoo, which is talking about a subscription model; Polestar is an interesting example because they comport with the franchise laws, they've opened three dealerships: LA, San Francisco and New York City and that's all they're open.

So, if a Connecticut consumer buys a Polestar, Manhattan Motors will deliver it to them. So, they're in conformance with the laws, but they're not going to be doing any kind of investment in Connecticut. In Germany, Volkswagen has given up on their dealerships to sell EVs. They have taken over the sales of all EVs corporately. So, that means they're taking on the economic risk of the carrying

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costs of these vehicles because the dealers are not taking title to them. The dealers, there are simply acting as agents and they get a fee from the manufacturer for that.

Now, I don't know if that is even possible here, but my larger point is that I think we will see a lot of different kinds of innovation in the way these cars are sold and marketed.

REP. STEINBERG (136TH): Thank you for that. I agree with you. I do believe we're watching as we speak, dramatic changes going on in the industry, the way that cars are sold and serviced. Thank you for your testimony.

BARRY KRESCH: Thank you.

REP. SIMMS (140TH): Are there any other questions from the Committee Members? Seeing none. Mr. Kresch, thank you so much for your testimony. Appreciate it. You have a great day, sir.

BARRY KRESCH: You, too. Thank you.

REP. SIMMS (140TH): Okay. Mr. Clerk? Can you call the next speaker, please?

PHILIP MAINIERO: Certainly. The next speaker we had on the list was Senator Lesser. However, it seems he is not able to join us. The final name on the list is a Mr. Kevin Blacker, who should be in the room now. Kevin are you able to hear us? Mr. Blacker, are you able to hear us or see us? There appears to be some technical issues on his end. If you give me a moment, I'll try and resend the link to him.

REP. LEMAR (96TH): I see him.

SENATOR OSTEN (19TH): He's on and he's unmuted out now, Phil.

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KEVIN BLACKER: Can you hear me okay?

PHILIP MAINIERO: Yes, we can hear you now. It's really good to see you, Mr. Blacker.

KEVIN BLACKER: Thank you. I would like to make some comments about a number of Bills: Senate Bill 605, related to Number 3 on that Bill where the Port Authority is asking that the DOT employee be paid by DOT, I believe. I'd like to point out the Port Authority has millions of dollars coming in as a result of the development at State Pier as Mayor Passero noted off the backs of his - under many of his underprivileged residents.

So, I think the Port Authority should pay its own employee out of its own budget. As I read in Senate Bill 605, it talks about appointing somebody from New Haven, New London or Bridgeport. I think that it should just be New London. I think New Haven and Bridgeport have enough representation on the Board.

Related to Senate Bill 241, the study of jobs lost called for Number 2 is going to be moot and meaningless if it's not done in about two weeks when many of those jobs are lost permanently. When demolition and remediation starts down there at the port and driven enterprises is likely driven out of business. In 241 Number 3 where they talk about figuring out how to move the Port Authority back to the DOT or management of State Pier back to the DOT. Norm Needleman described that in the press as "a shot across the bow," something he didn't picture actually happening. And I think that it absolutely should happen, that the Port Authority has proven itself to be completely incapable, untrustworthy and so I'll just say that.

Related to Senate Bill 610, I think that New London, it's long past do that they deserve what they were promised by the Governor. I think it's ultimately

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going to be moved because the Port Authority should be disbanded. And last thing I'll say is House Bill 5423, it seems to me there's all this discussion about reducing emissions from our transportation. But you're robbing Peter to pay Paul by making our transportation system much less efficient in the pursuit of green energy. All the trucks that used to go to State Pier are now on the road going to Providence, going to New Haven and that's going to be permanent and the emissions from excluding in making single-use the only deep water multimodal port facility ripping up the railroad tracks is going to cancel many of the environmental benefits of moving to renewable energy source.

So, that's what I have to say and I'm happy to answer any questions if anybody has any.

REP. SIMMS (140TH): Thank you, Mr. Blacker. Is there any comments from the Committee? Rep. Devlin?

REP. DEVLIN (134TH): Thank you very much. And Kevin, I'm glad that I just got back into this hearing to have the opportunity to hear you testify. I have to commend you on your resiliency and your persistence. I know it has not been easy for you and I know many times you feel like you fall on deaf ears and aren't heard. I really want to commend you for the work that you've been doing, the time and the effort that you dedicate. You help identify issues.

We may or may not agree on every single aspect that is raised, but I didn't want you to leave with it, at least not knowing all of the work that you're doing is greatly appreciated.

KEVIN BLACKER: Well, thank you. Thank you very, very much and I think as I see it, everybody knows how aggressively I have been fighting. Nobody can deny how effective I am and I will say something that I have said before, that the state would be

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much better served with me fighting on their side than against them. As much as I am doing to protect the businesses there and as much as I'm doing for State Pier, I could be doing for New Haven. Rather than wasting their time, and energy and resources fighting me, I could be on their side and New Haven didn't get their dredging in the army corps.

I would rather be helping Bridgeport and New Haven than fighting them, but I will continue to fight them and I will win. I am going to win this fight and I would prefer to be helping the other ports but right now, New Haven and Bridgeport are trying to take away our port, rip up our railroad tracks, tear down our warehouses and it's not right. But I very, very much appreciate what you said, Representative Devlin.

REP. DEVLIN (134TH): Thank you, Kevin. Thank you, Mr. Chairman.

REP. SIMMS (140TH): Thank you, Rep. Devlin. Is there any more comments from the Committee? Seeing none. Mr. Blacker, thank you so much for your testimony. It was well-received. We appreciate it. Thank you, sir. You have a great day.

KEVIN BLACKER: Thank you.

REP. SIMMS (140TH): Mr. Clerk, is Senator Lesser - is he on?

PHILIP MAINIERO: No. Senator Lesser is not on. We've just received message, she regrets to inform us she will not be able to get today and we also received notification from Senator [inaudible] also, likewise prevent him from participating today. With Mr. Blacker, I believe that concludes the list of registrants to speak today. I believe that should conclude the speaking portion or the testimony portion of our Public Hearing. Back to you, Mr. Chair.

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REP. SIMMS (140TH): Thank you, Phil. Well, that does conclude our Public Hearing and before we do adjourn, I like to thank all the Members of the Committee for your participation and all those who came before us today to give their testimony. Well received and greatly appreciate it. With that, the Public Hearing is adjourned. Thank you, all.

REP. MICHEL (146TH): Thank you, Chairs.

REP. SIMMS (140TH): Thank you. Have a good evening, everyone.

REP. REYES (75TH): Thank you.