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Testimony of the Department of Commerce and Consumer Affairs

Office of Consumer Protection

Before the
House Committee on Transportation
Thursday, January 30, 2025
10:00 AM
Via Videoconference
Conference Room 430

On the following measure:
H.B. 938 Relating to the Motor Vehicle Industry Licensing Act

Chair Kila and Members of the Committee:

My name is Melissa Lam, and I am an Enforcement Attorney at the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department offers its comments on H.B. 938.

Section 1 pertains to Remote Electronic Transmission Compensation and the OCP raises concerns about the increasing number of subscription features in software enabled vehicles, which can defeat a consumer's ability to price compare for products. It is important that all material pricing information be provided to consumers for accessories, options, add-ons, features, improvements, and upgrades installed through remote transmission. OCP is interested in hearing from industry stakeholders about efforts they are undertaking to ensure consumers can make meaningful price comparisons between subscription features and between vehicles sold with and without

subscription features enabled. If the consumer is unaware of additional costs for upgrades that will be installed through remote transmission, they do not have all material information to make an informed purchase. A motor vehicle may appear to have one price, when in actuality, the cost of remotely installed upgrades or accessories may, over time, cost the consumer more than if they had purchased a vehicle with the cost of the accessories or upgrades built into the price.

Every business that offers subscription features to consumers – whether dealers or manufacturers – is responsible for complying with state and federal consumer protection laws. Existing state and federal consumer protection laws prohibit unfair practices and, more specifically, ensure that subscription agreements can be easily canceled by consumers. Under state law defining unfair practices, HRS § 481-9.5 applies to a subscription or continuous service agreement for automatic updates installed by remote transmission and requires that cancellation procedures be clearly and conspicuously disclosed. The Federal Trade Commission (FTC) has gone further and proposed amendments to the Negative Option Rule, 16 C.F.R. Part 425, now known as the Rule Concerning Recurring Subscriptions, to protect consumers from misleading enrollment tactics, billing practices, and cancellation policies.

Section 8 of the bill concerns reimbursement for parts and labor. OCP's main concern is to ensure that consumers are able to access motor vehicle repairs when needed at a reasonable and fair price. OCP is interested in hearing various perspectives about how the changes proposed in this section will impact consumers' ability to access needed repairs in a timely fashion without unreasonable cost increases.

Many of the remaining provisions of this bill address the relationship between dealers and manufacturers, or between franchisors and franchisees. On these matters, OCP's overriding concern is that changes to law should not unreasonably reduce consumer options or increase prices.

Thank you for the opportunity to testify on this bill.

Hawaii Electric Vehicle Association

hawaiiev.org
info@hawaiieva.com



January 28, 2025

OPPOSITION TO HB 938 (RELATING TO THE MOTOR VEHICLE INDUSTRY LICENSING ACT)

Dear Chair Kila, Vice-Chair Grandinetti, and members of the Transportation Committee,

Hawaii Electric Vehicle Association opposes HB 938, which *Authorizes manufacturers and distributors to sell directly to consumers items activated or installed through remote electronic transmission. Clarifies the applicability of the Motor Vehicle Industry Licensing Act to common entities. Amends the grounds for denying, suspending, revoking, or otherwise taking adverse action on a licensee. Prohibits a manufacturer or distributor from requiring a dealer to purchase or lease any electric vehicle charging station at the dealer's expenses unless provided notice of intent to sell the manufacturer's or distributor's electric vehicles. Clarifies the conditions for the transfer of a franchise. Clarifies the requirements for reimbursing a dealer for parts and labor.*

Section 3(a)(21)(J)(ii), states, **"By selling directly or indirectly new motor vehicles to any consumer in the State except through a new motor vehicle dealer holding a franchise for the line-make that includes the new motor vehicle. This clause shall not preclude a manufacturer, distributor, or factory branch from selling new vehicles to its employees, family members of employees, retirees and family members of retirees, not-for-profit organizations, or the federal, state, or local governments."**

This is problematic and will negatively impact EV adoption in Hawaii.

- It will prohibit Hawaii residents from buying directly from manufacturers like Tesla and Rivian and manufacturers that may eventually sell in Hawaii.
- It will negatively impact the ability of existing vehicle owners to have their vehicles serviced, not a welcome prospect for thousands of Tesla owners in Hawaii.
- It takes away consumers' freedom to choose their vehicles and to benefit from efficient purchase processes and desirable customer experiences.

Electric vehicles are critical to Hawaii's energy transition and offer Hawaii's residents efficient, non-air polluting, and cost-effective transportation. We should accelerate



adoption (EVs are still only 3% of Hawaii's over 1,000,000 passenger vehicles.) We must not introduce barriers like HB 938.

I urge you to vote No on this measure.

Thank you for the opportunity to testify.

Sincerely,

Noel Morin
President
Hawaii EV Association

Hawaii EV Association is a grassroots non-profit group representing electric vehicle owners in Hawaii. Our mission is to accelerate the electrification of transportation through consumer education, policy advocacy, and electric vehicle charging infrastructure expansion. For more information, please visit hawaiiev.org.



January 30, 2025

House Committee on Transportation
Hawai'i State Capitol
415 South Beretania St.
Honolulu, HI 96813

Re: HB 938 AMENDMENT REQUEST – Exclude Motorcycles

Dear Chair Kila, Vice Chair Grandinetti, and Members of the Committee:

The Motorcycle Industry Council (MIC)¹ respectfully requests that you amend HB 938 to exclude motorcycles.

HB 938 creates several new requirements and prohibitions for motor vehicle manufacturers and distributors (OEMs) relative to relationships with their authorized dealers. We believe these provisions were created to address *automobile* concerns, in part associated with the changing technologies and practices of the automobile industry. Motorcycle dealerships are very different from automobile dealerships and the Federal Trade Commission recognized this when siding with MIC in their [Combating Auto Retail Scams \(CARS\) Rule](#) in 2023. The CARS Rule as originally drafted would have captured ALL motor vehicle retailers, but after receiving MIC's arguments, the FTC narrowed the rule's scope to exclude motorcycle dealerships. We suggest you take a similar incremental approach with HB 938 and exclude motorcycles.

Erecting more barriers through legislation only serves to create an environment for OEMs and dealers where options become more limited to respond to economic challenges. Ultimately, when the cost of doing business increases, it hurts everyone – consumers, OEMs, and dealers. This result is especially harmful for motorcycles, which are used more often for recreation than as a main mode of transportation. In addition, motorcycles have far different levels of technologies than complex automobile systems have.

The following highlights our primary concerns with in HB 938:

Section 1: Over-the-Air Updates (OTA)

The motorcycle industry should be excluded from OTA requirements because these types of remotely activated add-on products are extremely rare in the motorcycle industry as compared to the automobile industry which has far more computerized systems that may require OTA updates. Without specific concerns from *motorcycle* dealers, it does not make sense to regulate motorcycles in the same way as automobiles.

Over-reaching legislation locks in potentially unworkable business practices in perpetuity and does not allow for an incremental approach for addressing concerns. Hawai'i should allow additional time to see how and whether remote activations evolve for motorcycles and then make informed decisions based on specific feedback from motorcycle dealers without stifling innovation and flexibility. Applying automobile industry limitations to motorcycle OEMs harshly affects the motorcycle industry because our OEMs produce lower quantities of vehicles at much lower average prices.

¹ The Motorcycle Industry Council (MIC) is a national, not-for-profit trade association representing several hundred manufacturers, distributors, dealers and retailers of motorcycles, scooters, motorcycle parts, accessories and related goods, and allied trades.

Given lower motorcycle margins, any additional revenue loss required by mandated payments of 20% of revenue for five years after purchase will have an outsized negative impact on the motorcycle industry compared to the automobile industry. It also makes more sense for motorcycles to retain flexibility as these technologies develop given lower production volumes. Added flexibility allows motorcycle OEMs to maintain more standardized factory processes without potentially having to make numerous sub-models to account for producing vehicles both with and without certain specialized optional features. For example, it makes more sense for a motorcycle OEM who makes dual purpose motorcycles (both on- and off-road capabilities) to be able to keep these types of options on the same platform to reduce cost pressures and manufacturing hurdles. Maintaining more flexibility for the motorcycle industry offers different riders the ability to try new riding systems, while the OEM is afforded a simpler manufacturing process, which lowers price pressures. This also simplifies inventory needs from motorcycle dealers who often sell multiple line-makes and are not tied to one OEM the way most automobile dealerships frequently are these days.

For these reasons, we oppose HB 938 unless amended to exclude motorcycles. Thank you for your consideration of these comments. Should you have any questions, please do not hesitate to contact me at sschloegel@MIC.org or 703-446-0444 x 3202.

Sincerely,



Scott P. Schloegel
Senior Vice President, Government Relations

HB-938

Submitted on: 1/29/2025 8:24:12 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Steve Parsons	Kauai Climate ACTION Coalition, Small Biz Owner	Oppose	Written Testimony Only

Comments:

Kauai Climate Action Coalition strongly opposes this bill that would be bad for consumers that would continue to drive inflation. Many EVs are thousands of dollars less than ICE Internal combustion engines. EVs stimulate good green local jobs and stop the flow of money to Fossil fuel companies. Vote no on this one!



Date: 10:00 am, January 30, 2025
Place: VIA VIDEOCONFERENCE and Conference Room 211
Bill: HB 938 Relating to the Motor Vehicle Licensing Act

Aloha Chair Kila, Vice Chair Grandinetti, and members of the committee,

On behalf of the Hawai'i Automobile Dealers Association (HADA), we are writing to support HB 938 Relating to the Motor Vehicle Industry Licensing Act.

HADA's membership includes small and locally-owned businesses, many of which are operated by the family members of their founders. These business leaders are the fabric of life in Hawai'i, directly employing thousands of workers, indirectly employing tens of thousands, and providing vehicle transportation to consumers across the islands. Importantly, they are the local contact for new automobile purchasers and assist Hawaii residents with their ground transportation needs 365 days a year.

We support provisions in this bill that:

- Clarifies that the definition of a manufacturer includes a manufacturer's parent, subsidiary or joint venture (known as a "common entity") but excludes a distributor so that the manufacturers that have dealers are not also allowed to be a dealer. This is intended to preserve the manufacturer/dealer arrangement as currently envisioned in the state franchise law. A question was raised at the recent Hawaii Motor Vehicle Industry Licensing board and we would want to ensure that there is no unintended effect created by this provision. We seek to work with stakeholders including representatives of the board to ensure that this bill adds clarity.
- Adds a provision which makes it clear that the manufacturers cannot require dealers to agree to comply with requirements outside of their existing dealer agreement in order to receive new model vehicles.
- Clarifies that under Hawaii franchise law, which addresses succession to a person through the Dealer's will or other written communication, manufacturers will not add restrictions outside of the franchise agreements. A provision in this bill addresses ownership transfers amongst existing owners, family members or a dealership manager.
- Addresses the situation where manufacturers sell subscriptions directly to customers which would enable certain existing functions to be turned on (i.e. heated seats, heated steering wheel, auto driving functions, interior lighting options, etc.) These are functions that should be sold to the customer as part of the vehicle sale. This ensures that consumers have access to local points of contact (e.g. dealers) where there is a manufacturer/dealer relationship.

Page Two

- Clarifies that retail reimbursement rates for parts and labor must also be paid on diagnostic work and repairs related to a manufacturer's extended warranty or other maintenance program outside of the standard warranty. We note that more than twenty-five (25) states have provisions which expressly provide that diagnostics for warranty work must also be compensated.
- Ensures that a reasonableness standard is included in the statute so that unreasonable provisions will not be included in franchise agreements when it comes to requirements for electric vehicle chargers and infrastructure. We have located at least three (3) states with provisions specifically referencing EV chargers/infrastructure. With Hawaii's aging electric utility infrastructure, it is often infeasible or impracticable to comply with unreasonable EV requirements.

The Hawaii Automobile Dealers Association supports HB938 as it clarifies provisions and standards in Hawaii's motor vehicle franchise law by ensuring equitable treatment of dealers and transparent business practices, which ultimately benefits Hawaii and consumers.

We thank you for the opportunity to testify.

Hawai'i Automobile Dealers Association

Melissa Pavlicek
Executive Director

The Hawai'i Automobile Dealers Association is the voice of more than 70 new car dealerships across the islands, accounting for over 4,000 direct jobs, \$6 billion total sales and more than \$250 million in general excise taxes paid.

Testimony of the Motor Vehicle Industry Licensing Board

**Before the
House Committee on Transportation**

**Thursday, January 30, 2025
10:00 a.m.
Conference Room 225 and Videoconference**

**On the following measure:
H.B. 938, RELATING TO THE MOTOR VEHICLE INDUSTRY LICENSING ACT**

Chair Kila and Members of the Committee:

My name is Hector West, and I am the Executive Officer of the Motor Vehicle Industry Licensing Board (Board). The Board offers comments on this bill.

The purposes of this bill are to: (1) authorize manufacturers and distributors to sell directly to consumers items activated or installed through remote electronic transmission; (2) clarify the applicability of the Motor Vehicle Industry Licensing Act to common entities; (3) amend the grounds for denying, suspending, revoking, or otherwise taking adverse action on a licensee; (4) prohibit a manufacturer or distributor from requiring a dealer to purchase or lease any electric vehicle charging station at the dealer's expenses unless provided notice of intent to sell the manufacturer's or distributor's electric vehicles; (5) clarify the conditions for the transfer of a franchise; (6) clarify the requirements for reimbursing a dealer for parts and labor.

The Board has concerns that the definition of manufacturer is being amended to include "a common entity." It appears that "common entities" would be able to engage in the business of manufacturing or assembling new motor vehicles under the manufacturer's license. Should the "common entity" engage in the business of manufacturing or assembling new motor vehicles, they are required to obtain their own license.

In addition, the Board also has concerns regarding the new requirements for a principal operator of the dealership on page 44, line 1 through 4, because the Board does not license principal operators. The Board also requests clarification on the proposed amendments to section 437-54, Hawaii Revised Statutes, because the

Testimony of the Motor Vehicle Industry Licensing Board

H.B. 938

Page 2 of 2

amendments refer to the dealer as a person, (i.e., death of a dealer). While a dealer could be a sole proprietor, dealers are more commonly corporations or limited liability corporations. The Board requests the Committee consider whether the amendments pertaining to the succession of the principal operator of a dealership would better be addressed in the franchise law.

Thank you for the opportunity to testify on this bill.



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: January 29, 2025

TO: Representative Darius K. Kila
Chair, Committee on Transportation

FROM: Tiffany Yajima

RE: **H.B. 938 - Relating to the Motor Vehicle Industry Licensing Act**
Hearing Date: Thursday, January 30, 2025 at 10:00 a.m.
Conference Room: 430

Dear Chair Kila, Vice Chair Grandinetti, and Members of the Committee on Transportation:

On behalf of the Alliance for Automotive Innovation (“Auto Innovators”) we submit this testimony in **opposition** of H.B. 938 as drafted, which proposes changes to the franchise law that are offered by the Hawaii Auto Dealers Association (“HADA”). The Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy. From the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers – the association is committed to a cleaner, safer and smarter personal transportation future.

While Auto Innovators opposes the proposals in H.B. 938 in their present form, we are working closely with HADA in a cooperative manner on many issues on the rewriting of the franchise law. We have continued to work cooperatively with HADA for many years on periodic updates to the franchise law, and Auto Innovators is committed to continuing that relationship as we do the hard work needed to reach agreement on the issues in this bill.

For example, the proposal on page 47 at section 8 of this bill proposes language related to dealer reimbursement for work done under warranty. The proposal uses retail rates based on what dealers charge customers for non-warranty work. Auto Innovators is strongly opposed to this provision. Auto Innovators and dealers have previously worked on compromise language in California and recently agreed to this compromise language in Oregon. The compromise language uses manufacturer time estimates that can be appealed by the dealer. The California compromise became effective in January 2020, and since then 98% of all requests for more time were automatically approved. Of the remaining 2%, all but a small number were eventually approved with increased time.

As the changes proposed in the bill are complex, and the member companies are actively reviewing the proposal, we are hopeful that both parties can reach agreement as this bill proceeds. For that reason, we respectfully request additional time to work on language.

Thank you for the opportunity to submit this testimony.



TESTIMONY REGARDING H.B. 938

Aloha Chair Kila, Vice Chair Grandinetti, and Members of the Committee:

Thank you for the opportunity to provide testimony regarding H.B. 938.

Tesla **strongly opposes H.B. 939**, as it prevents electric vehicle manufactures, such as Tesla, from selling directly to Hawaii residents. As a result, Tesla could be required to discontinue our current sales activities and close our 3 stores in Hawaii. Additionally, it may impact Tesla's ability to provide service operations to our existing tens of thousands of Tesla drivers across the state. This bill limits customer choice, threatens Tesla's Hawaii employees, and is contrary to the public interest of decarbonizing transportation emissions.

Tesla also has concerns related to the proposed requirement for a manufacturer to provide a dealer with 20 percent of the revenue received from customer add-on services post vehicle sale, such as advanced vehicle safety features or premium internet connectivity. This provision should only apply to manufacturers that operate through a franchised motor vehicle dealer, and not to manufacturers that sell vehicles directly to customers.

Thank you,

Noelani Derrickson

Noelani Derrickson

Public Policy & Business Development

RIVIAN



Rivian Automotive
14600 Myford Road
Irvine, CA 92606

January 30, 2025

Chair Darius Kila
Hawai'i House of Representatives
415 S. Beretania Street
Honolulu, HI 96813

SUBJECT: Opposition to House Bill 938

Dear Chair Kila and members of the House Transportation Committee:

On behalf of Rivian Automotive, LLC ("Rivian" or the "Company"), I would like to express the Company's strong opposition to House Bill 938; a bill that would stifle the free market by prohibiting companies, like Rivian, from investing in Hawai'i. Rivian is an independent U.S. company that manufactures all electric pickup trucks, sport utility vehicles ("SUVs"), and last-mile delivery vans in the United States. As an automaker that engages in direct vehicle sales and service, HB938 would suppress our plans for growth in Hawai'i.

Rivian was founded in 2009 and now employs over 15,000 people across the country. The Company focuses on the design, development, manufacture, distribution, sales, and service of its all-electric, zero-emission vehicles ("EVs"). Rivian began production and deliveries of its first consumer models in 2022: the R1T pickup truck and the R1S seven-passenger SUV. In addition to consumer vehicles, Rivian produces medium duty last-mile delivery vans, of which Amazon has already ordered 100,000 to be delivered by the end of 2030. In 2026, Rivian will begin deliveries of its next-generation product, the R2, which aims to enter the market at the median price point in the best-selling mid-size SUV segment.

HB983 provides little to no benefit to Hawai'i consumers, and in fact, harms consumers by restricting certain EV automakers from engaging in sales and marketing activities in the State. Rivian has opted to pursue a direct-to-consumer sales and service model, bypassing the franchise dealer model and bearing responsibility for the customer experience throughout their entire ownership lifetime. The Company is developing its first company-owned dealership in Honolulu now, with plans to open in the spring. As drafted, HB938 could prohibit Rivian from obtaining a new motor vehicle dealer



license, which is currently permitted under statute. Such a prohibition would cause the Company to limit real estate and personnel investments, to the detriment of the local economy.

Additionally, under Hawai'i Revised Statutes §225P-5, Hawai'i has a target "to sequester more atmospheric carbon and greenhouse gases than emitted within the State as quickly as practicable, but no later than 2045". To do so, the state must create an environment that makes it as easy as possible for Hawaiians to purchase electric vehicles to reduce emissions coming from the transportation sector. A study done by Atlas Public Policy found that "direct-to-consumer sales policy could potentially increase EV adoption between 2023 and 2030 by between 360,000 and 3.9 million units (1-13% increase)" nationally. Continuing to allow EV companies to sell directly in the state is an effective way to encourage EV adoption at no cost to the taxpayer unlike incentives and other mechanisms that are put in place to do so.

There is simply no sound policy reason for this legislation. Direct-sale manufacturers, such as Rivian, do not harm franchised auto dealers or consumers and existing Hawai'i law expressly permits the practice and regulates it accordingly. Should HB938 be enacted, it could cause companies like Rivian to operate in the gray areas outside the law rather than in the daylight. Such an outcome runs counter to the fundamental purpose of the Motor Vehicle Industry Licensing Act, which seeks to protect consumer rights.

For the reasons set forth in this letter, Rivian respectfully requests that the Hawai'i House Transportation Committee not advance House Bill938. Thank you for your time and consideration of this matter. If you have any questions or comments regarding this letter, please feel free to contact me. We would be happy to work with the Committee on this issue.

Sincerely,

Beau Whiteman, Director – State Affairs

HB-938

Submitted on: 1/28/2025 7:00:56 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
William Melohn	Individual	Oppose	Written Testimony Only

Comments:

This bad idea would be an significant problem for us Tesla owners, for no benefit to our state, only to established auto dealers who don't want to allow Tesla to sell and service the thousands of cars here!

I've had my model 3 since 2021; it uses no gas, generates no CO2, consumes only the electricity that I generate from home solar, and it a tech marvel, totally superior to anything old school car companies offer.

Let's not follow the lead of states like Texas that cater to auto dealerships rather than customers, I've owned many cars, and have never found the dealer to be helpful in sales or service of any of my vehicles.

Mahalo!

HB-938

Submitted on: 1/28/2025 7:16:49 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Marlon Ramos	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB938

HB-938

Submitted on: 1/28/2025 7:24:58 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Fernando L Alvarado	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose any bill that is there just to protect the profits of selected businesses by forcing consumers to use the business against their will. This bill stands in the way of progress and freedom of choice by consumers. Worse yet, it will impede or raise the cost of EVs at a time when EVs are essential for the future of Hawaii.

HB-938

Submitted on: 1/28/2025 7:28:09 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sylvia Maldonado	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB938.

HB-938

Submitted on: 1/28/2025 7:46:47 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Chong Shi Zheng	Individual	Oppose	Written Testimony Only

Comments:

I'm oppose to limiting a consumer's choice to purchase direct from a manufacturer.

HB-938

Submitted on: 1/28/2025 7:47:20 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas Pang	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose.

HB-938

Submitted on: 1/28/2025 7:56:39 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Larry Stevens	Individual	Oppose	Written Testimony Only

Comments:

HI is leading the way in electric vehicle adoption partly because it allows the direct sales model used by several EV vendors. This lowers costs and simplifies the buying process. Please do not throw obstacles in the way of this ongoing success.

HB-938

Submitted on: 1/28/2025 8:08:23 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Carion	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill as it would limit sales of one of the best electric vehicles made today. This elimination would be in direct opposition to Hawaii's goal of becoming energy independent. Numerous Tesla vehicles are in Hawaii now and Tesla does not have a franchise for car sales. this would also potentially limit the ability of getting service for Tesla vehicles.

HB-938

Submitted on: 1/28/2025 8:12:55 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Albatrosov	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill because the marketplace wants direct to consumer sales. See Amazon's deal with Hyundai. This hurts everyone, but especially potential EV buyers on outer islands where there are no dealers to purchase most popular EVs.

Please do not make it harder to purchase vehicles.

HB-938

Submitted on: 1/28/2025 8:14:07 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nanette Vinton	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Kila, Vice-Chair Grandinetti, and Com members,

I am writing to express my strong opposition to HB938 that would restrict the ability of certain electric vehicle (EV) manufacturers to sell directly to consumers in Hawaii. More specifically, the verbage amending Section 437-52 of the Hawaii Revised Statutes in subsection (a)(15)(J)(ii) (page 24) that prohibits manufacturers from selling new vehicles directly to consumers, except through franchised dealers.

As an EV owner since 2013, I have witnessed the remarkable growth of this technology over the past decade.

Hawaii has long been a leader in promoting EVs to combat climate change, setting ambitious goals for both consumer and public sector adoption. This bill, however, would unfairly punish EV manufacturers who have successfully utilized direct-to-consumer sales models to increase clean transportation options for Hawaii residents.

Instead of fostering innovation and competition, this legislation would create an uneven playing field that only favors established franchise dealerships. By limiting consumer choice and potentially increasing prices, HB938 could hinder the widespread adoption of EVs that is crucial for achieving Hawaii's climate goals.

I urge the committee to vote NO on HB938. Hawaii should embrace policies that encourage competition, empower consumers with diverse choices, and support the legislative policies and goals already passed to facilitate the transition to a sustainable transportation future.

Sincerely,

Nanette Vinton

Mililani resident

HB-938

Submitted on: 1/28/2025 8:15:06 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Angelo Petralba	Individual	Oppose	Written Testimony Only

Comments:

Opposed to this bill. We need better Tesla support not monopoly dealership/corporation sanctions just because we are on an island.

HB-938

Submitted on: 1/28/2025 8:25:59 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Garth rollin	Individual	Oppose	Written Testimony Only

Comments:

This is an absolute terrible idea! Are we trying to go backwards? Terrible, terrible idea.

HB-938

Submitted on: 1/28/2025 8:28:24 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Adam Lemire	Individual	Oppose	Written Testimony Only

Comments:

I oppose this Bill.

HB-938

Submitted on: 1/28/2025 8:29:00 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jonathan Guzman	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB938.

HB-938

Submitted on: 1/28/2025 8:33:56 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Daniel Wang	Individual	Oppose	Written Testimony Only

Comments:

I'm writing to Oppose this bill. This bill does not benefit or protect average consumers. Requiring manufacturers to sell cars through a dealership is ridiculous. Car dealers have become obsolete and are unwanted. Ask any average citizen and I am sure you will come up on a story of how they were scammed, or lied to, or swindled, or victimized by ridiculous markups from the gatekeepers that are car dealers. The automotive industry is moving toward direct purchase, no nonsense, transparent vehicle purchase transactions, and consumers are better off for it. Please stand with me in opposition to this bill and say NO to dealerships and NO to the National Dealership Association.

HB-938

Submitted on: 1/28/2025 9:04:06 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ronald "Ron" Reilly	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair Kila, Vice Chair Grandinetta and Members of the TRN Committee,

Dealer franchises have been traditional, however times have changed and if car manufacturers want to sell online and directly to consumers they should be allowed to do so - most notably Tesla is the prime example. No haggling, a set price stated clearly in advance, and a showroom to demonstrate the vehicle. I chose to not buy a Tesla but I enjoyed the experience of learning about the car and the lack of pricing smoke and mirrors - "let me check with my manager!"

HB 938 will take away my freedom to choose. Please stand up for consumer choice by rejecting this bill.

Thank you, Ron Reilly Volcano Village

Aloha members of the Hawaii State Legislature,

I respectfully and strongly oppose HB938, which seeks to impose unnecessary and harmful restrictions on the direct sale of electric vehicles (EVs) to Hawaii residents. The proposed bill would severely limit consumer choice, hinder the growth of the EV market, and ultimately undermine the state's environmental and economic goals. Below are the primary reasons why HB938 should not be passed:

- 1. Infringement on Consumer Choice and Access: At its core, HB938 strips away Hawaii residents' right to choose how and from whom they purchase vehicles. Tesla's direct-to-consumer model has revolutionized the car-buying experience, offering transparent pricing, a streamlined purchase process, and more direct customer support. By forcing consumers to buy only through a franchise dealer, this bill removes a highly beneficial option for those seeking a more modern, efficient, and cost-effective way to buy a vehicle. Consumers should have the right to decide how they want to purchase a car—whether from a dealership or directly from the manufacturer.**
- 2. Restricting Access to Electric Vehicles at a Critical Time: Hawaii has long been at the forefront of sustainability and clean energy initiatives. As the state works to reduce its carbon footprint and transition to a more sustainable future, the availability of electric vehicles plays a crucial role. HB938 would place significant barriers in the way of residents looking to purchase EVs. By mandating that EV manufacturers like Tesla sell through third-party dealerships, the bill could increase the cost of these vehicles, limit supply, and slow down the transition to cleaner, greener transportation. This is particularly harmful as the state continues its efforts to reduce its reliance on fossil fuels and meet ambitious climate goals.**
- 3. Disruption to EV Service Networks: HB938's proposed changes could disrupt the local service network for electric vehicles, particularly for Tesla owners. Tesla has built a robust and efficient service infrastructure to ensure its customers receive timely and effective maintenance. The bill's provisions may force EV owners to rely on third-party dealers that may lack the specialized knowledge, training, and tools required to service electric vehicles properly. This could lead to longer wait times, higher service costs, and a less efficient overall customer experience.**
- 4. Limiting Market Competition and Innovation: Far from fostering a healthy, competitive market, HB938 would act as a barrier to new entrants and innovative business models in the EV space. By requiring manufacturers to go through franchise dealers, the bill would protect outdated dealership models at the expense of modern, direct-to-consumer methods that have proven to be more efficient and cost-effective. Tesla is not the only manufacturer benefiting from this model; other EV companies, like Rivian and Lucid, are following similar strategies. Restricting this model harms not only consumers but also the broader market for electric vehicles and innovation within the automotive industry.**
- 5. Economic Impact: Forcing EV manufacturers to go through franchise dealers could drive up vehicle prices by adding layers of markup, removing price transparency, and potentially making it more difficult to secure inventory. The current direct sales model allows EVs to be priced competitively, helping consumers access cutting-edge technology at fair rates. Introducing unnecessary intermediaries could hurt both consumers and Hawaii's broader economic interests, especially as the state looks to promote sustainability through innovative technologies and business practices.**

6. **A Step Backwards for Hawaii's Energy Goals:** Hawaii is uniquely positioned to lead the nation in renewable energy adoption and the transition to electric vehicles. However, HB938 threatens to undermine the state's forward-thinking policies by restricting access to electric vehicles at a time when they are essential for the reduction of greenhouse gas emissions. This bill would slow the adoption of EVs and perpetuate Hawaii's reliance on fossil fuel-powered vehicles, which are in direct opposition to the state's long-term sustainability goals.
7. For these reasons, I urge the legislature to reject HB938 in its entirety. This bill is not in the best interest of Hawaii's residents, its economy, or its environmental future. Instead, lawmakers should focus on policies that promote innovation, increase access to clean transportation, and support the transition to a more sustainable, equitable energy future for all.

Mahalo for your consideration.

-Blake M. Thompson

HB-938

Submitted on: 1/28/2025 9:12:39 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Timothy Kim	Individual	Oppose	Written Testimony Only

Comments:

I feel that limiting direct to customer sales inhibits choice and forces customers to deal with dealerships who may hike the price of vehicles without competition.

HB-938

Submitted on: 1/28/2025 9:13:43 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Alex Sue	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB938. Especially the part about it requiring sales be through a franchise dealer. I've been buying and driving cars for over 30 years and there's nothing I hate more than spending a whole day at a dealership just to buy a car. Tesla's process is so simple, and if more brands and companies can come down and sell, that would be good for competition and business. It's already hard enough to bring things to Hawaii

HB-938

Submitted on: 1/28/2025 9:15:52 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul Whittaker	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose any legislation that would block direct-to-consumer sales of electric vehicles (EVs) in Hawaii. Such restrictions hurt consumers, limit competition, and slow our transition to clean transportation.

Hawaii already has high vehicle costs, and dealerships add unnecessary markups and fees. Direct sales provide transparent pricing and a better buying experience. They also help overcome our geographic challenges, allowing EV makers to serve the islands without requiring costly dealership networks.

Blocking direct sales protects outdated business models at the expense of consumer choice. States like California and Washington allow this model, leading to increased EV adoption and lower prices. Hawaii should not fall behind.

I urge lawmakers to reject any efforts to restrict direct EV sales and instead support policies that expand access, competition, and affordability.

HB-938

Submitted on: 1/28/2025 9:22:42 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Debbie Dela Cruz	Individual	Oppose	Written Testimony Only

Comments:

Testimony Opposing Hawaii House Bill 938

To: Chair and Members of the House Transportation Committee

Subject: Opposition to HB938 – Relating to the Motor Vehicle Industry Licensing Act

Date: January 28, 2025

Dear Chair and Committee Members,

I am writing as a concerned citizen to express my strong opposition to House Bill 938, which proposes to authorize manufacturers and distributors to sell directly to consumers items activated or installed through remote electronic transmission. While the bill aims to modernize vehicle sales and services, I believe it will inadvertently lead to increased costs for consumers. I urge the committee to reject this bill in its entirety.

Key Concerns:

1. **Increased Consumer Costs:** Allowing manufacturers to sell directly to consumers, especially for items activated or installed remotely, could bypass traditional dealership networks. Dealerships often provide competitive pricing and localized promotions, which help keep costs down for consumers. Eliminating this competition may lead to manufacturers setting higher, non-negotiable prices for these electronic features, resulting in consumers paying more for their vehicles.

2. **Monopolization of Services:** By enabling manufacturers to control the sale and activation of electronic features, HB938 could create a monopoly over these services. This monopolization may reduce consumer choice and eliminate third-party providers who often offer more affordable alternatives. The lack of competition typically leads to higher prices and fewer options for consumers.

3. **Potential for Hidden Fees:** The bill's provisions might allow manufacturers to implement subscription-based models for essential vehicle features, turning one-time costs into recurring

expenses. This shift could significantly increase the long-term ownership costs for consumers, making vehicle ownership less affordable for many Hawaii residents.

Conclusion:

While the intention to modernize vehicle services is understandable, HB938 poses significant risks of increasing costs for consumers through reduced competition, potential monopolization of services, and the introduction of hidden fees. I respectfully urge the committee to consider these concerns and reject HB938 to protect Hawaii's consumers from unnecessary financial burdens.

Thank you for your attention to this matter.

Sincerely,

Debbie Dela Cruz

HB-938

Submitted on: 1/28/2025 9:40:37 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul Bernstein	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Lee and members of the TCA committee:

I'm writing in opposition to this bill because it restricts choice and would make it harder for us to reduce our emissions from the transportation sector. The bill seems to be a classic case where handouts are given to one sector at the cost of the rest of society. Please defer this bill as it's bad for consumers' pocketbooks and for our goals of reducing emissions.

Mahalo,

Paul Bernstein

HB-938

Submitted on: 1/28/2025 9:44:03 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Lee	Individual	Oppose	Written Testimony Only

Comments:

This bill is so stupid, the sponsors should be ashamed.

Why single out automobiles with this bill.

An extension of this stupid logic would outlaw direct sales to the citizens of Hawaii.

Buying products from Amazon and other on line distributors would be illegal.

This is why we don't have full time legislators.

HB-938

Submitted on: 1/28/2025 9:47:56 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Harold Grey	Individual	Oppose	Written Testimony Only

Comments:

Why do we want to move backwards? All auto manufacturers should be able to sell cars, which are essentially a commodity, to individuals directly both online and through manufacturer showrooms. Or if they want to maintain a dealer network they should also have that option. I own an EV in Hawaii but I am not a big fan of Tesla or their CEO. However, they have been selling EVs direct to customers for more than 10 years now and the process is smooth and efficient. The auto franchise is a relic that needs to be discarded. It is merely a way for franchisees to earn money. My past experiences with going to a dealership is that it is painful and waste of time. Franchisees add ZERO value to the process of buying an EV, and in most cases know very little about the technology of the car they are selling. They also seem to take advantage of consumers by trying to sell adds-ons and options that simply line their pockets. I understand that the franchisees do not want to lose dollars, but as with every economic revolution changes are required. They need to get on board and update their business model and not keep all of us in the Stone Age.

HB-938

Submitted on: 1/28/2025 9:55:21 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Dylan Beaver	Individual	Oppose	Written Testimony Only

Comments:

Arriving on island is difficult and as a service member returning being able to purchase direct, have full transparency and maintain a sense of honesty that is not present in current dealerships was reassuring. Dealership markups and aggressive tactics break the ease of purchasing vehicles which plagues rising prices as a "middle man is needed". Do not support the additional regulation. Do not allow the people to believe that the NDA has purchased your votes.

HB-938

Submitted on: 1/28/2025 10:02:51 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Philippe Magloire	Individual	Oppose	Written Testimony Only

Comments:

I am a resident of Hawaii and I am submitting this testimony in opposition to HB938. I believe that if this bill were to pass, it would result in making it significantly harder for Electric Vehicle (EV) manufacturers to sell directly to customers, forcing them to work through a local franchise dealer. Local franchise dealers would increase the price of EVs, making them less affordable. This bill would result in significantly higher prices for EVs in Hawaii, meaning that there would be fewer EVs on the road and that the State would not meet the clean energy goals that it has set. I would, therefore, urge all legislators to vote against this measure.

HB-938

Submitted on: 1/28/2025 10:46:33 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Glenn DelCarmen MD	Individual	Oppose	Written Testimony Only

Comments:

I urge the legislature to not pass this bill which, in my opinion, would essentially prohibit the consumer from attaining of one of the most energy efficient transportation vehicles made in the USA. If this were not true, Hawaiian Electric would not have incorporated electrical vehicles into their fleet of vehicles.

Let the free market work by allowing DIRECT-TO-CONSUMER SALES of passenger vehicles. Limiting this choice only hurts the tax paying consumer.

Thank you for considering!

HB-938

Submitted on: 1/28/2025 11:12:54 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Gregory Mueller	Individual	Oppose	Written Testimony Only

Comments:

I oppose HB938 because it only eliminates or reduces competition to enrich car dealers. It will make it harder to buy cars that protect the environment and also enrich oil companies. This is bad for the average Kamahina.

HB-938

Submitted on: 1/28/2025 11:15:05 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Vanessa hodes	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB938.

HB-938

Submitted on: 1/28/2025 11:19:43 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Gary Miller	Individual	Oppose	Written Testimony Only

Comments:

As an owner of two Tesla vehicles in Hawaii I ask that you vote NO on House bill 938. We should encourage customer choice in our state and include more EV manufacturers, not exclude certain automakers from Hawaii.

Respectfully,

Gary Miller

Resident of the Big Island of Hawaii

HB-938

Submitted on: 1/28/2025 11:20:12 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Calvin Matthews Jr	Individual	Oppose	Written Testimony Only

Comments:

Hello. My name is Calvin Matthews Jr. I am a Tesla customer, and have owned 2 vehicles made by this manufacturer (Model 3 from 2020 and Model Y from 2024). My statement is to oppose Bill 938.

First I want to provide some background about my household before explaining why I oppose this bill. My household consists of myself, my wife, and our son. My wife has lived in Hawai'i for a few years but is still learning English and therefore I have to translate between English and Japanese for her. Our son was born with a genetic syndrome which requires the use of a ventilator and other medical equipment while asleep due to improper communication between his brain and lungs and therefore improper ability to inhale sufficient amounts of oxygen and exhale sufficient amounts of carbon dioxide. He also is autistic and lacks proper communication ability and other qualities that typical children exhibit.

Tesla offers the ability to complete majority of the consumer vehicle purchasing online, which is extremely beneficial for my household. From using the website to select a vehicle and options, to submitting a deposit, to applying for financing, and using the app to finalize the delivery appointment (and more), everything was very easy to complete. Doing the vehicle purchase at our own pace allowed for:

-Me to explain to my wife in Japanese about the specifications of the vehicles, the financing, delivery appointments, etc. as requirements came up. This was due to most of the actions not being restricted by time. If we were at a dealership, then I would have lots of pressure with explaining so many details and concerns between English and Japanese and it would take a very long time to make sure that my wife understands what we're getting into.

-Me to research and complete tasks when my schedule permitted. With working full time, taking my son to appointments and therapy sessions, doing errands, grocery shopping, etc. my schedule is always extremely packed and therefore each action that we had to complete didn't take more than a few minutes each time. Multiple mini-actions had to be completed up until delivery day so this flexibility was much more manageable than having to dedicate hours out of our day to go to a dealership and do similar actions.

-Us to select options or be fine with a stock vehicle (we went with stock vehicles both times). Nobody was trying to trick us into buying things that the dealership felt was necessary that we didn't feel like buying.

-Our son's schedule to not be severely disrupted. Due to his genetic syndrome, his days are unpredictable in regards to medical care and sleep. Therefore ordering a vehicle online and completing majority of the steps to buy the vehicle online allowed me for example to submit the order for the Model Y while I was grocery shopping and he was sleeping at home under my wife's supervision. As for picking up the new vehicles, it was just a matter of us signing some paperwork and vehicle inspection before we could drive away so the delivery appointment took about 10 minutes. If we had to go to a dealership then we'd be there for hours, he would be very cranky due to his autism, and he may sleep and we need to connect him to his medical equipment at the dealership (which would be very disruptive during the car buying process). This plus what I shared earlier about the pressure and amount of time it takes having to translate everything between English and Japanese for my wife were very easy to do by avoiding needing to go to and speak with a sales person.

The buying experience for my household was perfect because overall it was way more accomodating than the "old school" way of having to do the whole or even half of the buying experience in person. The Advisors at Tesla's show rooms and service centers are there to inform you about vehicles, not work on commission and try to upsell. The dealership model is antiquated and doesn't need to exist, when clearly we've proved that Tesla offering online ordering is a much more efficient use of our restricted time.

Thank you for reading.

Calvin

HB-938

Submitted on: 1/28/2025 11:32:16 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Paula Miller	Individual	Oppose	Written Testimony Only

Comments:

As a Tesla owner in Hawaii, I'm reaching out to ask that you to vote NO on House Bill 938. We should embrace customer choice in our state and include more EV manufacturers, not push certain automakers out of Hawaii.

HB 938 is bad for Hawaii, and I urge you to vote NO. Thank you!

Paula A. Miller

Ninole, HI

HB-938

Submitted on: 1/28/2025 11:54:20 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kurt Kajioka	Individual	Oppose	Written Testimony Only

Comments:

I very strongly oppose bill HB938

HB-938

Submitted on: 1/29/2025 3:19:35 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kyle Fields	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB938 because it will limit residents' vehicle choices and drive up the costs of vehicle purchases and maintenance. Please stop making up stupid laws.

HB-938

Submitted on: 1/29/2025 5:39:17 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lance antonio	Individual	Oppose	Written Testimony Only

Comments:

I oppose of this bill as a EV owner myself. This will already harder and out of reach for our community that's in a already expensive state

HB-938

Submitted on: 1/29/2025 5:55:24 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kevin Kern	Individual	Oppose	Written Testimony Only

Comments:

A proposed state law limiting vehicle sales to franchise dealerships only would stifle competition and harm consumers. This type of legislation appears designed to protect traditional dealerships from the rise of electric vehicle manufacturers who often utilize direct-to-consumer sales models. Restricting sales channels ultimately limits consumer choice, potentially increases prices, and slows the adoption of cleaner, more sustainable transportation options. Innovation in the auto industry shouldn't be hampered by protectionist measures that benefit established businesses at the expense of consumer access and a healthier environment.

HB-938

Submitted on: 1/29/2025 6:23:23 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Matt Tom	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill. Why would you limit your constituents' ability to purchase EVs in an already challenging economical climate? Pilau and makes no sense.

HB-938

Submitted on: 1/29/2025 6:48:38 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lorn	Individual	Oppose	Written Testimony Only

Comments:

Aloha Members,

I oppose this bill which obviously is directed to keep our community from moving forward into a realistic new future. Could be titled Anti Tesla Bill, is obviously the work of the auto dealerships in Hawaii.

I was a Tesla owner and actually loved that I didnt have to deal with the monopoly dealerships that are prevalent in Hawaii. Consumer abuse is widely practiced by Servco who imports the Japanese cars into the state. I imagine this bill may have been funded by them.

Tesla reimaged the auto industry and their direct sales is a terrific new model.

Please oppose this bill!

Lorn Douglas

Lower Puna, Big Island

HB-938

Submitted on: 1/29/2025 7:20:49 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Louis Concato	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern,

I strongly oppose this bill as it not only will restrict the public's access to electric vehicles, but may impact the service operations of these vehicles by consolidating EV services to dealers, who are already incapable of adequately servicing their own fleets of cars. Thank you for your consideration.

HB-938

Submitted on: 1/29/2025 8:25:19 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Keaton S Woods	Individual	Oppose	Written Testimony Only

Comments:

I oppose this legislation. I bought a Tesla Model 3 in 2021 directly from Tesla using the internet, with no haggling over the price or options, a wonderful experience! It has been maintenance-free, although I paid the local Tesla service center \$69 to replace the cabin air filters. Various surveys have found Teslas to have the lowest maintenance cost of any automobile in America.

HB-938

Submitted on: 1/29/2025 8:50:40 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Deborah McMenemy	Individual	Oppose	Written Testimony Only

Comments:

I vehemently oppose this bill. Cutting out the middle man saves consumers money, and this bill only supports car dealers.

HB-938

Submitted on: 1/29/2025 8:59:55 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Olsson	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill. I do so for several reasons. First and most important. Direct sales benefits customers, promotes innovation, takes advantage of innovative technologies, and does not, in any way, preclude existing sales models.

Direct sales works. I live on Hawai'i - The Big Island. It is a remote location by any measure. In a world where the government places restrictions on direct sales my options for purchase would be severely limited. We have fewer dealerships, and would therefore have fewer choices, while direct-to-consumer sales allows me a wide choice.

My personal experience: I have owned an EV for 6 years. I purchased it directly from Tesla using the internet. I have driven the car for 6 years. At no time has the absence of a dealership on the island been an issue. The fact that my car can be updated over the internet and can be serviced by a mobile service technician is incredibly convenient. A model requiring franchises or dealerships would destroy that convenience. The franchise dealership model for car sales is predicated on outdated technology and on ideas that no longer hold true.

Allow industries to evolve and develop in response to consumer needs. Allow consumers the choice: a consumer who prefers a Chevy dealer to control his options is free to exercise that preference, while a consumer who prefers a more flexible set of options can also do so.

This bill would impose unnecessary restrictions on the consumer and on the manufacturers. It is a BAD bill.

HB-938

Submitted on: 1/29/2025 9:08:43 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Keith Neal	Individual	Oppose	Written Testimony Only

Comments:

NO on HB938

Hawaii residents deserve the freedom to choose how and where they purchase their vehicles. We should embrace customer choice in our state and include more EV manufacturers.

I rge a vote NO on HB 938 .

HB-938

Submitted on: 1/29/2025 9:16:32 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul McDonnell	Individual	Comments	Written Testimony Only

Comments:

I got a notification that this bill is designed to not allow direct sales to customers from car companies, however I cannot understand this bill as it is written. So I did not select "Oppose".

However, if this indeed is meant to be a bill to be sneaked in to ban the direct sales model which my wife and I very much appreciate (we are on our third Tesla), then I am very much OPPOSED to this bill. I have tried to buy from car dealerships in the past, but nearly always got turned off by their unethical practices and tactics. I have only ONCE gone through with a purchase from a dealership in my life. Direct sales? 3 times and love it. I do not want this banned as it hurts customers and would force us to only buy from the used private market or deal with scummy dealerships.

HB-938

Submitted on: 1/29/2025 9:58:19 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Wang	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB938 section 3 (21) (J) (ii), and any bill that seeks to prohibit or revoke licensure of an auto company like Tesla, who does not use franchise dealers and thus does not compete with them, from selling and servicing their own cars. I am a Tesla owner, and the purchase, servicing, and ownership experience has been far better than any of the 4 other vehicles I have purchased and serviced at dealers. They are far from perfect, but it has been far less frustrating, irritating, time wasting, and costly owning a Tesla. Because Tesla does not use dealers, this is not a case of a manufacturer unfairly competing with a dealer of the same make and model car. While American dealerships contribute huge sales taxes to a state, they are described by consumers as some of the most unpleasant transactions in life. And that was my experience too. My Tesla purchase was vastly better. Why doesn't the state protect consumers, who actually pay to provide all that tax revenue? It's not like Tesla doesn't also pay taxes to each state it does business in. Historically dealers were compensated well in order to facilitate selling and servicing all over the country, especially where the manufacturer could not afford to do so. That is no longer the world we live in. Direct sales and service are possible.

HB-938

Submitted on: 1/29/2025 10:20:07 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul Hirst	Individual	Oppose	Written Testimony Only

Comments:

Strongly Oppose HB 938 - the requirement in subsection (a)(15)(J)(ii) (page 24) requiring franchise dealerships harms the people of Hawaii by limiting or preventing direct to consumer sales and thereby limiting their choice of vehicles available for purchase, and driving up the cost of vehicles.

HB-938

Submitted on: 1/29/2025 11:01:45 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Charles Uyehara	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB938, as it is anti-competitive, anti-consumer, and harmful to Hawai'i residents. This bill would strip Tesla's ability to sell directly to consumers, limit EV service options, and make it harder for other EV manufacturers to enter the market. By forcing sales through a franchise dealer system, this measure would increase costs, reduce consumer choice, and slow Hawai'i's transition to cleaner transportation options.

At a time when we should be encouraging EV adoption and market competition, HB938 takes us in the wrong direction. I urge you to reject this bill and protect Hawai'i consumers' right to buy and service vehicles without unnecessary barriers.

Mahalo for your time and consideration.

Charles Uyehara

HB-938

Submitted on: 1/29/2025 11:51:44 AM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
bruce dunbar	Individual	Oppose	Written Testimony Only

Comments:

Please vote against this bill. Electric Tesla cars are critical in HI & sales should be supported & promoted not hindered. This would be a huge blow to HI economics to hinder same.

HB-938

Submitted on: 1/29/2025 12:06:12 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
gunner schull	Individual	Oppose	Written Testimony Only

Comments:

This is a bad bill. Our EV cars are important and a licensed dealer is not necessary and government overbearance.

HB-938

Submitted on: 1/29/2025 1:48:43 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Donald Alanis	Individual	Oppose	Written Testimony Only

Comments:

I oppose

HB-938

Submitted on: 1/29/2025 2:01:57 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Rebekah S LaPlante	Individual	Oppose	Written Testimony Only

Comments:

I have a Tesla and the sale through a Tesla was easy. Let's keep things that way, not through a franchise dealer.

Keep good options open.

HB-938

Submitted on: 1/29/2025 2:36:03 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Yoon Kean Wong	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am writing in opposition to HB938. As a full time resident of Hawaii who values our environment and climate, and is deeply Involved in the local community on the Island of Hawai'i, I am strongly opposed to this bill. By limiting the choices of residents to purchase the safest, most affordable (from a total cost of ownership perspective), environmentally friendly vehicle options available, the legislature would be increasing the cost of living for Hawaiian residents and harming our environment. Franchise dealerships offer no inherent value to the community as a whole above direct sales and service operations. Franchises mark up the cost of vehicles, are traditionally both opaque in their pricing and incentivized to maximize profits for their own companies, often through aggressive sales tactics, upselling unnecessary options, and overcharging for services. They are an inefficiency in the economic system, and forcing franchise dealerships only costs the residents of Hawaii.

By mandating sales only through franchises, the legislature would be placing a tax on the residents of the state. And not even a tax where the benefits of the income would accrue to the public sector of the state, and thus actually provide some public good, but this would be a tax where the benefits accrue only to the wealthy private owners of the franchise dealerships in Hawaii. This sort of manipulation of the legislative system for the financial benefit of a wealthy few, financing lobbyists and the intertwined influence peddling, would be a sad indictment on the legislature of this great state.

Please don't make it more expensive to live here, and damage our environment in the process,

mahalo,

Yoon Kean Wong

Kamuela, Hawaii