



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

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CHRISTINE BERTHET
Chair

ROBERT J. BENFATTO, JR., ESQ.
District Manager

May 5, 2014

Hon. Brad Hoylman
NYS Senator – 27th District
322 Eighth Avenue, Suite 1700
New York, NY 10001

Re: S5725A-2013/A7844A-2013: amending New York State's Vehicle and Traffic Law in relation to automobile manufacturers and unfair practices

Dear Senator Hoylman:

At its regular Board meeting on May 7, 2014, Manhattan Community Board No. 4 (CB4), voted to recommend that you oppose Bill S5725A/A7844A, amending New York State's Vehicle and Traffic Law in relation to automobile manufacturers and unfair practices by franchisors, as long as it contains provisions restricting the ability of automobile manufacturers from selling directly to consumers.

We are specifically concerned about restrictions that would be placed on Tesla Motors, which has a showroom within Manhattan Community District 4. As originally proposed, the bill would have forced Tesla to stop their direct sales. The current amended version would permit Tesla to keep their existing showrooms but would prevent them from opening new ones. We believe that Tesla selling their own vehicles is not "deleterious competition," but healthy competition that should be encouraged.

Tesla Motors' environmentally friendly electric vehicles have been widely praised. Their latest model, the Tesla Model S, was named Car of the Year by Motor Trend magazine in 2013 and the best overall car model for 2014 by Consumer Reports. We believe that we should be encouraging companies such as Tesla that are developing products that are innovative, popular, well-regarded and address significant environmental issues. Tesla should be allowed to extend their direct sales model to accommodate the demand for their vehicles.

We recommend that you oppose Bill S5725A/A7844A as long as it contains any provision restricting the ability of Tesla to extend their direct sales model, and that you work to amend the bill to remove it.

Sincerely,

Christine Berthet
Chair

J. Lee Compton
Co-Chair

Betty Mackintosh
Co-Chair

Chelsea Land Use Committee Chelsea Land Use Committee

cc: Brewer, Johnson, Glick, Rosenthal, Krueger, Espailat, Governor, Mayor