



Consumer Federation of America

April 11, 2023

Honorable Thomas J. Umberg  
Chair, Senate Judiciary Committee  
1021 O Street, Room 3240  
Sacramento, CA 95814

**Re: SB 680 (Skinner): SUPPORT  
As Introduced**

Dear Senator Umberg:

On behalf of each of our organizations, which together represent millions of Californians, we are pleased to support SB 680 authored by Senator Nancy Skinner (D - Berkeley), pro-consumer and pro-environment legislation that will help make electric vehicles significantly more affordable by prohibiting auto dealers from charging over the Manufacturer’s Suggested Retail Price (MSRP) for EVs.

SB 680 is part of a multi-bill package sponsored by CFC and a wide range of consumer and small business organizations to crack down on so-called “junk fees.” Some 85% of Americans have had direct experience in one form or another with junk fees. These fees are deceptive, excessive, imposed without adding anything of value, infuriating, and unnecessary. That’s why President Biden and some leading Republicans agree that combating these junk fees is important.

As consumers switch over to electric-powered vehicles to meet the California mandate by 2035, some dealers are charging \$30,000-\$40,000 or more above the Manufacturer’s

Suggested Retail Price (MSRP) for EVs, which are already significantly more expensive than combustion-engine same vehicles. Forcing consumers to pay outrageous prices for literally the exact same vehicle without features being added is pernicious and perhaps the ultimate junk fee. The number one barrier to more widespread adoption of EVs is affordability and auto dealers' imposing excessive markups is thwarting consumers' ability to meet the states' mandate. In January 2022 more than 80% of US car buyers paid above MSRP, compared to 0.3% for the same month in 2020.<sup>1</sup>

The California Consumers Legal Remedies Act ("CLRA"), passed in 1970, was designed to protect Californians from unfair business practices, such as false advertising. As gas prices soar, and zero-emission vehicle demand rises, California can help ensure that ZEVS are affordable by categorizing dealer mark-ups above the MSRP as an unfair business practice under the Consumer Legal Remedies Act. SB 680 will give consumers all remedies available under CA's existing Consumer Legal Remedies Act and is the first-in-the-nation legislation that will help address the crisis we all face in mitigating climate change by accelerating the replacement of California's aging fossil-fuel fleet with newer, safer, more fuel-efficient EVs.

We applaud your leadership in championing SB 680. Should you or your staff have any questions regarding our position, please do not hesitate to contact us directly.

Sincerely,



Robert Herrell, Executive Director  
Consumer Federation of California (Co-sponsor)



Rosemary Shahan, President  
Consumers for Auto Reliability and Safety (Co-sponsor)

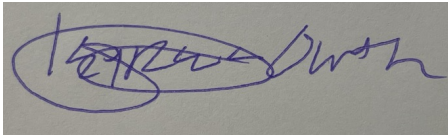
Sally Greenberg, CEO  
National Consumers League



Carmen Balber, Executive Director  
Consumer Watchdog

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<sup>1</sup> [Jacob Boggs & Aaron Gregg, "GM and Ford threaten to withhold popular cars as dealerships raise prices," \(February 12, 2022\), \*The Washington Post\*.](#)



Desiree Nguyen Orth, Director of the Consumer Justice Program  
East Bay Community Law Center



Bill Magavern, Policy Director  
Coalition for Clean Air



Nancy Peverini, Legislative Director  
Consumer Attorneys of California



Erin Witte, Director of Consumer Protection  
Consumer Federation of America



Noe Paramo, Legislative Advocate  
California Rural Legal Assistance Foundation (CRLA Foundation)

CC: Members and Staff, Senate Judiciary Committee  
Senator Skinner