

S.47, An Act Relating to Motor Vehicle Manufacturers and Motor Vehicle Warranty or Service Facilities
Testimony of Mitchell Jay
on behalf of the Vermont Vehicle and Automotive Distributors Association (VADA)
Senate Transportation Committee
February 16, 2021

Good morning. I am Mitchell Jay, Owner of Midstate Chrysler Dodge Jeep Ram, Midstate Hyundai in Berlin and Upper Valley Auto Mart, a used car dealership in White River Junction. I've been a dealer since 1998 and currently employ 41 Vermonters. Like Brian, I serve on the VADA Board and I represent Vermont dealers on the National Automobile Dealers Association Board of Directors (NADA).

I mention NADA because last week I attended the virtual annual NADA convention comprised of leading industry speakers, 60 workshops and hundreds of exhibitors covering every aspect of the auto industry. The theme for the convention was "World of Change." If there is one thing dealers are familiar with, it's change - whether it is completely changing the way we sell and service vehicles during a pandemic or adapting to rapidly increasing technology like connected cars, electric vehicles, autonomous vehicles and mobility services.

Electric vehicle options are expanding, and enthusiasm for them will increase as the technology continues to improve (think cold weather), prices come down and infrastructure builds out. It's interesting to consider that franchised dealers sell most of EVs in Vermont. According to data compiled by Drive Electric Vermont from the Department of Motor Vehicles and the Agency of Natural Resources, as of April 2020, there were 3,912 EVs registered in Vermont, of which 541 or 13 percent are Teslas, which we believe is the only DTC manufacturer selling EVs to Vermonters today. There are 52 unique models of plug-in cars registered in the state. About 55 percent or 2,171 of the EVs are plug-in hybrid electric vehicles (PHEVs) which can run on both electricity and gasoline. Most if not all new PHEVs are sold by franchised dealers. About 45 percent or 1,741 are all electric vehicles, and of these 541 or 32 percent are Teslas. I've attached a document from [Drive Electric Vermont](#) that includes a table on page 3 with the number of registrations by model. Vermont's EV registrations demonstrate that most Vermont consumers are finding electric vehicles at franchised new car dealers.

Franchised dealers understand the importance that EVs will have on our future. Manufacturers are investing billions in dozens of new hybrids, plug in hybrids and all-electric vehicles. And last week, several companies announced increased investments in EVs:

- General Motors Co. has set a 2035 target date for phasing out gasoline- and diesel-powered vehicles from its showrooms globally, among the first major auto makers to put a timeline on transitioning to a fully electric lineup.
- Volkswagen AG plans to at least double the share of its sales that are fully electric this year, with the high end of its target range suggesting it could come close to Tesla's expected global deliveries. The German carmaker aims for battery-electric vehicles to be 6% to 8% of sales this year, up from about 3% in 2020, according to a presentation by Chief Executive Officer Herbert Diess that was published on VW's website.
- Ford Motor Co. said it was doubling the money it plans to spend on electrified vehicles, to \$22 billion through 2025. I had a chance to listen to Ford CEO Jim Farley speak about Ford's focus on connected, commercial electric vehicles and how it will lead to repeat business and new revenue opportunities for its dealers. Farley said Ford was deliberate in picking battery electric

versions of its Transit van and F-150 pickup to be among the first in the EV wave. "It's what makes us different," he said.

The forecasted list of upcoming EV's supplied in Glen Mercer's report, based on data supplied by Alliance Bernstein is encouraging. I have attached a copy of this chart.

VADA has been working with the Northeast States for Coordinated Air Use Management (NESCAUM) Dealership Work Group, Drive Electric Vermont, VEIC, Energy Action Network, MileageSmart, Replace Your Ride, and Agency of Transportation Planning folks like Michele Boomhower to flesh out which programs around the country have the best public education outreach programs, the best EV salesperson training programs, engaging new and used car dealers in the sales process as used inventory of EV's and BEV's are becoming increasingly available. We have talked about the importance of simplified and efficient transaction processing, and how to most effectively deal with vehicles turned in destined for scrappage. Vermont's recent passage of the Global Warming Solutions Act will put additional pressure on reducing greenhouse gas emissions in the transportation sector and accelerate this work. Dealers will play a critical role in getting more EVs on the road.

EV's are our future and we are committed to providing the best distribution and service model for our customers. Franchised new car dealers in 2017 celebrated the 100th anniversary of NADA our national trade association. For over 100 years we have been evolving to meet customer expectations. We have witnessed countless advancements and technological improvements, and we have witnessed manufacturers come and go. Despite the challenges, new car dealers have adapted. We have met the challenges, listened to our customers and are the preferred channel for the purchase of a new vehicle.

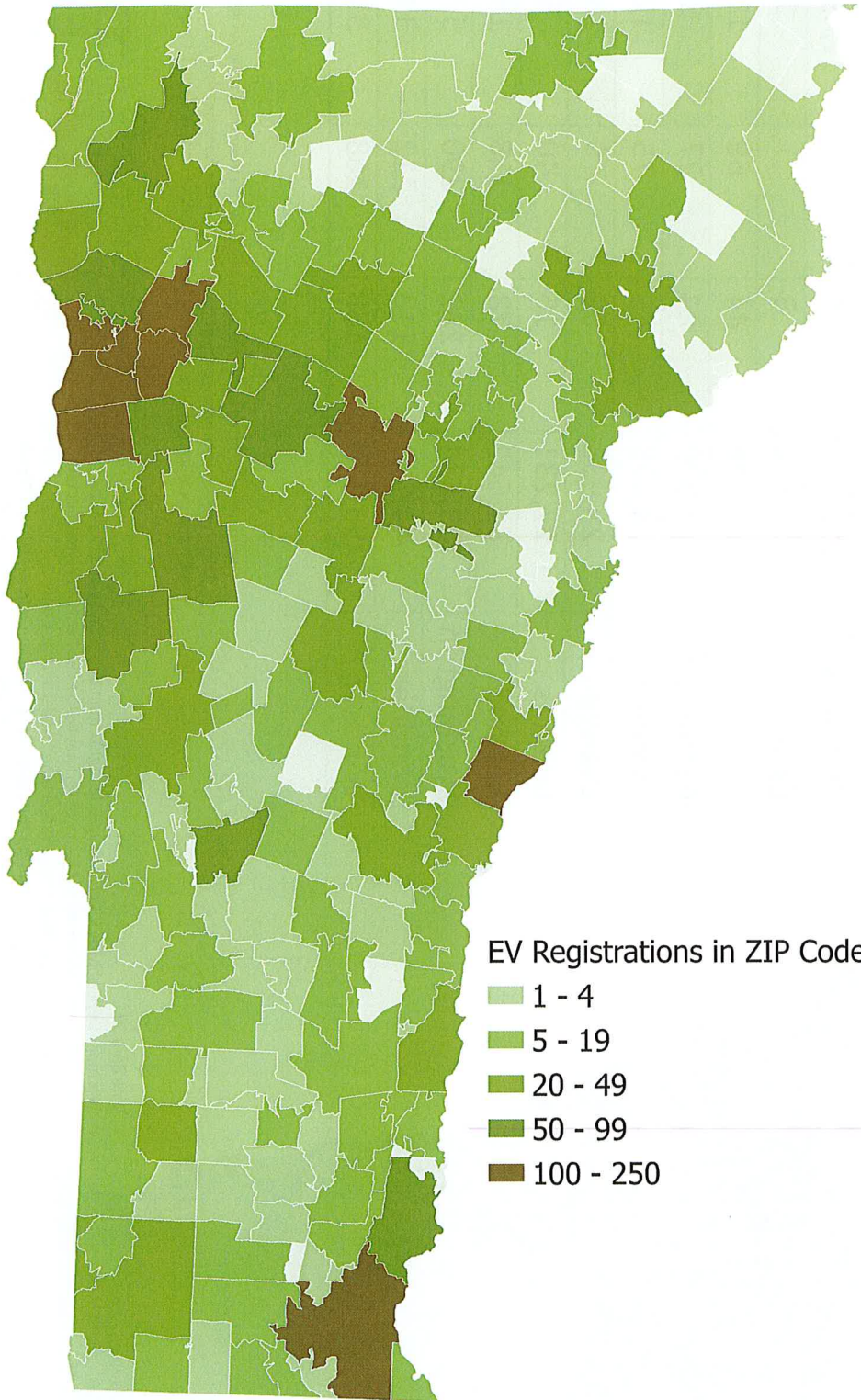
New car dealers in Vermont are an integral part of the community, providing employment, training opportunities and charity. Local dealerships give back to the communities. Off the top of my head, I think of green up day support provided by the 802 dealerships or cars given to local high school students for academic excellence. This year our dealership with the help of several area businesses, Great Eastern Radio and the local community filled not one but started to fill a second tractor trailer with food for the Salvation Army's food pantry. It was with great pride a few years ago when my daughter stood with Dave Birmingham from Burlington Hyundai as Hyundai's Hope on Wheels program donated \$100,000 to UVM's medical center for childhood cancer research. As Hyundai dealers, a part of every vehicle we sell is donated for childhood cancer research. Local new car dealers care, and we believe our customers value their relationship with us as local business owners. We are invested in communities all around the state. We are doing our part to sell the EVs that are available today as we prepare for the EV deluge coming.

With regard to S.47, VADA has been reviewing the language. Because this is such a significant issue for us, VADA has engaged a franchise expert who has worked with several other states to write language that allows for DTC sales while trying to mitigate the impact on dealer investment and franchise laws. Those laws were put in place to protect dealers and consumers. We cannot make any guarantees, but we are hopeful we can come back to the committee with language.

Thank you for considering my testimony.

Electric Vehicles Registered in Vermont

As of July 2020



Make & Model	Number Registered Statewide
Plug-in Hybrids (2,159)	
Toyota Prius Prime	456
Chevrolet Volt	364
Ford CMax Energi	315
Toyota Prius Plug-in	277
Ford Fusion Energi	207
Honda Clarity PHEV	106
Mitsubishi Outlander PHEV	84
Subaru Crosstrek Hybrid	70
Hyundai Ioniq PHEV	45
BMW i3 REX	34
Volvo XC90 T8	30
BMW X5 eDrive	26
Kia Niro PHEV	26
Chrysler Pacifica Hybrid	23
Audi A3 E-Tron	22
Mini Countryman SE	17
BMW 530e	16
Volvo XC60 T8	8
Audi Q5e	7
Mercedes-Benz GLC350e	6
Hyundai Sonata PHEV	4
Mercedes-Benz GLE550e	4
Porsche Cayenne PHEV	3
Other	9
All-Electric Vehicles (1,812)	
Nissan LEAF	664
Chevrolet Bolt	335
Tesla Model 3	332
Tesla Model S	135
Tesla Model X	76
Volkswagen e-Golf	61
Hyundai Kona	59
Kia Niro EV	23
Mitsubishi i-MiEV	23
Ford Focus Electric	21
Hyundai Ioniq EV	13
Smart ForTwo ED	13
Audi e-tron	13
Kia Soul EV	9
BMW i3 BEV	8
Tesla Model Y	7
Tesla Roadster	6
Chevrolet Spark EV	4
Fiat Fiat 500 Electric	3
Jaguar I-PACE	2
Toyota RAV4 EV	2
Other	3

This material is based upon work supported by the Vermont Public Service Department, Vermont Agency of Natural Resources, Vermont Agency of Transportation, and the Vermont Department of Buildings and General Services.

Data Source:

Vermont Dept of Motor Vehicles vehicle registration database as of 6/26/2020. Data processed by Vermont Agency of Natural Resources Dept of Environmental Conservation. Other vehicles include less than 3 registrations each of the BMW 330e & 740e, Cadillac ELR, Fisker Karma, Honda Accord PHEV, Kia Optima PHEV, Mercedes-Benz B Electric, Porsche Panamera SE Hybrid & Taycan, and Volvo S60 PHEV. EVs distinguished by fuel type, model and/or VIN.

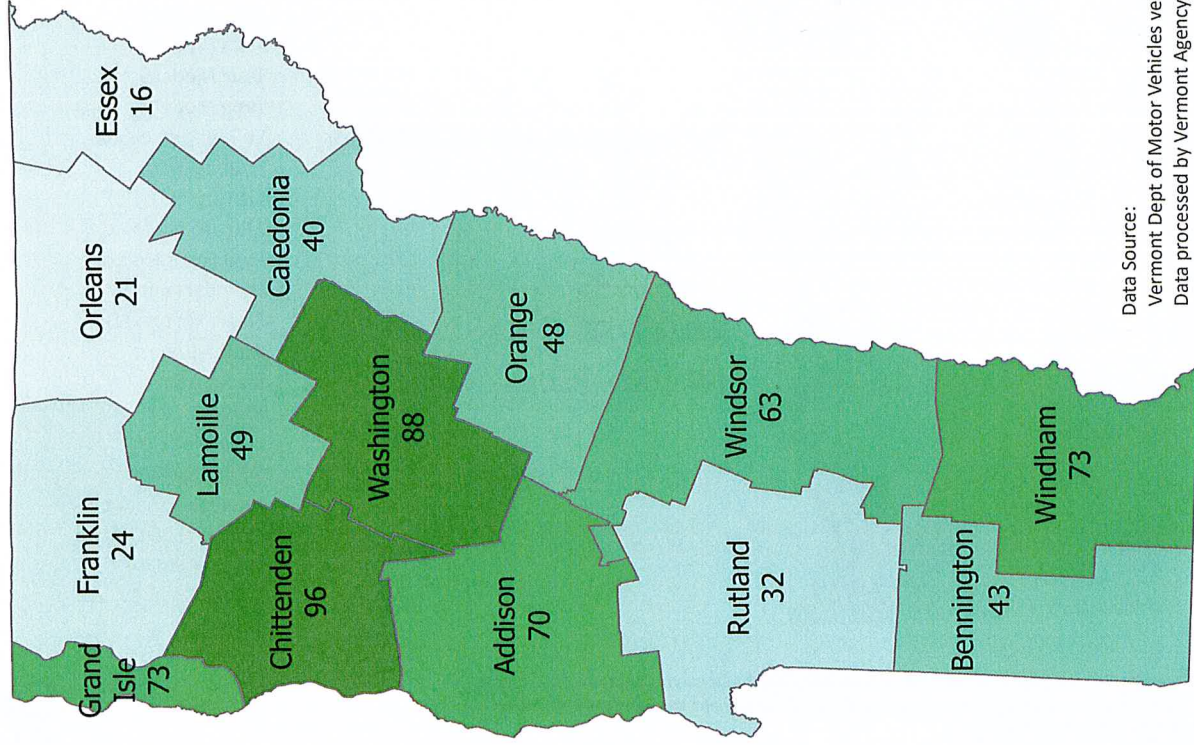
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Drive Electric Vermont
www.driveelectricvt.com

2/8/2021

Vermont Electric Vehicles Per 10,000 People

By County as of July 2020



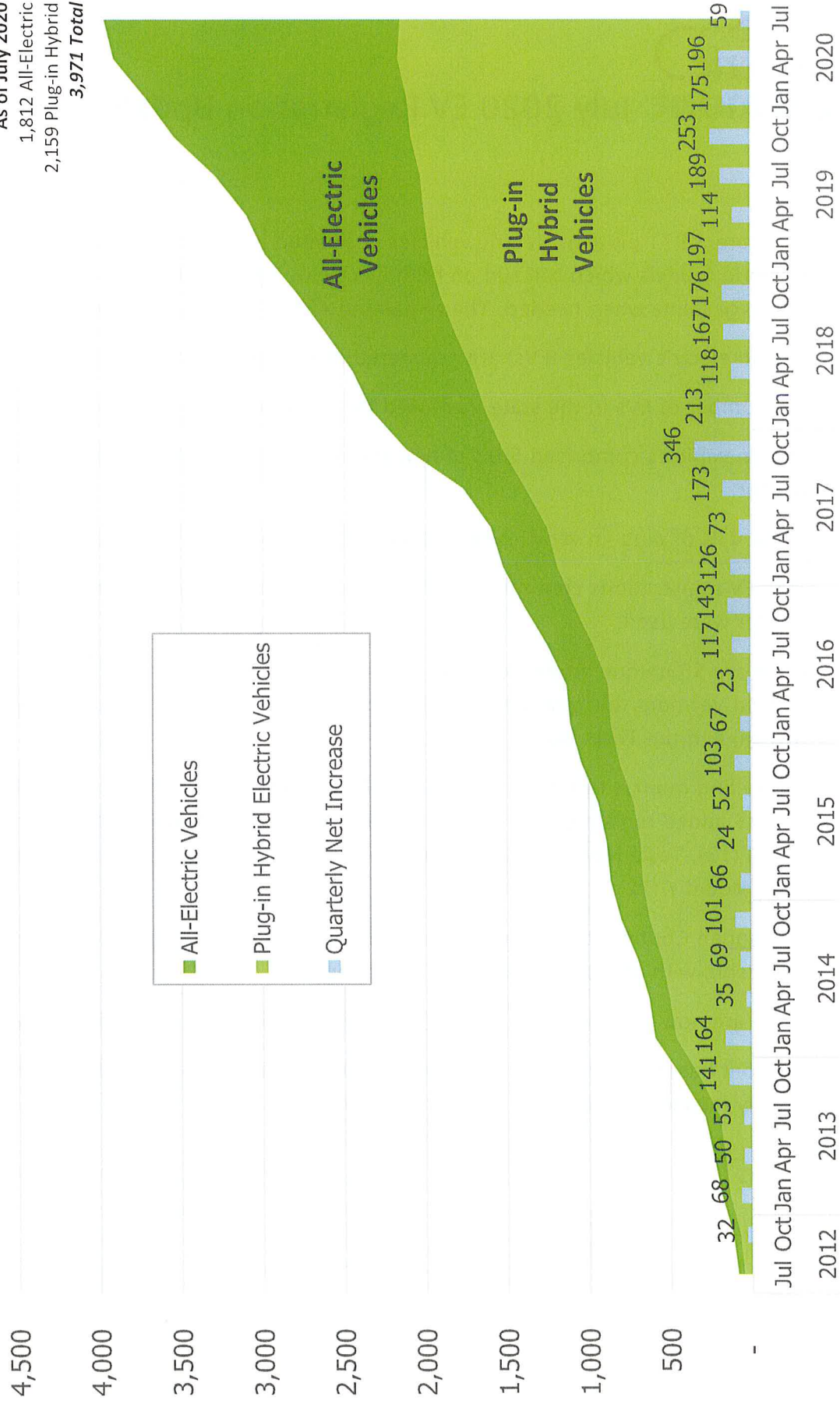
County	Population	All Electric	Plug-in Hybrid	Total EVs	EVs per 10,000 People
Addison	36,821	132	127	259	70.3
Bennington	37,125	67	93	160	43.1
Caledonia	31,227	27	98	125	40.0
Chittenden	156,545	756	743	1,499	95.8
Essex	6,306	3	7	10	15.9
Franklin	47,746	44	69	113	23.7
Grand Isle	6,970	24	27	51	73.2
Lamoille	24,475	45	75	120	49.0
Orange	28,936	69	70	139	48.0
Orleans	27,231	16	40	56	20.6
Rutland	61,642	78	118	196	31.8
Washington	59,534	232	290	522	87.7
Windham	44,513	113	212	325	73.0
Windsor	56,670	188	168	356	62.8

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Data Source:
 Vermont Dept of Motor Vehicles vehicle registration database as of 6/26/2020.
 Data processed by Vermont Agency of Natural Resources Dept of Environmental Conservation. EVs distinguished by fuel type, model and/or VIN.
 County data summarized from zip code geography. Population from 2010 US Census.
 Does not include 40 vehicles with registration ZIP codes outside of Vermont.

Vermont Electric Vehicle Registrations

As of July 2020
 1,812 All-Electric
 2,159 Plug-in Hybrid
 3,971 Total





July 2020 EV Registration Updates

- There are 3,971 plug-in electric vehicles registered in Vermont, 54% of which are plug-in hybrid models which can run on both electricity and gasoline, providing flexibility to run on gasoline when needed. The remaining 46% are all-electric models.
- Plug-in electric vehicles (EVs) are registered in 90% of Vermont communities.
- The number of EVs in the state increased by 683 vehicles or 21% over the past year.
- Plug-in vehicles comprised 5.9% of new passenger vehicle registrations over the past quarter.
- About 45% of plug-in vehicles registered in the last quarter were leased.
- Used EV registrations continue to grow as an estimated 10% of EVs registered in the last quarter were used.
- There are 55 unique models of plug-in cars registered in the state. Three new models entered Vermont this quarter – the Mercedes-Benz B Class Electric Drive, the Porsche Taycan, and the Tesla Model Y.
- Top selling models this quarter included the Nissan LEAF and Toyota Prius Prime each with 23 added registrations. They were followed by the Chevrolet Bolt (20), Ford Fusion Energi (13), Tesla Model 3 (12), Volkswagen eGolf (10), Hyundai Kona Electric (9), and Tesla Model Y (7).
- Chittenden County has the most EVs registered (1,499) and highest rate of EV ownership with about 1 EV for every 105 people.
- There are now 284 locations with public charging for electric vehicles across the state.
- Vermont has 29 DC Fast Chargers available for EVs equipped with this technology to quickly recharge in about 30–60 minutes for longer trips.

A deluge of new EV products is coming

Fully Electric Vehicles On Sale By Segment & Brand -- Selected Brands ^								
	Small Car	Medium Car	Large Car	Small / Medium SUV ¹	Large SUV ¹	Pickup Truck	Sportscar	LCV Light Commercial Vehicle
2010								
2015	 	 						
2020	 	 	 	 	 	 		
Early 2020s (forecast)	 	 	 	 	 	 	 	

¹ Includes Crossovers, Low Range

A vehicles not on sale in the year stated are not shown