

# C&M HALLOCK

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I support Governor Walz' decision to adopt the vehicle emissions standards originally set by California and now adopted by 14 other states and D.C. I am a second-generation owner of C & M Ford, Chrysler, Dodge, Jeep, and Ram of Hallock and a first-generation owner of Roseau County Ford in Roseau. I support this decision, because I believe it's right for Minnesota's economy, for Minnesota's citizens, and for Minnesota's future.

Our Minnesota economy is dependent upon respecting our past successes and challenges, but more so embracing our present and building for a future that protects our environment and builds our economy, hand in hand. Like Henry Ford did in the early 1900s by first adopting a livable wage for his employees, Minnesota needs to commit to the Clean Cars Minnesota position of supporting electric vehicles and the opportunities it will create for Minnesota citizens, Minnesota dealers, and the overall economy of Minnesota. Like Ford Motor Company did in the early 2000s, where they stood alone amongst the three domestic automotive manufacturers by not taking the bailout, yet supported the bailout for other automotive companies, we need to support the Clean Cars initiative and be leaders into the future that is currently being led by Tesla, Rivian and others. Like Ford Motor Co did last year by being the only domestic automotive manufacturer supporting California's position and opposing the short-lived federal position, now is the time for our state to support the Clean Cars initiative. Minnesota is a state that leads.

I recognize the challenges at the automotive dealership level and will address them.

- 1) There is an argument that dealers will be swamped with unwanted electric vehicles. I don't agree. I can't wait until Ford rolls out an all-wheel drive Mustang Mach-E , 4x4 F150 pickup, Transit, and SUV Escape to take on Tesla, GM and any other EV competitors. My customers are asking for this option, too.
- 2) Upfront costs to dealers, especially small rural dealers are prohibitive. It costs an estimated \$35,000 up front to be an EV dealer. That is why government and manufacturing financial support is critical for rural auto dealers who invest to sell EVs, efforts which are complementary to the Clean Cars initiative.
- 3) High upfront cost to the consumer. This is valid if the consumer cannot take advantage of the federal tax credit. A 2021 plug in hybrid Escape costs \$5,989 more than the standard gas model. However, with the federal tax credit of \$7,500, the consumer would save \$1,511.
- 4) Border challenges. I am a border dealer and I do recognize the challenges we will have if neighboring states don't adopt the same position. However, this should not prevent us from leading in the Midwest. Rather it should encourage us to work together with neighboring states to adopt the ZEV and LEV California standards.

5) Cold weather. Cold weather does have an impact on battery life. Yet over 54% of new cars purchased in Norway last year were electric. If Norwegians in Norway can do it, Norwegians in Minnesota can as well.

6) Vehicle depreciation. An internal combustion engine depreciates 39% of its value over three years while an EV loses 52%, according to Car and Driver. This will continue until EV adoption becomes more common and that's where we are heading.

Challenges aside, it's also important to note that EVs have many advantages for consumers and dealers, including:

- lower maintenance costs with significantly fewer moving parts
- lower cost to charge vs using gasoline or diesel
- the mandate will not substitute or ban, rather it will complement internal combustion sales
- with more options from the manufacturers, residents will have more options
- vehicle electrification is one of the best ways to reduce planet-warming greenhouse gas emissions
- improved fuel economy and incredible torque
- the younger generation is more aware of the negative impacts of diesel and gas engines
- the sticker price is more than offset by the savings at the pump.

I fully admit that at times I fear change. I grew up and continue to live in a farming community of 900 people. My best friends and neighbors are farmers. They face change more than most vocations. Farming is significantly different today than it was 100 years ago, 20 years ago, and even 5 years ago. If they didn't adapt to change, my friends would not be farming today. The automotive world needs to adapt to survive as well -- business is changing. General Motors will be all electric by 2035. Within five years, Ford Motor Company expects to sell over 1M electric vehicles. Government is changing with the new federal leadership inclined to adopt policies that were actually already in effect in 2012. Fourteen states have adopted LEV and ZEV standards set by California. Public opinion is changing. Consumers overwhelmingly support the option to purchase EV vehicles.

There is an argument that Minnesota should pump the brakes on this, but I would argue, like Henry Ford did in the early 1900s and Ford Motor Company did in the early 2000s, we should hit the accelerator and lead through these challenges instead of following. The economy supports the future of electric vehicles. I am fully supportive of Minnesota's efforts to increase electric vehicle sales. We must move forward in a smart and effective manner to set up Minnesota for success.

Thank you for your time. I would be happy to answer any questions you might have.

Sincerely,

Paul Blomquist, Owner  
C&M Ford, Chrysler, Dodge, Jeep and Ram  
Roseau County Ford