



New Mexico Independent Automobile Dealers Association
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Subject: Testimony on Proposed New Mexico Advanced Clean Car II Rules

To: New Mexico Environmental Improvement Board,

The New Mexico Independent Automobile Dealers Association (NMIADA) appreciates the opportunity to offer our insights regarding the proposed New Mexico Motor Vehicle Emissions Standards rules currently under review. We express our gratitude to the NM Environment Department and the City of Albuquerque Air Quality Bureau for engaging with our association throughout this process.

NMIADA represents a robust community of 1,000 used car dealers across the state, providing essential services to New Mexicans and contributing significantly to the state's economy. Our members play a pivotal role in making transportation accessible and affordable, particularly important in a state with diverse geographic and economic landscapes.

We acknowledge the efforts to advance towards cleaner air. However, we must raise concerns about the potential impacts of the proposed standards on used car dealerships and the consumers they serve. Unlike new car dealerships, used car dealers offer a variety of older vehicles that may not meet the new emissions requirements, thus potentially limiting the choices for a significant portion of our customers who depend on the affordability and variety of used vehicles.

Key Concerns:

- *Infrastructure Deficit:* New Mexico's current infrastructure does not support a rapid transition to electric vehicles (EVs), with only 615 public charging stations. The proposed standards would necessitate a drastic expansion, a cost that may be passed on to consumers and businesses.
- *Market Dynamics:* The demand for electric vehicles in the used market is unclear, and many used car dealerships are not equipped to handle EV sales and service, potentially leading to a mismatch between supply and demand.
- *Consumer Choice:* The proposed rules may inadvertently restrict vehicle choice for New Mexicans, many of whom rely on affordable, reliable transportation that used car dealerships provide. Mandates might disfavor those who are not in the market for newer, more expensive EVs due to budget constraints.
- *Economic Impact:* The imposition of new regulations may lead to decreased sales, job losses within the used car industry, and an economic downturn for local communities that rely on these businesses.

- *Tax Equity*: EV owners are currently not contributing to the gas tax, which funds road maintenance. The increase in EVs without a corresponding tax structure adjustment could strain our state's infrastructure budget.

NMIADA's Suggestions:

- *Unified Federal Standards*: We advocate for a singular federal emissions standard that would facilitate business planning and consumer understanding across the board.

- *Incentive Programs*: Before implementation, we encourage the establishment of "cash on the hood" incentives and rebates that would reduce the initial cost barrier of EVs, similar to those in other states.

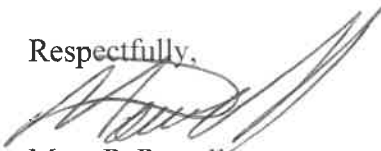
- *Investment in Infrastructure*: We urge for policies that support the expansion of charging infrastructure that is critical for the adoption of EVs, especially in rural and underserved areas.

- *Delayed Implementation*: Allow additional time for dealerships to prepare for the transition, including training, facility upgrades, and market adjustments.

In summary, while we support efforts to improve air quality and reduce emissions, we believe that these objectives should be pursued without imposing undue burdens on the used car industry and the consumers it serves. It is critical that any transition to lower emissions vehicles be realistic, gradual, and considerate of the diverse needs of all New Mexicans.

We look forward to continued engagement with state agencies and policymakers to find a balanced approach that promotes environmental goals without compromising economic vitality and consumer choice.

Respectfully,



Marc P. Powell
Executive Director