Ford is demanding its dealers get serious about EVs — two-thirds say they're in

Many barriers are holding up the automotive industry's wide-scale transition to electric vehicles. Getting battery costs down, getting range up, and convincing car buyers to break up with gasoline for good are just some of the more commonly known ones. But there's also one very powerful group that hasn't been much help so far: the car dealers.

Increasingly, car companies are giving their dealership partners an ultimatum: get on board or get out. And at least some of Ford's dealers seem to be taking the message.

At the *Automotive News* Congress this week, an event put on by the eponymous industry publication, Ford Motor CEO Jim Farley said that 1,920 of America's roughly 3,000 Ford retailers have agreed to sign up for the company's EV certification program, which involves investing heavily in public fast chargers, employee training, and no-haggle sales programs.

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Interestingly, the majority of dealers — about 1,650 — chose the "Certified Elite" program, which requires investments of up to $1.2 million. Another 261 dealers chose the lesser "Certified" status, which means investments of up to $500,000.

But that latter designation also means these Ford dealers will only be authorized to sell 25 EVs per year; the "Elite" dealers will be allocated far more EVs. If the dealers don't commit to anything? They'll only be selling gasoline and

hybrid cars, Ford executives have said, putting them potentially very behind the curve as the automaker plans big EV rollouts in the coming years.

“We want to work with our dealers, but there are certain things our customers want that are nonnegotiable,” Farley said at the event, according to *Automotive News*.

The undercurrent of tension in Farley’s statement is unmistakable. After all, even while he may frame a large number of dealers signing up for the program as a win for all involved, it’s still a fraught process as dealers all over America seem reluctant to give up the traditional ways they’ve always sold and repaired cars.

Last week, Ford dealers in Illinois filed a complaint with the state’s Motor Vehicle Review Board against the automaker, and this week, dealers in New York filed a lawsuit against Ford as well, accusing the company of violating its franchise agreements. (Ford has countered by saying its new EV requirements do not violate franchise laws.)

To understand why traditional brick-and-mortar car dealerships are so against EV sales, it helps to understand the significance of dealer franchise laws — and the hold dealers still have on the entire car sales process.

In America, laws at the state level require cars to be sold through third-party franchises, not directly to the consumer by the car companies themselves, as is the case in certain other countries. This has led dealers to have significant lobbying power, which over the decades has enshrined into law regulations that protect their very existence.

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Then the sales industry was upended with the arrival of Tesla, which immediately opted not to work with a network of

franchised dealers but to sell to customers directly. (If you’re curious why, Elon Musk himself said the dealer model has never worked for startup companies, and he was fearful salespeople would prioritize gasoline cars over his own.) This has led to a patchwork setup that varies from state to state, sometimes with carve-outs for EV startups specifically, allowing companies like Tesla or Lucid to sell directly — often by ordering on the internet.

Even so, car dealers are often accused of being reluctant to sell EVs, including ones made by their own car brands. Buyers for years have told stories about salespeople who push them away from the EVs they’re interested in and into more conventional gasoline-powered cars.