

“Auto Tax Assistance Amendment”
Remarks by
NADA Chairman Annette Sykora
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Chevy Chase, Md.

Thank you Senator.

Senator Mikulski obviously recognizes the importance of automotive retailing in Maryland and throughout the country.

For decades, the nation's auto dealers have been the bellwether for the state of this country's economy. During normal economic cycles, car sales go up in good times and down in bad times. But this is not a normal economic downturn. The meltdown on Wall Street and the real estate crisis have all but destroyed consumer confidence. Auto sales have fallen off a cliff.

If we are to get the economy back on track, we must restore consumer demand – And the only way to do that is to restore consumer confidence.

With auto sales accounting for 20 percent of the retail activity in the U.S., we need to give families an extra financial incentive to buy a new car or truck. Senator Mikulski's proposal does just that.

The 700 billion dollar rescue plan is designed to free up credit for corporations and banks. Now it's time to help 'Main Street.'

But I also want to point out that it's important to look beyond some of the challenges facing the industry. It's important to be aware of a part of the story that hasn't been told yet. For those with a solid job and good credit, it's the best time to buy a car in years. There are great deals ... plenty of incentives... and credit is available. Plus...the vehicles available are of the highest quality and the most fuel-efficient ever. Up to now...this fact has been all but lost in the discussion. But it really is a great time to buy. We just need to give consumers the motivation and confidence to visit their local dealership to see what is possible.

Consumer tax incentives, like the Senator is proposing, are a great way to boost auto sales. Congress can go even further by funding state “cash for clunkers” programs like the ones in place in Texas and California. These programs encourage consumers to upgrade their older cars to more fuel-efficient models.

In addition, many dealers need immediate access to working capital. Today... NADA is asking the Small Business Administration to implement a loan-guarantee program to provide dealers the access to capital they need to keep their small businesses open and their workforces employed.

Such a program was established in 1980 in response to similar challenges – and it successfully helped the industry get back on its feet.

Whether it's my dealerships in Texas or here at Chevy Chase Chevrolet, the fact is, local dealerships will be a major factor in our economic recovery. The Senator's bill will effectively leverage the economic engine of the automobile industry to get this economy running on all cylinders again.

We thank Senator Mikulski for demonstrating great leadership at a time when the future of the auto industry hangs in the balance. We urge Congress and the White House to move quickly to provide the assistance needed to help the automobile industry to once again lead our country back to economic health.

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