

**Remarks by Ed Tonkin
2010 NADA Chairman
to the
2010 NADA Convention
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Orlando, Fla.**

Good afternoon, and thank you very much.

I'm pretty sure John was quite happy to hand that gavel over after the year he just finished.

Before I go on let me take just a minute to thank him for his tremendous efforts this past year. Everyone knows the challenges we've faced which tested our industry like never before. I personally witnessed John's commitment to tackle the issues.

He's done a terrific job, and it was truly my pleasure to serve next to him. I also want to recognize the fabulous Ginny McEleney for her amazing upbeat attitude and support; not just for John, but for all of us.

That was quite a video; I really appreciate all those kind words.

But I want to be very clear on one thing—this chairmanship of NADA is not about me; it's about you. It's about us, together.

Together is the very same word my dad, Ron Tonkin, used as his theme when he gave his speech in 1989 as NADA president.

It's like, "the more things change the more they stay the same" or as Yogi Berra put it, "it's deja vu all over again."

NADA stands for the National Automobile Dealers Association. The key word here is "association." It means "together." It means we all come together in a united front to face the challenges of our industry, and they continue to be many.

The strength we have lies in that association; the coming together of great hearts and minds in this industry to work for the betterment of all.

That's not the job of one person; it's not even the job of one board or one staff; it's the job of all of us; and it's your job too.

To know where you're going it helps to look at where you've been. And sometimes it's just nice to look back and admire your tee shot.

The issues we faced were many – the decline of credit availability for flooring and capital loans, difficulty with retail financing, a market that crumbled to almost half of what it was, not to mention two major manufacturers going through bankruptcy.

And NADA was there every step of the way; working to loosen credit, lobbying against bad bills on Capitol Hill, working with the White House, negotiating with manufacturers and preventing a higher number of dealer terminations and fighting for arbitration rights for those dealers who lost their franchises.

I know because I was there.

And I assure you no matter what you may hear otherwise, NADA was there, too.

NADA has one of the strongest PACs in the country, the Dealers Election Action Committee. DEAC is about building long-term relationships. And make no mistake about it. It is because of these long-term relationships with members of Congress that we were able to fight these dealer terminations.

Let's face it, no body on Capitol Hill wakes up thinking about writing laws to protect or benefit our industry.

You wouldn't think to open your doors without garage keepers' liability insurance and you wouldn't go without medical insurance. Hopefully, you won't need to use either one but you have to have it.

It's the same with DEAC. It's dealer insurance. It's your insurance to protect the very livelihood you have for your family and your employees.

In fact, we are among the top five PACs in amount of money raised. Even in a terrible year the dealers of this country stepped up and gave over \$1.7 million dollars to DEAC, surpassing our goal of \$1.5 million!

So where do we go from here?

Well, take a look at this slide behind me. It says there's a new and improved NADA. By definition people say something can't be both; it's either "new" or it's "improved." Think about it.

Well, I disagree.

And this year we will, in fact, have a "new" and "improved" NADA, ready to hit the ground running to take on dealer issues, ensure fairness in the marketplace and protect us from overreaching legislation.

So what's new about NADA?

We have a new board of directors and new officers with their passion and commitment.

We have a new format for board meetings, and a new interface with the state ATAE organizations to harvest dealer information from all over the nation.

And most importantly we have a new attitude that our agenda for NADA must be built from the bottom up; directly from dealer input and dealer priorities, instead of a top down agenda.

You know what's most important.

And for us to serve you the very best we can, it's vital that we listen. After all, it's our mission to serve you – the dealer.

And how then are we improved?

Well, just like the automakers that bring new technologies to market each year, and then continually improve them, we too, at NADA, strive for continual improvement.

And we've achieved that objective by improving the flexibility and responsiveness of NADA. Our dealer hotline was just one example, but there are many others.

We have some new dynamic individuals on staff, we've leaned out the organization, combined divisions and even lost some in the process; we even have some new "old" ways of communicating with you – remember face-to-face meetings instead of technology overload?

NADA enters this decade with a truly new and improved look and feel.

Last year through much hard work we avoided Armageddon for many in our industry. Now we're able to focus on some serious issues that face us this year. And what are those challenges?

Well, we have many – tackling IRS issues like UNICAP and LIFO; avoiding a patchwork of mileage standards under new CAFE requirements is a priority; watching Congress closely to avoid unnecessary and burdensome regulation is critical – the new Consumer Financial Protection act is a thorny example – and continuing to help dealers in a struggling marketplace; especially those whose manufacturers just came out of bankruptcy, which brings me to another point.

These two automakers that just finished bankruptcy face a watershed moment and one that may not come around again soon. Like my dad has said, "the bird doesn't always fly by twice."

With new ownership and new people in charge, they have a golden opportunity to craft a new relationship with their dealers; one based on a genuine spirit of cooperation.

I implore them to embrace their dealers, establish a true partnership, and use this opportunity for the betterment of the industry.

Then and only then can we face and win in the marketplace!

People sometimes talk about dealer image being another issue. Our image is just fine, thank you very much. For example, look at the contributions year in and year out of the Time Magazine Dealer of the Year award winners. Unbelievable! Their commitment to their communities is profound.

In fact, a recent White Paper showed that although consumers may not love car and truck dealers in general, they're extremely happy with their dealer; that's you. It's another strong reminder that our customers are just that, our customers.

They may be loyal to a brand, but they're far more loyal to you and me; because we take care of them; we have that special relationship with them.

And we will continue to help the manufacturers understand that once and for all!

Now let's look at the bright side of things!

They say the market is coming back; that's great news!

They say we will have a market of 11 million to 12 million vehicles this year; that unemployment is coming down, homes are selling and banks are lending money. Again, all good news.

But let me say this about that. No one really knows, do they?

Just like no one ever thought GM and Chrysler could go through bankruptcy.

However, there is one certainty, one ever-present constant and that's the dealers; that's us, you and me. No matter what ... dealers will be there. Dealers are the most resilient people on earth.

Oh, we've faced difficult times before and what did we do? We sold cars and trucks. In bunches.

When interest rates were 20 percent to 21 percent what did we do? We sold cars and trucks.

When product quality was bad, what did we do? We sold cars and trucks. And we fixed 'em.

Even when major manufacturers went bankrupt ... we continued to sell their product.

And when they tried to get rid of dealers . . . we fought 'em and won.

Guess what? We're still here!

Every possible scenario you could imagine we dealers have remained the constant. That's strength, that's resiliency and that's what America's new car and truck dealers are all about.

Take stock of who you are, be proud of what you do and stand tall.

The future is bright!

I'd be remiss if I didn't tell you how much it means to me to be in this position. To have your trust and confidence to lead NADA this next year is a humbling experience for me and I thank you for it.

I also want to thank all of the Oregon dealers who have supported me and of course, without our own dedicated managers and employees, many of whom are here today.

I would not have the time to dedicate myself to NADA; especially my brother and business partner, Brad Tonkin, who has really stepped up to run the show by himself while I'm away. I just hope I have a job when I come back!

Look, I've been so fortunate to be a part of this great industry for my whole life now I get to the chance to represent you.

To help me summarize my feelings I'd like to share a poem by a very famous man; a person I admire very much, Muhammad Ali. It's one of the world's shortest poems, in fact. He gave it at a commencement address at Harvard.

Now, I am well aware this isn't Harvard but, it reminds me of the strength of our association and it goes like this:

You,
Me,
We!

Thank you very much. Here's to a great year and good luck to all!

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