

***“Unprecedented Times, Extraordinary Efforts”***

**Remarks by  
2009 NADA Chairman John McEleney  
to the  
2009 NADA Convention  
New Orleans, LA  
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I am honored to speak to you today as the chairman of NADA—although you might question my timing!

I do appreciate the trust that you’ve placed in me to lead this association at a time when we truly have no roadmap to guide us through this stormy economic climate.

My father, who served as president of NADA in 1971, could not be here today.

But if he were able, he would assure us that while we have plenty of concerns, we should try not to worry about those things we can’t control.

Last year’s headlines captured the pain associated with a run-up in oil prices of over 500 percent.

Now, that’s mostly forgotten.

But let’s recall the disruptions from back then:

Layoffs at airlines...

...school systems and state offices cutting back to four-day weeks...

...volunteers everywhere limiting the hours they served because they couldn’t afford gas.

This all led to 100 billion fewer miles traveled by American motorists last year and caused a dramatic shift from pickups and SUVs to cars.

And then the sub-prime meltdown, the credit crisis, and three million fewer people purchased new vehicles this past year.

By themselves, the housing mess and plummeting auto sales probably wouldn’t have been enough to cause this crisis.

But the convergence of all of these problems ultimately means another twelve-hundred of our fellow dealers will have left this business by the end of this year.

...Overall a devastating chain of events.

*(pause)*

The unprecedented nature of the times we find ourselves living in has been both a blessing and a curse.

It's drawn the kind of attention to our industry that we haven't encountered in years.

Much of that attention has been favorable.

And a lot of the media coverage has emphasized the importance of dealers to our local and state economies and to our communities.

With all that media attention, we had to inform people about the model of our business.

About the fact that it's our money we invest in buildings and staff and training, not the manufacturers'.

It's our investments that are on the line to get their products distributed to buyers.

Getting this message out meant that dealers everywhere had to be available for media interviews, that we had to make time to go to the nation's capital to explain our business to lawmakers.

I've never been so proud as I was last month in Washington, D.C., where a hundred and fifty fellow dealers from nearly every state and a number of dealer association executives were working on behalf of so many others.

I even know of an import-exclusive dealer who labored tirelessly to help secure federal bridge loans for the Detroit automakers.

There is no way

I can express my gratitude to the many dealers who gave their time.

Time is a truly precious commodity when we're doing all we can to maintain our businesses in this environment.

*(pause)*

To get our story told, we have ourselves and our association to look to.

At NADA, there has been a small army of dedicated people tackling these problems.

From Government Relations to Industry Relations, Public Affairs to Regulatory Affairs and Dealership Operations, NADA has been working on so many fronts to emphasize the importance of dealers, the need for bridge loans, and the necessity of stable credit markets.

In the end, it was our efforts that helped turn the tide on the latest debate about the value of the franchise system...to demonstrate that dealers are not the “cost center” to manufacturers that the media and politicians sometimes suggest.

Those efforts paid off in the form of short-term loans for GM and Chrysler and backing from the Treasury for GMAC and Chrysler Financial to free up credit for buyers as well as to help with floorplanning through the TALF program.

*(pause)*

The next two months are critical to the future of our industry as we know it—the future of GM and Chrysler, availability of credit, and the return of stability to our economy.

We will work aggressively for positive outcomes in each of these areas.

Last year, Annette’s leadership helped carry this message that it’s the dealers who help to sustain the industry.

This year, it will be our work that continues what Annette set in motion, namely, we’ve got to tell our story.

How do we do that?

By presenting the facts.

When you get back home, go to your CFO, go to your controller.

Find out exactly what you contribute to your local and state economy in sales taxes and what you contribute in employment taxes.

Find out just how much of a positive economic impact your dealerships have in your community.

Have this information ready anytime you talk with anyone.

In a 17-million sales year, it may be enough for us to share that we sponsor Little League teams or that we helped to fund the new wing at the local hospital.

But in a 12-million sales year, we’ve got to tell how we contribute to our community’s bottom line.

And we've got to tell our state and local officials, including those on our economic development councils, and our members of Congress, again and again until our voices crack—and then tell them again.

We've got to get creative.

Tell how many of our employees' kids we helped send to college.

Tell how many people were able to get healthcare through us.

Tell how many people picked up lifelong skills—technical skills, people skills, management skills—in the time they've worked for us.

Make sure your voice is heard.

*(pause)*

As of today, we have another issue to talk to our public officials about.

Today, President Obama directed the EPA to review whether to authorize state efforts to regulate vehicle emissions. NADA welcomes that review. But we are urging the administration to carefully examine how those rules would actually be implemented. That kind of review will reveal that the rule from the California Air Resources Board is in direct competition with the federal CAFE program.

We lost almost a thousand dealerships last year...at a cost of more than fifty-thousand jobs. We hope that the president and the EPA administrator will realize that a single national fuel-economy standard is smarter than a patchwork of state regulations that will only further endanger our industry.

Congress needs to hold hearings to assess just how many jobs are going to be lost if a state-by-state approach is put in place.

*(pause)*

It's clear that our economy—and our industry—is cyclical.

Our business model is one of high risk and great reward.

This current crisis may be our most challenging ever.

Our industry is going to change radically on every front in the coming months and years—from the kinds of cars that get built to the way we finance and market them.

Throughout my career, I've always remembered my father's words of advice....“focus on the things you can change.”

Our job is to protect and strengthen our dealerships so that as the cycle turns upward, we are in a position to thrive.

*(pause)*

Let me assure you...I'm absolutely committed to protecting the franchise system and our way of business.

Thank you again for the confidence you've placed in me.

Thank you for this honor.

I look forward to serving you and our industry this year.

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