



NATIONAL AUTOMOBILE
DEALERS ASSOCIATION

January 16, 2020

Dear Senator:

On behalf of the National Automobile Dealers Association (NADA) and our 16,200 franchised car dealers and heavy-duty truck dealers, who employ more than 1.1 million Americans, I am writing in support of H.R. 5430, a bill to implement the United States-Mexico-Canada Agreement (USMCA). This bill was passed with overwhelming bipartisan support in the U.S. House on December 19, 2019. Senate passage of this historic trade agreement will help preserve the global competitiveness of the U.S. automotive industry and enable dealers to continue providing affordable vehicle options for American consumers.

America's franchised auto and heavy-duty truck dealers account for nearly 20% of the nation's total retail sales. Mexico and Canada are America's largest automotive trading partners, accounting for 25% of new light-duty vehicle imports, 49% of auto parts imports, and 91% of medium and heavy-duty truck imports. Additionally, according to the Center for Automotive Research (CAR), 62% of U.S. motor vehicle and parts exports go to these two countries. USMCA will maintain vehicle production and distribution within North America, the largest source of vehicles sold by U.S. dealers.

Approval of USMCA will also reduce the threat of additional, broad-based tariffs on vehicles and parts produced in North America. Tariff-related price increases on vehicles and parts would cost jobs and hurt our economy. CAR estimates that across-the-board price increases due to new tariffs would result in a decline of up to 1.3 million units in vehicle sales and 117,500 lost dealership jobs in the U.S.

The U.S. vehicle industry is built on a favorable trading relationship with our two neighbors, Canada and Mexico. America's franchised auto and heavy-duty truck dealers urge the Senate to strengthen our economic ties to these nations by passing H.R. 5430. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Charlie Gilchrist". The signature is written in a cursive, flowing style.

Charlie Gilchrist
Chairman