

JANUARY 2023

NADA SHOW

M A G A Z I N E



GETTING ALL
CHARGED UP
IN DALLAS

What's New at
NADA Show

EVs and Other
Opportunities

Key Issues for
Dealers in 2023

NATIONAL AUTOMOBILE DEALERS ASSOCIATION



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NADA SHOW 2023

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2023 NADA
Chairman
Geoffrey Pohanka



DEALER ADVOCACY
NADA LEADS THE CHARGE



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FLEXIBILITY IS KEY



REGULATIONS
COMPLIANCE GUIDANCE

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Digital Contents

JANUARY 2023

NADA Show Magazine

Along with *NADA Show Magazine*, NADA offers timely coverage on its digital platforms all year long.



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UPDATES

NADA News Hub

The *NADA Headlines* news hub is available at nada.org/headlines, with the latest NADA articles, videos, photos and more.



RESOURCES

nada.org

Complete resource for NADA programs and initiatives, including event registration, webinars, legislative and regulatory updates, the popular *NADA Data* and *ATD Data* reports, and more.

E-NEWSLETTERS

NADA Headlines and *NADA Headlines PM*

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Welcome

JANUARY 2023

NADA Show Magazine



NADA: WORKING FOR YOU

Like dealers who work hard for their customers, NADA works hard for its members. In fact, NADA fights for dealers every day, serving as the voice of the dealer in meetings with lawmakers, regulators and OEMs, as well as in interactions with various auto-affiliated groups and the media. At the same time, NADA's comprehensive, cutting-edge educational programs benefit not only dealers and their staffs, but also consumers and local communities.

Such efforts are often highlighted during the annual NADA Show, which is making a splash this year in Dallas. The last time NADA was in the Big D was almost 30 years ago, back when a then-popular Dodge Neon cost \$11,599 and the average price for a gallon of gas was \$1.15.

Today, electric vehicles are turning heads, which is why NADA is showcasing various EV-related resources at the Show, including an "Electric Avenue" display focusing on women who are helping to drive the EV revolution, as well as the EV Solutions Center, featuring mini-sessions and one-on-one consultations with industry experts.

There are plenty of other learning opportunities, too, with assorted workshops, Exchange sessions, the Distinguished Speaker Series and much more. And this year's Expo features more than 500 exhibitors showcasing the latest dealership products and services.

NADA also is hosting a rousing Welcome Reception, this time at the world-renowned Gilley's honky-tonk complex. Entertainment includes mariachi music, country line dancing and a lively performance by Grammy Award-winning singer Brad Paisley.

As always, NADA Show is where dealers make—and renew—valuable personal connections that can last a lifetime. Expect this year in Dallas to be no exception, thanks to the enthusiasm of attendees, the numerous networking opportunities and NADA's longtime commitment to work hard for its dealers.

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2022

Year in Review

NADA annual highlights.

BY JOE PHILLIPS

JANUARY

- NADA issues analysis of 2021 auto sales.
- Throughout 2022, NADA monitors major market trends—including ongoing microchip shortage affecting dealership inventory—with updates in monthly *NADA Market Beat*, quarterly *ATD Truck Beat* and other economic reports.
- NADA and NAMAD respond to CFPB’s proposed rule to implement significant mandate under Section 1071 of the Dodd-Frank Act.
- NADA letter to Treasury Department pushes for LIFO relief for dealers experiencing unprecedented inventory declines due to pandemic.
- NADA-backed anti-catalytic converter theft bill introduced in the House.
- Georgia dealer Matthew Laughridge testifies on behalf of NADA before the House Agriculture Committee regarding EVs and rural America.
- NADA alerts dealers to withdrawal of OSHA’s emergency COVID-19 vaccine-or-test mandate.
- NADA and ATD each conduct *Dealership Workforce* studies.
- NADA begins weekly articles about dealers whose charitable giving, fundraisers and other events help their communities.

- Monthly NADA Video segments champion diversity, equity and inclusion (DEI) in dealerships, including profiles on staff who are African American, Asian American and Pacific Islander, Latino, LGBTQ+ and American Indian.
- NADA webinars this month: COVID-19 vaccine-or-test mandate; improving profitability; revised Safeguards Rule; EVs; boosting CRM.

FEBRUARY

- 19 Democratic senators send strong NADA-backed letter to Treasury urging LIFO relief for dealers.
- NADA alerts dealers to new FTC guidance on data security requirements and issues updated *Driven* guide on FTC Safeguards Rule.
- NADA reminds dealers of deadline to file OSHA workplace injury and illness records.
- After Russia invades Ukraine, NADA showcases dealerships flying Ukrainian flags, raising funds and donating needed items.
- NADA Academy integrates Live Online education permanently into the curriculum.
- NADA webinars this month: regulatory compliance; protective apparel for EV/hybrid techs.
- ATD webinar this month: full-service truck leasing.



Setting the stage: At the NADA and ATD Shows in March in Las Vegas, new NADA Chairman Mike Alford (left) and ATD Chairman Scott McCandless lay out opportunities for dealer success in 2022.

3 MARCH

- NADA reports on federal/state incentives to help dealerships purchase and install EV chargers.
- NADA and ATD Shows return as in-person events in Las Vegas, with over 21,000 attendees, nearly 600 exhibitors and 100-plus workshops.
- NADA offers first-ever NADA Show Welcome Kickoff Reception at brand-new Allegiant Stadium—home of Las Vegas professional football—with performance by Grammy Award-winning band Train.
- North Carolina dealer Mike Alford becomes NADA chairman; Colorado dealer Scott McCandless becomes ATD chairman.
- NADA Show focuses on electric vehicles, with related displays, workshops, speakers, franchise meetings and more.
- NADA teams up with Center for Sustainable Energy and Plug In America on online program to enhance dealership EV education.
- NADA announces partnership with National Urban League to develop dealership apprenticeship and internship programs.
- NADA Foundation donates \$25,000 to Three Square Food Bank in Las Vegas.
- At NADA Show, KAR Global holds auction of electric Harley Davidson motorcycle to benefit NADA Foundation program for Canine Companions.
- NADA Women Driving Auto Retail (WDAR) hosts annual event on attracting women to auto retail; Carmen Hinton of Carter Myers Automotive's Valley Subaru wins fifth-annual WDAR video contest.
- Bob Giles of Giles Automotive, Lafayette, La., is named 2021 TIME Dealer of the Year.
- NADA promotes new ASE Adopt-A-School program for technician recruitment.
- NADA conducts semiannual Dealer Attitude Survey and follow-up discussions with automakers.
- NADA webinar this month: training/retaining employees.



Back in action: After a two-year hiatus because of the pandemic, the Automotive Forum NY returns. Moderator Jonathan Collegio of NADA (left), with 2022 NADA Chairman Mike Alford, Alliance for Automotive President and CEO John Bozzella, and NADA President and CEO Mike Stanton.

4 APRIL

- After one of largest dealership groups pays a record \$10 million FTC fine, NADA reminds dealers of its fair credit compliance program and voluntary protection products policy.
- NADA alerts dealers to addition of hundreds of individuals/entities to OFAC compliance list because of Russian sanctions.
- Annual NADA/J.D. Power Auto Forum NY returns to in-person event with focus on EVs; includes top execs from Hyundai, Nissan and Toyota highlighting ongoing dealer/OEM cooperation.
- Rep. Dan Kildee (D-Mich.) introduces NADA-backed, bipartisan legislation to provide LIFO relief to dealerships affected by unprecedented inventory declines.
- Sen Sherrod Brown (D-Ohio) introduces LIFO tax relief bill in Senate.
- NADA continues major efforts for LIFO relief, including extensive grassroots outreach, pushing for more cosponsors, and promoting *Automotive News* and other coverage calling on Congress to take action.
- *NADA Data* and *ATD Data* annual economic reports released.
- NADA webinars this month: building better BDCs; managing utility and overall costs.

5 MAY

- NADA advises dealers who accept cryptocurrency to be aware of new cash-reporting requirements.
- NADA and 12 industry partners urge Congress to take up Preventing Auto Recycling Theft Act to help fight growing problem of stolen catalytic converters.
- Because of critical market conditions, NADA offers guidance on vehicle pricing, advertising and disclosure practices.
- National survey by industry coalition, including NADA, shows consumers value optional GAP waiver protection offered when financing a vehicle.
- ATD files comments with EPA hoping to avoid unachievable and stringent option based on CARB rule.
- Redesigned and more news-oriented nada.org goes live— earns four top awards.
- NADA, in partnership with Coalition for EV Choice and Competition, wins award for video highlighting dealer commitment to bringing EVs to consumers nationwide.
- NADA webinars this month: dealership EV/solar infrastructure; video intelligence for improved ops; customer engagement strategies; data optimization.

April

May

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2021 **NADASHOW**



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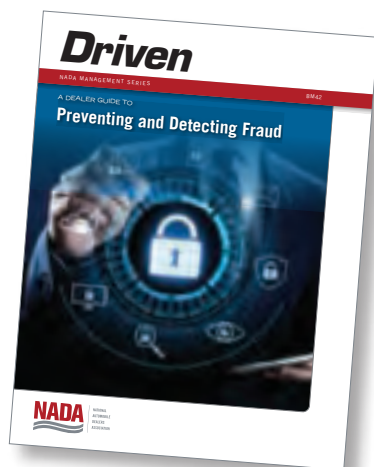
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Taking action for dealers: NADA petitions the FTC on fair credit compliance, the proposed vehicle shopping rule and other matters.

JUNE

- In *Automotive News* advertorial, NADA President and CEO Mike Stanton emphasizes importance of NADA/NAMAD/ AIADA Fair Credit Compliance Policy and Program.
- At Automotive News Congress in Washington, NADA President and CEO Mike Stanton stresses need for dealers, OEMs and government to work together on EV policy.
- A bipartisan bill to repeal the 12% federal excise tax on heavy-duty trucks is introduced in the House, and ATD immediately endorses the legislation.
- At annual ATD Legislative Fly-in, dealers advocate on Capitol Hill for repeal of federal excise tax on heavy-duty vehicles, express concerns regarding the EPA NOx rule and oppose the REPAIR Act.
- NADA blasts proposed FTC vehicle shopping rule as “completely unwarranted, redundant and ineffectual requirements.”
- NADA releases updated fraud prevention guide.



- NADA webinars this month: preventing distracted driving; future of auto retail; protecting customer loyalty; federal/state rules; reducing cyber risk.
- ATD webinar this month: EPA Clean Trucks Plan update.

JULY

- In *Automotive News* articles, NADA continues to challenge FTC's proposed vehicle shopping rule.
- NADA chairman Alford promotes two NADA/NUL initiatives: Jumpstart! Technician Apprenticeship Program and the Dealership Internship Program.
- NADA reports on enforcement of transparency rules for dealership health insurance plans.
- NADA alerts dealers selling vehicles via mail, Internet or telephone about need to thoroughly understand disclosure requirements.
- ATD conducts semiannual Dealer Attitude Survey and follow-up discussions with truck makers.
- NADA webinars this month: service department tips; dealership profitability; Safeguards Rule.

June

July

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Washington Conference 2022: Sen. Amy Klobuchar (D-Minn.) talks about the recently introduced Senate bill to fight catalytic converter theft. Other speakers addressed LIFO relief and the proposed FTC vehicle shopping rule.

8 AUGUST

- When massive Inflation Reduction Act is enacted, NADA ensures state dealer franchise laws are preserved, despite threats from direct vehicle sellers. NADA also advocates for new “clean vehicle” tax credit that works in the showroom for dealers and their customers.
- NADA continues building strong bipartisan support in House and Senate for LIFO relief legislation.
- NADA responds to FTC refusal to extend comment period for proposed vehicle shopping rule.
- NADA provides ongoing updates on new EV tax credit rules.
- NADA webinars this month: EVs and fixed ops; credit card processing fees; customer engagement.
- ATD webinar this month: buy, sell or hold the dealership.

9 SEPTEMBER

- NADA holds annual Washington Conference, with 400 attendees and dealers meeting their members of Congress to discuss proposed FTC vehicle shopping rule, LIFO relief, catalytic converter theft and other issues. Sen. Amy Klobuchar (D-Minn.) announces introduction of Senate bill to combat catalytic converter theft.
- NADA files comprehensive comments urging FTC to withdraw vehicle shopping rule, highlighting new study, various reports and a video showing how rule would bog down online car sales.
- Six senators sign letter to FTC seeking answers on its proposed vehicle shopping rule.
- SBA advocacy office joins NADA and other industry groups seeking another year for dealers and others to implement revamped FTC Safeguards Rule.
- ATD meets with EPA on NOx rule, urging adoption of less-stringent option.
- NADA conducts semiannual Dealer Attitude Survey and follow-up discussions with automakers.
- *NADA Data* midyear economic report released.
- NADA webinars this month: future of EV sales; EV/solar dealership infrastructure; EV buyers; revised Safeguards Rule; navigating the next recession.

August

September

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To the rescue: Immediately after Hurricane Ian strikes Florida, NADA Foundation reaches out to help dealership employees impacted by the devastation.

OCTOBER

- NADA Foundation Emergency Relief Fund solicits donations to help support dealership employees impacted by Hurricane Ian.
- In *Automotive News* advertorial, NADA President and CEO Mike Stanton outlines five guiding principles to help guide the evolution of the franchise model in the fast-changing auto retail landscape.
- NADA alerts dealers to IRS warning of third parties promoting improper employee retention credit claims.
- NADA alerts dealers about requirement to display new EEOC poster.
- NADA webinars this month: preventing dealership fraud; credit card processing fees; reconciling data; automating workflow.

NOVEMBER

- NADA urges dealers to engage grassroots efforts for Congress to press FTC to withdraw its proposed vehicle shopping rule.
- 41 House members and six senators send a letter to FTC Chair Lina Khan requesting that the FTC's proposed vehicle shopping rule be withdrawn and instead urge FTC to issue Advanced Notice of Proposed Rulemaking or Request for Information.
- Reps. Blaine Luetkemeyer (R-Mo.) and David Scott (D-Ga.) send NADA-supported letter to Federal Reserve regarding conflicts between the FTC's proposed vehicle shopping rule and the Truth in Lending Act.
- Responding to misinformed *Wall Street Journal* editorial, NADA stresses how dealers are essential to widespread adoption of EVs by consumers.
- NADA-backed extension of the revised Safeguards Rule's compliance deadline is announced by FTC.
- NADA alerts dealers to urge members of Congress to include LIFO relief in upcoming omnibus bill.

October

November



Grassroots efforts: NADA rallied dealers and worked throughout the year with members of Congress, including during a flurry of legislative activity at the end of the year.

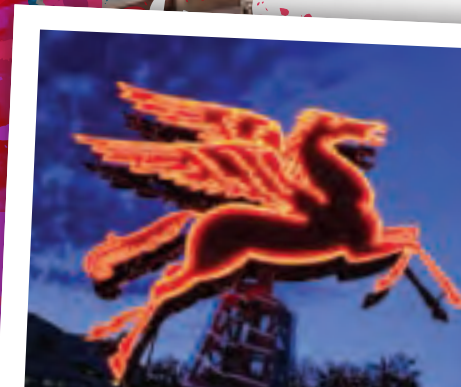
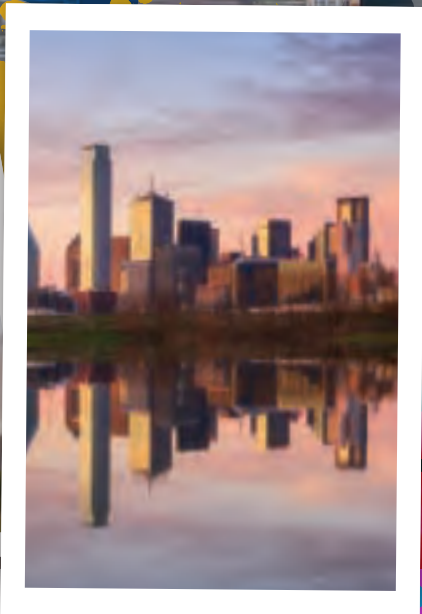
- After ATD meets with Sen. Joni Ernst (R-Iowa), 17 senators send letter to EPA urging achievable NOx emissions standards in final rule.
- NADA alerts dealers to FTC’s rapidly evolving standards for multi-factor authentication.
- NADA reminds dealers to check inventory for used vehicles that may be subject to “stop-drive” recall involving airbags.
- NADA webinars this month: ransomware; customer loyalty; plug-in vehicle-charging equipment; streamlining service; controlling costs; Safeguards Rule.



Community action: Dealers support food donations.

12 DECEMBER

- NADA expects light-vehicle sales for 2022 to total 13.6 million, down 8.7% from 2021.
- NADA continues to work with Congress on LIFO legislation that has widespread bipartisan support, despite not being included in end-of-year spending bill.
- ATD Chairman Scott McCandless issues press statement against EPA’s aggressive NOx regulation, which would impose \$39 billion to \$55 billion in new regulatory costs on trucking industry.
- NADA alerts dealers about need to provide newly released *2023 Fuel Economy Guide* to customers upon request.
- After recent EEOC settlement with a dealership, NADA underscores importance of equal pay in workforce.
- NADA highlights dealers across the country supporting local communities with food donations.
- NADA webinars this month: successorship; data automation; cyberattacks; Safeguards Rule; navigating the next recession.
- NADA ends 2022 with nearly 16,400 members—a five-year high and the 21st consecutive year with some 90% membership penetration. ❖



Back in the Saddle Again

What's new at the Auto Industry
Event of the Year.

BY SHERYLL POE

The last time the NADA Show was held in Dallas, in 1995, the city had recently hosted the 1994 World Cup semifinals, Ron Kirk was elected the city's first Black mayor, and the Dallas Cowboys were on the road to winning Super Bowl XXX against the Pittsburgh Steelers.

NADA Show is back in the "Big D," and just like the auto industry, NADA Show is always evolving. This year there are new education and networking opportunities, world-class speakers and a premier Expo with over 700,000 square feet of state-of-the-art exhibit space. Another plus: the NADA Show Roundup at Gilley's welcome reception the first night.

"This year's theme is 'Make a Splash!,'" says Danny Renshaw, NADA Show committee chairman. "And that's exactly what this year's Show is going to do for attendees, exhibitors, OEMs and all the other key players in the auto retail industry."



NADA SHOW ROUNDUP AT GILLEY'S

Attendees can dust off their cowboy boots and grab their Stetsons for the NADA Show Welcome Reception at Gilley's Dallas. This world-famous honky-tonk venue features seven customized areas, with gourmet food and top-shelf beverages.

Of course, attendees will have a chance to test their mettle on the renowned Gilley's mechanical bull, made famous by the movie *Urban Cowboy*. Or they can try their luck at one of the Western blackjack tables, or take part in the country line dancing. Trick ropers, mariachi music, flamenco dancing ... it will all be here during this fun-filled evening.

The evening ends with an exclusive live performance by Grammy Award-winning country music star Brad Paisley. With luck, he'll sing his 2007 hit, *All I Wanted Was a Car*.

TWO SUPER SESSIONS, DYNAMIC SPEAKERS

Because everything's bigger in Texas, NADA Show 2023 will have not one but two Super Sessions. The first is *The Future of Automotive Retail Roundtable*, moderated by auto tech expert Steve Greenfield and featuring some of the nation's most innovative dealers investing today in automotive technology start-ups.

The second Super Session is an expanded version of the most popular workshop sessions each year: *Best of the Best from NADA 20 Groups*. Held on "Sunday Funday" at the Show, this Super Session features NADA dealer management consultants and 20 Group moderators sharing their insight and latest best practices.

NADA Show always features industry experts and motivational speakers who engage, educate and entertain attendees—and this year is no exception. Former U.S. Ambassador to the United Nations and South Carolina Gov. Nikki Haley will share lessons in leadership, negotiation and decision making, while Fox Television host and comedian Greg Gutfeld will join co-host Kat Timpf to discuss topical issues with his trademark humor. And Super Bowl champion, Pro Football Hall of Famer and University of Colorado Head Coach Deion Sanders sits down for an inspirational conversation about such subjects as overcoming adversity and his successful career.

EXPO AND EDUCATION

The top two reasons to attend NADA Show every year are the education offerings and the Expo.

Dealers can choose from 80-plus workshops and brainstorm with peers in any of the 24 Exchange sessions. They also can listen to industry experts share lessons on leadership, culture, team building and training at the three Distinguished Speaker Series sessions, with Toronto Raptors Superfan Nav Bhatia, social entrepreneur Joe DeLoss and former Green Beret Colby Jenkins. And nowhere but NADA Show can dealers hear from and get face time with top OEM execs during the dealer franchise meetings.

Other education offerings include the Dealer Learning Lab and the EV Solutions Center, both on the Expo floor. These 20-minute TED-style talks allow attendees to connect with industry leaders in a casual setting.

This is the second appearance of Electric Avenue, an interactive exhibit showcasing the future of EVs.



This year the focus is on women in the auto industry who are leading the EV revolution.

As for the popular Expo, more than 500 exhibitors will be meeting with attendees face-to-face to showcase thousands of the latest products and services for the dealership.

LIVE STAGE

Live Stage, a live broadcast studio located in the high-traffic lobby at the convention center, features more than 50 compelling, fast-paced segments of acclaimed speakers, OEMs and other auto retail pros in one-on-one interviews and panel discussions.

- NADA workshop previews
- Workforce diversity/inclusion
- Technician recruitment
- Electric vehicles
- Digital, TV and other advertising/marketing trends
- Latest regulations affecting dealerships
- First-ever “pitch competition,” with individual exhibitors competing to promote their products/services in less than two minutes before a panel of judges.

WOMEN DRIVING AUTO RETAIL EVENTS

The annual high-profile Women Driving Auto Retail (WDAR) event returns this year, offering opportunities to learn not only from those leading the charge in shaping auto retail, but also from trailblazers in other industries. Last year, there were a record 300-plus attendees. This year, Stephanie Chung, WheelsUp founding chief growth officer and global brand ambassador, will talk about her experiences as a woman of color shattering the glass ceiling of aviation leadership. And Amy Nelson, founder and CEO of The Riveter, a community platform built by and for working women, will share advice on how to retain women employees in the auto retail industry.

WDAR also is sponsoring various Live Stage interviews and panel discussions each day, including the popular Women Driving Auto Retail video contest. This is the sixth year of the contest, which always garners dozens of inspirational videos from women relaying their career journeys and explaining why the auto industry is such a solid career path for women.





1995 SHOW FUN FACTS

◀ We had an EV!

It's been 28 years since car dealers last rode into Texas for their big Show. At the time, GM designers and engineers were hard at work on the automaker's first all-electric production vehicle: the 1996 EV1.



TIME DEALER OF THE YEAR

A perennial highlight of the Show is the prestigious TIME Dealer of the Year Award, considered the ultimate accomplishment of a dealer's career. This year, 48 nominees were selected by their state and metro associations, based on exceptional performance in the dealership and distinguished community service. Four finalists were chosen for the 54th annual award, and the winner will be announced at the Main Stage general session on the first day of the Show.

NADA FOUNDATION/CANINE COMPANIONS AUCTION

Always a crowd favorite, the high-energy NADA Foundation auction returns to the Expo floor. Due to overwhelming interest last year, a LiveWire One electric motorcycle will again be auctioned at the BacklotCars booth. Proceeds benefit Canine Companions, a nonprofit organization that provides service dogs to adults, children and veterans with disabilities. Attendees should see plenty of Canine Companion students (aka puppies!) walking the Expo floor.

SEE YOU THERE

That's just a sampling of the various events, meetings and receptions occurring during NADA Show 2023. More information is available at nadashow.org and on the NADA Show mobile app. ❖

Super Bowl Superstar ▶

Fox TV commentator Terry Bradshaw, a four-time Super Bowl champion with the Pittsburgh Steelers, quarterbacked the NADA Show general session, giving a play-by-play of his career.



◀ Oh, Brothers!

Psychologist, author and TV personality Dr. Joyce Brothers was a key speaker.



◀ Hero Time

At the Inspirational Service, former AP Bureau Chief Terry Anderson spoke about his seven-year imprisonment by radicals in Lebanon.



Gayle Force ▶

Popular singer Crystal Gayle wowed attendees at the annual Show finale.



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NOMINEES FOR THE 2023 TIME DEALER OF THE YEAR AWARD

Matthew Aiello

J.B.A. Chevrolet
Glen Burnie, Md.

John Altman

Jaguar Land Rover Alexandria
Alexandria, Va.

Beth Beans Gilbert

Fred Beans Volkswagen
Devon, Pa.

Nelson E. Bowers II

Toyota of Cleveland
McDonald, Tenn.

Marc Brandt

Capitol Ford Lincoln
Santa Fe, N.M.

Matthew Bredemeier

Grand Forks Subaru Kia
Grand Forks, N.D.

Mark Brickey

Sand Mountain Toyota
Albertville, Ala.

Don A. Buckalew Jr.

Buckalew Chevrolet, LP
Conroe, Texas

David Buerkle

Buerkle Hyundai
White Bear Lake, Minn.

Andrew J. Dahl

Dahl Subaru Hyundai Mazda
La Crosse, Wis.

Bruce Daniels

Honda Marysville
Marysville, Ohio

Jay Darling

Darling's Ford VW Audi
Bangor, Maine

Sid DeBoer

Lithia Chrysler Dodge Jeep
Ram Fiat of Medford
Medford, Ore.

Dan Deery

Dan Deery Toyota
Cedar Falls, Iowa

Stephen Franks

Franks Chevrolet Buick GMC
Kosciusko, Miss.

Richard J. Garber

Garber Buick Co.
Saginaw, Mich.

Silvestre "Sal" Gonzales

Culver City Volvo/Mazda
Culver City, Calif.

Jay Hatfield

Jay Hatfield Chevrolet Buick Inc.
Columbus, Kan.

Adam Huff

Fred Martin Superstore
Barberton, Ohio

Kimberlee Huffman

Neil Huffman Honda
Frankfort, Ky.

Tim Hutcherson

Downey Nissan
Downey, Calif.

James Johnson

High Plains Motors Inc.
Wolf Point, Mont.

Tom Kelley

Tom Kelley Buick GMC
Fort Wayne, Ind.

Nan I. Kitagawa

I. Kitagawa and Co.
Hilo, Hawaii

Bill Knight

Bill Knight Ford
Tulsa, Okla.

Danny Labrum

Labrum Chevrolet Buick Inc.
Heber City, Utah

Jim Lake

Vern Eide Honda
Sioux Falls, S.D.

John Lee

Lee Ford Lincoln
Wilson, N.C.

Joseph Lunghamer

Joe Lunghamer Chevrolet
Waterford, Mich.

Rob Matthews

Matthews Cadillac
Vestal, N.Y.

Chris Miller

Dutch Miller Kia
Barboursville, W.Va.

Mark Montenero

Autoland Toyota Chrysler
Jeep Dodge Ram
Springfield, N.J.



Celebrating a winner:
Louisiana dealer Bob Giles is honored as the 2022 TIME Dealer of the Year by TIME President Keith Grossman (left) and Ally Dealer Financial Services President Doug Timmerman in Las Vegas last year.

TIME Dealer OF THE Year

ANNUAL AWARD
OF EXCELLENCE.

BY PETER CRAIG

NADA's presentation of its TIME Dealer of the Year Award is hitting the Show in Dallas with the usual fanfare this year. The 54th annual award is sponsored by Ally, which is contributing \$1,000 to each nominee's charity of choice, \$5,000 to each of the four regional finalists' charities and \$10,000 to the national winner's charity.

Here's how it works: A panel at the University of Michigan's Tauber Institute of Global Operations picks four finalists from among a large number of extremely talented nominees—48 this time—then narrows down the choices to a single top honoree. In doing so, the panel considers such factors as new- and used-vehicle sales performance, service performance, market share, customer satisfaction, staff training, ethics, physical plant and facilities, and participation in dealer associations. Another measure is service to community, which this year has included everything from supporting Toys for Tots to serving on hospital boards.

"The award illuminates the significant contributions dealer entrepreneurs make in their respective communities across the country," says Mike Alford, 2022 NADA chairman and 2013 TIME Dealer of the Year. "Whether it's helping consumers purchase reliable transportation or donating to numerous community organizations, dealers are the bedrock of their communities. Thank you to TIME and Ally for spotlighting their efforts, and congratulations to all of the nominees!" ❖

Tom R. O'Steen Sr.
O'Steen Volkswagen
Jacksonville, Fla.

Joel P. Oustalet
Bubba Oustalet Chevrolet-Cadillac
Jennings, La.

Heidi Pehl
I-5 Toyota
Chehalis, Wash.

Gary Rome
Gary Rome Hyundai
Holyoke, Mass.

Ray Scarpelli
Ray Chevrolet
Fox Lake, Ill.

Kevin Shaughnessy
Phil Long Ford of Denver
Denver, Colo.

Paul Skillern
Kendall Ford of Meridian
Meridian, Idaho

Stephen Snyder
Checkered Flag Hyundai World
Virginia Beach, Va.

John P. Stanko
Champion Chevrolet
Reno, Nev.

Ryan Troncalli
Troncalli Automotive Group
Cumming, Ga.

Micheal Tucker
Hutcheson Ford Sales Inc.
Saint James, Mo.

Mark Tulley
Tulley Automotive Group
Nashua, N.H.

Robert Wahlstrom
Wahlstrom Ford Inc.
Chadron, Neb.

Jay Wakefield
Wakefield Buick GMC
Spartanburg, S.C.

Hugh J. Weidinger
North Bay Cadillac Co. Inc.
Great Neck, N.Y.

Ken Yarbrough
Central Chevrolet
Jonesboro, Ark.

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Working for YOU

ADVOCACY. EDUCATION.
ENGAGEMENT.

Armed with a bevy of resources and a brand-new set of Guiding Principles focused on the future, NADA is doubling down on helping dealers, their employees and their customers. Here's a look at how NADA is working for you.







The Good Fight

How NADA works for dealers in Washington, D.C.

BY SHERYLL POE

Every day on Capitol Hill and in the regulatory agencies in Washington, D.C., policymakers are making decisions that have the ability to greatly affect local auto dealerships and the millions of customers they serve. But dealers have always had a powerful advocate in NADA.

“One of our strengths is our connection with Main Street, the small-business community, and one of the biggest industries in the world,” says 2023 NADA Chairman Geoffrey Pohanka.

“And NADA has a fantastic apparatus for educating policymakers about the impact of their ideas on business owners, employees and consumers.”

While proposed legislation, public policies and agency rules may differ from one presidential administration or Congress to the next, the NADA mission remains the same: to educate policymakers about the franchised dealership business model, to engage stakeholders about the importance of a vibrant automotive retail industry, to communicate dealer interests to our manufacturer business partners, and to protect dealers and their millions of customers from harmful or misguided public policies.

FTC SHOULD RETHINK PROPOSED VEHICLE SHOPPING RULE, SAYS NADA

If there was one regulatory issue that has dominated NADA's efforts this year, it has been the Federal Trade Commission's (FTC) proposed vehicle shopping rule. In fact, the entire NADA team, as well as state and metro dealer associations and NADA dealer members, have pushed back hard on the proposed rule.

The proposed rule would require auto dealers to provide more rigorous cost-disclosure requirements for certain fees as well as financing, marketing and advertising practices. It would create a whole host of new burdensome and redundant disclosures and forms throughout the sales process,

extending the vehicle purchase process and creating a much more complex process for both customers and dealers.

“The FTC's proposed rule would make the auto-buying experience worse, not better, for consumers,” says NADA President and CEO Mike Stanton. “As the auto industry works to streamline the purchase process in the aftermath of the pandemic, the FTC's approach would swamp dealers and car buyers with greater inefficiency and complexity.”

Usually, when a rule of this magnitude is under consideration, a federal agency prudently conducts cost-benefit analysis, research and testing to ensure a proposed rule would work in practice. But in this case, the FTC issued the proposed rule without performing any consumer testing or providing valid evidence to justify the need for these additional regulations. In coming up with the proposed rule, the FTC has admitted that it relied on an unverified, qualitative, internal complaint database that included consumer complaints about businesses like rental car companies and industries not even tied to auto retail.

“It is the worst-prepared proposed rule I've ever seen put out by a federal agency,” said NADA's Senior Vice President of Regulatory Affairs Paul Metrey during NADA's Washington Conference in September.

NADA continues to urge the FTC to go back to the drawing board and utilize a more tested and data-driven approach to its policies. Furthermore, NADA has called on the FTC to work collaboratively with the auto industry, as it has in the past, to stop any unfair and deceptive practices and promote legal compliance without unnecessarily lengthening transaction times and harming consumers. ❖

NADA Fights Back Against Catalytic Converter Theft



Crime rings have found a new way to generate hundreds of millions of dollars in ill-gotten revenue: stealing catalytic converters. The National Insurance Crime Bureau estimates that last year alone over 52,000 catalytic converters were stolen nationwide, whereas in 2018, for instance, there were only 1,300 such thefts reported.

NADA has heard about these thefts from several of its dealer members, including Jim Basil of Basil Family Dealerships in Buffalo, N.Y. “In the last 60 days, we’ve had more catalytic converter thefts than in the previous 10 years,” Basil says, noting that at least eight of his commercial truck customers have recently been victims of this type of theft.

In November the Justice Department announced the takedown of a nationwide catalytic converter theft ring, but more needs to be done. NADA supports H.R. 6394, the Preventing Auto Recycling Theft (PART) Act, which includes a \$7 million grant program through which certain entities can voluntarily stamp VINs, or other identifiers, onto the catalytic converters of vehicles already on the road at no cost to vehicle owners.

The bill also requires new vehicles to have unique, traceable identifying numbers stamped on catalytic converters at the time of assembly. Additionally, the bill increases recordkeeping requirements for purchasers and establishes a federal criminal penalty of up to five years in jail for the theft, sale, trafficking or known purchase of stolen catalytic converters. ❖

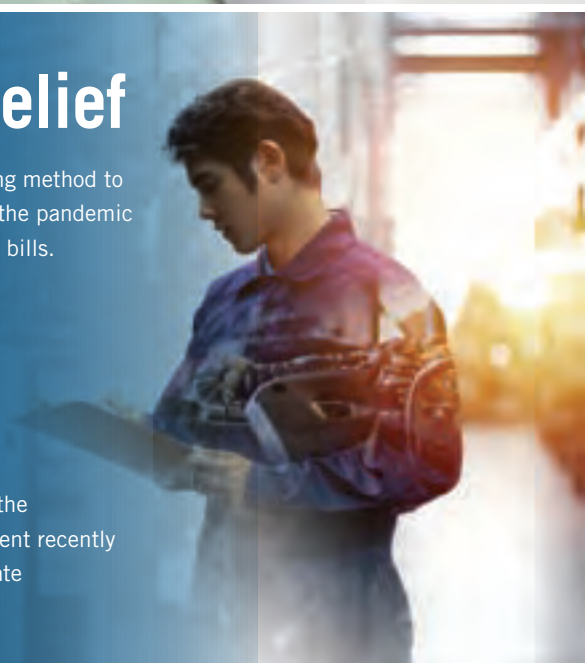


NADA Calls for Accounting Relief

Many dealers have long used LIFO (last in, first out) as the inventory accounting method to calculate taxes and mitigate rising inventory costs, such as those caused by the pandemic and related supply chain issues. Without LIFO relief, dealers face much larger tax bills.

The Treasury Department has existing authority to allow LIFO relief to businesses if a “major foreign trade interruption” makes inventory replacement difficult. NADA strongly supported the Supply Chain Disruptions Relief Act (H.R. 7382/S. 4105), which would give Treasury the authority to provide LIFO relief to the auto sector for tax years 2020 and 2021.

With strong bipartisan support from members of Congress in both the House and the Senate, the outlook for legislative relief remains promising. The Treasury Department recently indicated its support for a legislative solution to this issue and pledged to cooperate with Congress to that end. ❖





Advancing Education

How NADA is developing talent
online and in person.

BY SHERYLL POE

From Academy classes to 20 Groups, from conferences and events to workshops, seminars and industry-leading original research, NADA continues to deliver programs and services designed to enhance the success and sustainability of the auto retail industry and its members.

“NADA’s most popular educational and professional development programs continue to evolve and grow as the industry and technology changes, as seen, for example, through our incredibly popular online Academy option,” says 2022 NADA Chairman Mike Alford. “Dealers have a long history of adapting to challenges by learning as much as they can and staying flexible, and the new virtual Academy helps them do both.”

NADA ACADEMY LIVE VIRTUAL CLASSROOM

It’s the silver lining of the pandemic—the introduction of the NADA Academy Live Virtual Classroom. In 2022, approximately 20% of Academy students attended courses online, and total Academy enrollment increased from some 500-600 students per year to 735 full-time students.

With the virtual classroom, students attend three hours of class, once or twice a week during six monthlong sessions, while in-person classes take place during six one-week sessions over the course of the year.

“NADA Academy online was among the most important and impactful educational pursuits of my automotive career,” says Sam D’Arc, chief operating officer at Zeigler Auto Group in Kalamazoo, Mich. “The course incentivizes ‘doing’ immediately after ‘learning.’ What resulted were multiple implemented

solutions to unfolding, market-related issues we may not have otherwise so quickly addressed. In short, the course was money and time well-invested.”

The virtual option is also reaching an entirely new pool of students who haven’t been able to attend the in-person Academy. “I’ve wanted to attend the Academy for so very long, but I couldn’t take the time to be out of the stores for a week at a time several times per year,” says Keith Powell, dealer at Yes Chevrolet in Hurricane, W.Va., and Yes Ford in Huntington, W.Va.

A big part of Academy is the networks that develop among students. NADA instituted a system called Yellow Dig, sort of a Facebook for Academy classes, to help dealers bond with each other.

Powell, who graduated in October 2022, has high praise for the networking platform: “I initially had concerns about not having the relationships with my classmates and instructors that all of my friends had when they attended in person. I can now tell you that I have made some of the greatest relationships with so many of my classmates from the Academy.”

The virtual Academy will continue to complement the in-person Academy as long as it’s popular, with eight more sessions currently scheduled for 2023. NADA is watching how quickly those classes fill up and has the ability to add in more classes as needed.



Class instruction. Whether in person or virtually, NADA's educational opportunities are continually evolving and expanding to meet the needs of students before, during and after they attend the Academy.

STAYING ENGAGED AFTER ACADEMY

As the Academy curriculum continues to evolve, so does engagement after graduation and helping students get on the road to meeting their post-Academy objectives in the dealership. Starting in July, Academy graduates will have virtual follow-ups two and four months after their graduation, as well as an in-person follow-up at the six-month mark. These important follow-ups will help ensure that graduates are implementing all the education they learned and are able to track their improvements.

New Academy graduates can also continue their networking and education in a new peer-to-peer program called NADA Engage. These Engage members will have the opportunity to participate in ongoing discussions throughout the year at the time and frequency of the group's choosing, and will travel to NADA headquarters once a year to stay up to date on everything NADA is doing. There will be three pilot Engage groups launching in-person meetings in early 2023, including in Washington state.

Some Academy graduates previously had expressed a desire to have a type of program like this, so once the three Engage groups are up and running, NADA will reach out to past graduates to gauge their interest.

NADA SEMINARS TAKE OFF

Last year, NADA introduced a new NADA Education Subscription option—a powerful tool for providing continual training and development to dealership employees, all for the price of a single monthly car payment.

One of the NADA seminars available through the Education Subscription or as an individual a la carte option is the new *Essential Service Advisor Training*. In fact, this interactive class has proven so successful online that it will be offered in person as well, on February 21 and 24 in conjunction with the Washington State Auto Dealers Association.

In addition, two new seminars will launch at NADA Show: *Digital Marketing Bootcamp* and *Talent Management—From Recruitment Through Retention*. The *Digital Marketing Bootcamp* program is geared toward training digital marketers on how to optimize the new version of NADA Analytics, while the *Talent Management* class will focus on recruiting, hiring, onboarding, developing and retaining employees.

With NADA's expansive interactive learning and networking offerings, and the relationships built inside and outside the classroom, there's never been a better time for current and future dealership owners and managers to advance their own individual growth and success while shaping the future of the industry. ❖



NADA's Guiding Principles

A look at evolving business models and the future of the dealer franchise system.

BY SHERYLL POE

From what cars are sold to how they are sold, the dealer franchise system has constantly adapted and innovated over its hundred-plus-year history to create an unparalleled customer experience at the dealership.

"When it comes to selling cars in 2023, one thing we hear from dealers everywhere is clear: Auto retail is changing faster today than it has at any time since the dawn of the franchise system," says NADA President and CEO Mike Stanton. "Selling and servicing cars in the future will not look like it did 30, 20 or even 10 years ago. The days of taking inventory from OEMs and selling as a lone wolf are over."

Similarly, NADA as an organization has evolved to meet auto dealers' needs and help dealers meet the future head-on. With that future in mind, NADA has unveiled its "Guiding Principles on Evolving Business Models and the Dealer Franchise System."

The principles—based on two years of conversations among NADA leadership, state and metro ATAEs, dealer councils, and NADA's OEM counterpart trade association, the Alliance for Automotive Innovation—clearly articulate NADA's position on the major issues affecting the dealer franchise system, as well as common core values that dealers and manufacturers agree on. "Our goal is to move the industry toward recognition and acceptance of these principles, help dealers and OEMs work to improve the customer experience, and make the pie bigger and better for everyone," Stanton says.

The final principles, which rolled out this summer, are

supported by the NADA board, as well as state association partners and OEMs with whom they have been shared.

"I see us—dealers and OEMs—as two necessary components of a single automotive ecosystem," says 2022 NADA Chairman Mike Alford. "In this single ecosystem, where the retail and manufacturing channels coexist, we can bring about a customer experience that will be the envy of every other industry in the world. Moving toward this approach brings opportunity for everyone."

DEALER FRANCHISE SYSTEM AND EVOLVING BUSINESS MODELS

NADA's first principle is recognition and support of evolving business models and the dealer franchise system: "NADA and its dealer members recognize that the franchise dealership model is in a period of dynamic evolution, driven by technology and increased expectations of the consumer experience. NADA supports the dealer franchise system as the most consumer-friendly, efficient and effective model of distribution for motor vehicles—ICE or BEV—in the United States. NADA believes both dealers and OEMs should publicly recognize and acknowledge these facts."

DOWNSTREAM REVENUES

The next principle concerns downstream revenues—an area of particular concern among OEMs, according to 2023 NADA Chairman Geoffrey Pohanka, who is a member of a 20 Group for multifranchise dealers and was instrumental in helping create the Guiding Principles. “I was able to hear some of the concerns manufacturers have about auto dealers and the franchise system,” Pohanka says. “For example, manufacturers were worried that dealerships will prevent over-the-air updates” because it means fewer service visits to the dealership.

In its principles, NADA states that the organization is for dealers working with their OEMs regarding downstream revenue/ subscription/activation services to enhance the customer experience and create win-win solutions for dealers and OEMs. But NADA is against OEMs selling vehicle features directly to consumers without dealer involvement and revenue sharing.

RESERVATIONS AND VEHICLE ALLOCATIONS

When it comes to reservations and vehicle allocations, NADA’s principles call for a reservation and ordering system that embraces the franchise model. That includes reservation ordering programs when the orders are placed through local dealerships that consumers choose, transparent pricing and delivery policies, and a requirement that OEMs and dealers honor commitments made at time of order.

DATA SHARING

Data sharing has been a major sticking point between dealers and OEMs, Pohanka says. “Data sharing is very important and valuable to the manufacturer. At the same time, we have to be careful what we share outside the dealership ecosystem.”

In its Guiding Principles, NADA has agreed that data should be shared and that dealers and their customers should be protected: “We support dealers working with their respective OEMs to determine an optimal customer experience that creates win-win scenarios for dealers and OEMs. But we are against third-party vendor agreements that do not take dealer protections into account, and we are against one-sided OEM agreements that consider only OEM interests.”

BUSINESS EFFICIENCIES

In the principles, NADA recognizes that there may be inefficiencies that could be eliminated in order to help further improve customer satisfaction. That’s why the organization and its members are supporting identifying efficiencies that may lead to a reduction in costs associated with distribution. But NADA says it is opposed to OEM-to-dealer cost shifting that benefits OEMs only.

The overall goal of these Guiding Principles is to provide a pathway for the franchise system to continue flourishing as the best system for selling and servicing new vehicles. NADA is 100% focused on ensuring that dealerships are resilient, innovative and able to nimbly adapt—not only today, but also for future generations. ❖



The four-page pamphlet of the principles can be downloaded and shared at nada.org/principles.



Workplace Diversity

How NADA is helping to build strong, inclusive dealerships.

BY SHERYLL POE

For companies and organizations, expanding diversity, equity and inclusion (DEI) in the workplace is not only the right thing to do, but it's good for business. For America's dealers in particular, having a dealership that welcomes everyone means more customers, more sales and a bigger talent pool.

"As tentpole businesses in our local communities, we know what our customers want and need, and we should continue emphasizing the importance of maintaining workplaces that are reflections of the communities we serve," says 2022 NADA Chairman Mike Alford.

As a national trade association that represents all vehicle dealers, NADA is committed to improving racial and gender diversity in the dealership and developing all those who want to be part of the most successful industry in history.

"We are proud of our work to help minorities move up the ranks into leadership positions at dealerships—from sales and service managers, to general managers and eventually dealers," says NADA Executive Director of External Affairs and Public Policy Myra Dandridge. "Local dealerships are a great place for people from all communities to find good-paying jobs with opportunities for advancement into management roles."

Toward that end, NADA is facilitating new 20 Groups for women and minorities, and providing solution-based diversity

education through the NADA Academy, Tailored Training, and online courses and community partnerships.

GROWTH THROUGH LEARNING

In 2021, NADA was selected as the exclusive provider for GM's Minority Dealer Development 20 Groups. NADA's 20 Group meetings have a proven track record of improving the business success of participating dealers, including through its nearly decade-long partnership with GM to facilitate the company's Women's Retail Network 20 Group meetings.

The popular annual networking and education event Women Driving Auto Retail (WDAR) and its accompanying video contest return this year to celebrate women building careers in auto retail. (For more details on WDAR events during NADA Show 2023, see page 19.)

In addition, NADA's *Driven* management guide *Diversity as a Business Imperative* has been updated multiple times since it was developed in 2010 and is distributed to all members.

REPRESENTATION MATTERS

Each month, nada.org and the *NADA Headlines* e-newsletter feature inspiring profiles of diverse dealership staff. Here's a quick look at some of those individuals:



Peter Boulware
African-American dealer
and former NFL player
(*BMW of Gainesville, Tallahassee, Fla.*)



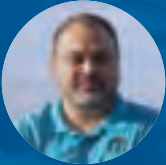
Evelyn Chatel
Cuban-born general manager
(*West Kendall Toyota, Miami*)



Erich Christjansen
Gay vice president of fixed operations
(*Waiser Automotive Group, Edina, Minn.*)



Andrea Fuentes
Native American parts department cashier
(*Courtesy Chevrolet, Phoenix*)



Joseph Hawk
Native Hawaiian executive manager
(*Kama'aina Motors, Hilo, Hawaii*)



Diana Kennedy
Asian-American general manager
(*Volvo Cars Marin, San Rafael, Calif.*)



Boris Lopez
Venezuelan-born vice president of operations
(*Toy Tech Motors Corp., Miami*)



Stan Masamitsu
Native Hawaiian chairman of the board/CEO
(*The Tony Group, Haiwapu, Hawaii*)



Jenell Ross
Second-generation, African-American dealer
(*Bob Ross Auto Group, Dayton, Ohio*)



Martin Silva
Mexican-American general manager
(*Audi Dominion, San Antonio*)



Jaime Vergara
Peruvian-born dealer principal
(*Morristown Ford, Morristown, Tenn.*)



Santosh Viswanathan
Vice president, born in India and grew up in
Kuwait before moving to the U.S. at age 17
(*Willis Ford, Smyrna, Del.*)

In addition:
Heuberger Subaru of Colorado Springs
Cultivating an inclusive culture in its hiring practices, customer
experience and support of LGBTQ+ events



“By giving minority constituencies within the auto retail community more and more tools to thrive and succeed, we’ll be working our way toward a more diverse and inclusive dealer body for years and hopefully generations to come,” says NADA President and CEO Mike Stanton.

STARTING WITH STUDENTS

In an effort to recruit, train and hire more women and minorities in the auto retail industry, NADA and the National Urban League have partnered to create a workforce development initiative. The two organizations, with the help of the Urban League

of Louisiana and the Louisiana Automobile Dealers Association, are developing and implementing two workforce development pilot initiatives: the Jumpstart! Technician Apprenticeship Program and the Dealership Internship Program.

“Through our education programs, diverse partnerships and work within local communities, we are working to ensure that our dealership workforce mirrors the rich mosaic of communities we serve,” Dandridge says.

The latest diversity outreach efforts of NADA and the National Urban League will be discussed during a high-profile Live Stage segment at NADA Show 2023. ❖

LIVE STAGE

LOBBY D, LEVEL 2

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RIVETING



REVEALING



REFRESHING

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AUTO RETAIL*



1847

W. Hare & Son Inc.
Noblesville, Ind.

1852

Schaefer & Bierlein Inc.
Frankmuth, Mich.

1859

Reynolds' Garage & Marine Inc.
Lyme, Conn.

1875

Kemmann Chevrolet Inc.
Lowden, Iowa

Normandin Chrysler/Jeep
San Jose, Calif.

1885

Moser Motor Sales Inc.
Berne, Ind.

1895

Ferman Motor Car Co., Inc.
Tampa, Fla.



NADA Century Award

Dealership success stories

100 years in the making.

BY SHERYLL POE

The first NADA Century Award was presented in 2004 to Martens Cars of Washington (D.C.) by then-NADA Chairman Charley Smith and then-NADA President Phil Brady. Said co-owner Steuart Martens, “I think it’s a tribute certainly to our grandfather and his vision way back in the early 1900s, and also to our father, who continued that legacy.”

Now, nearly 20 years later, among the nine new dealer family businesses being honored is Pohanka Automotive Group, Capitol Heights, Md., whose dealer principal is the 2023 NADA Chairman Geoffrey Pohanka (see profile story on page 42).

In the early 1900s, Pohanka’s grandfather Frank ran away from home as an eighth-grader, became a successful horse jockey and later switched careers to auto mechanic. General Motors hired him as a service rep and sent him to downtown Washington, D.C., where he opened Pohanka Service in 1919 to sell and service Chevrolets, before switching to Oldsmobiles a few years later. Frank’s son, John, who took over the dealership after his father died in 1959, was considered a pioneer of the auto retail industry.

All nine of this year’s Century Award honorees have also navigated historic highs and lows and kept the entrepreneurial spirit alive for following generations. Each of these longtime dealerships will be honored at NADA Show 2023 in Dallas.

Pohanka Service.
Washington, D.C.

1897

Hill International Trucks LLC
East Liverpool, Ohio

1898

Eich Motor Co.
St. Cloud, Minn.

1900

Diehl Ford Inc.
Bellingham, Wash.
Hulsizer Chevrolet
Montgomery, Pa.

1901

King BMW
Freehold, N.J.

1902

Suttle Motor Corp.
Newport News, Va.

1903

Tenvoorde Ford Inc.
St. Cloud, Minn.
Wentworth Chevrolet Inc.
Portland, Ore.





Covina Volkswagen Covina, Calif.

1911

In the early 1900s, the Bozzani brothers, Joe and Amerigo, made the long trip from Italy to America to scout possible locations for a Fiat factory. After a change of plans by the Fiat executives, the brothers boarded a train to California. On the cross-country journey, the brothers were robbed of all their money and belongings. They arrived in Los Angeles' Little Italy neighborhood broke and alone, but went straight to work opening a bicycle and motorcycle repair shop and eventually launched their first auto dealership in 1911. The business was sold in 1996 and became Covina Volkswagen, though Joe's grandson Greg Bozzani remains general manager and partner.

Burke Motor Group Cape May Court House, N.J.

1912

Raymond Burke Sr. was just 13 years old when he was a spectator at the Cape May automobile speed trials in 1905 and quickly became enthralled with automobiles, opening his first gas station in Wildwood, N.J., in 1912. Throughout the 1920s and 1930s, Burke continued to grow his auto empire, adding Chevrolet and Oldsmobile franchises and building a new service station and showroom facility in Cape May Court House.

1904

Martens Cars
Washington, D.C.

1905

**Claude Nolan
Cadillac**
Jacksonville, Fla.

1906

Smart Chevrolet Co.
Pine Bluff, Ark.

1907

Garber Buick
Saginaw, Mich.

Luck Chevrolet
Ashland, Va.

Wegner Auto Co.
Pierre, S.D.

1908

Don Drennen Motor Co.
Hoover, Ala.

Goodwin Bros. Auto
New Castle, Ind

I.G. Burton and Co., Inc.
Milford, Del.

Smart Motors Inc.
Madison, Wis.





Chapman Ford
Marysville, Ohio

1913

In 1913, George Butler Chapman, owner of the Plain City Grocer in Plain City, Ohio, decided to pursue his passion and sell automobiles—specifically Fords. His experience as a grocer was invaluable to his success as a car dealer, says great-grandson Joe Chapman. George Chapman “was wise to customer service and committed to delivering a better value to people to earn and keep their business.”

O’Meara Ford
Northglenn, Colo.

1913

In 1906, Alfred O’Meara Sr. became employee No. 138 on Henry Ford’s assembly line in Detroit. By 1913 he had contracted tuberculosis and sought to travel west to dry out his lungs. Henry Ford offered him an opportunity to be the first Ford dealer in Colorado and he accepted. Due to Alfred’s quick thinking in purchasing as many used cars as he could, as well as a lathe to make parts, they survived World Wars I and II, as well as the COVID pandemic, by relying on their service and parts departments.

1910

1911

Grovert Motor Co.
Newhall, Iowa

Sames Motor Co.
Laredo, Texas

Barry Motor Co.
Danbury, Iowa

Dahl Automotive
Westby, Wis.

The Hersrud Co.
Sturgis, S.D.

Tiffany Motor Co.
Hollister, Calif.

Chuck Colvin Auto
McMinnville, Ore.

Hight Auto Group
Skowhegan, Maine

Covina Volkswagen
Covina, Calif.

Kelleher Motor Co.
Ellensburg, Wash.





McDaniel Motor Co.
Marion, Ohio

1916

Marion L. McDaniel Sr., along with partners Bert E. Bumgarner and Ernest B. Bumgarner, opened The Marion Overland Co. in a livery barn in Marion, Ohio, on January 26, 1916. The company, which sold and serviced Willys-Overland cars, was a hit from the start. By 1920, McDaniel had bought out his two partners, moved the company into a new building and, in 1927, changed the name of the company to the McDaniel Motor Co.

R.I. Suresky and Sons Inc.
Goshen, N.Y.

1916

Raymond "Ike" Suresky started his own business in 1916 selling car parts and accessories, including tires, batteries, belts and motor oil in Goshen, N.Y. He would also buy Hupmobile, Durant, Nash, Pierce-Arrow, Whippet and Oldsmobile cars off the train at the Erie Freight Depot and sell them one at a time. By the 1930s, he was tapped by the Chrysler Corp. to become a DeSoto dealer and also acquired a Plymouth dealership.

1912

1913

1914

1915

1916

Burke Motor Group
Cape May Court House, N.J.

C. Speck Motors
Sunnyside, Wash.

Harper Motors
Eureka, Calif.

J.C. Lewis Ford
Savannah, Ga.

Witt Buick
Muskegon, Mich.

Baker Garage Inc.
Baker City, Ore.

Chapman Ford
Marysville, Ohio

O'Meara Ford
Northglenn, Colo.

Oliver C. Joseph Inc.
Belleville, Ill.

Brasher Motor Co. of Weimar Inc.
Weimar, Texas

Broadway Automotive
Green Bay, Wis.

McClinton Chevrolet Co.
Parkersburg, W.Va.

Edwards Chevrolet Co.
Birmingham, Ala.

Mark Moats Ford
Defiance, Ohio

McDaniel Motor Co.
Marion, Ohio

R.I. Suresky and Sons Inc.
Goshen, N.Y.





Mark Moats Ford
Defiance, Ohio

1916

By the time he was 38 years old, Edwin B. Moats of Sherwood, Ohio, had not one but two jobs: farming and working for the B&O Railroad. In 1916, he decided to launch his own business, selling Allen automobiles. While it's unclear how many Allen cars he sold, Moats did sell a lot of Fords, including Model T cars, trucks and Fordson tractors. The tractors, in particular, fetched many interesting trade-ins, including horses, cows and hogs.

M.J. Goss Motor Company
La Grande, Ore.

1922

“Studebaker Goss,” also known as Milo Jasper “M.J.” Goss III, was founder of M.J. Goss Motor Company. Goss began working in auto garages in La Grande, Ore., in 1917 and soon began selling Studebakers for the Inland Motor Company before establishing his own dealership in 1922.

1917

Brown's Automotive Group
Patchogue, N.Y.

Soerens Ford of Brookfield
Brookfield, Wis.

1918

Colussy Chevrolet
Bridgeville, Pa.

Sandman Brothers Inc.
Shelbyville, Ind.

1919

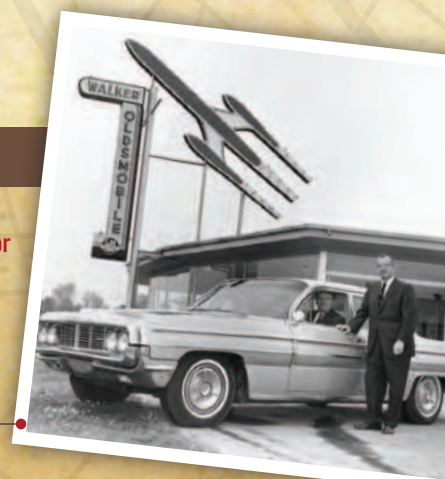
Mohawk Honda
Glenville, N.Y.

Pohanka Automotive Group
Washington, D.C.

Walker Automotive
Alexandria, La.

1922

M.J. Goss Motor Company
La Grande, Ore.



Dealerships that have been in the transportation business for 100 years or more can apply for the **NADA Century Award** at nada.org.



Washington Insider

As 2023 NADA chairman, third-generation Washington, D.C.-area dealer Geoffrey Pohanka carries on a family tradition.

BY SHERYLL POE

The Pohanka family has a long history with NADA. In fact, both the Pohanka family's business and NADA started around the same time.

Frank S. Pohanka opened his first dealership in Washington, D.C., in 1919—just two years after NADA was founded. “I have a long family connection with NADA and I know the organization inside out,” says Geoffrey Pohanka, Frank’s grandson and the 2023 NADA chairman. “When my dad took over the business in 1959, the NADA headquarters was three blocks away from the dealership.”

Pohanka’s father, John, went on to become the NADA director for Maryland and, in 1976, NADA chairman. “Giving back to NADA is in our family history going way back to the 1950s,” says Pohanka.

BUILDING A BUSINESS

Pohanka was 13 when he began working in his family’s dealerships during summers in the 1970s. He attended Colgate University and planned to attend business school, but his father recommended he work two years full-time in the dealership first (Oldsmobile-Honda-Fiat). “We sold a lot of cars but had a very poor service department, which nearly drove me from the business,” Pohanka says. “When I told my father I wanted to do something else, he asked if I would attend a monthlong training program at the General Motors Institute in Flint, Michigan. There, I wrote a comprehensive report about what my father needed to do to ‘fix his business,’ and then I would move on. My father liked my report so much he offered to put

52

NUMBER OF YEARS POHANKA HAS WORKED IN THE AUTO RETAIL BUSINESS

1919

YEAR POHANKA'S GRANDFATHER FRANK S. POHANKA OPENED THE FAMILY'S FIRST DEALERSHIP IN WASHINGTON, D.C.

1998

YEAR POHANKA SERVED AS CHAIRMAN OF THE WASHINGTON AREA NEW AUTOMOBILE DEALERS ASSOCIATION



Geoffrey Pohanka at Pohanka Hyundai (above), and with his wife, Anne (left).

me in charge of the fixed operations to implement the changes, which I accepted and did. So here we are today.”

Today, the Pohanka Automotive Group has 20 locations in Maryland, Virginia and Texas, and ranked 34th on *Automotive News*' 2021 list of the nation's top 150 dealership groups. And the fourth and fifth generations of the

family are now working at the dealership group, including two of Pohanka's children—daughter Laura and son Kevin.

WORKING WITH NADA

Like his father, Pohanka became involved with the Washington Area New Automobile Dealers Association (WANADA), ascending to chairman in 1998 and serving as

chairman of WANADA's Washington, D.C., Auto Show in 2016.

Pohanka originally served on the NADA board from 2001 to 2009 but left to relocate three of his legacy dealerships. He returned to the board in 2015 and has served as chairman of the Industry Relations Committee.

Pohanka was elected vice chairman of



Pohanka with Eric Woodward, senior sales manager for Pohanka Hyundai, who has been with the company 38 years.

NADA in 2022 and represents Washington, D.C.-area dealers on the NADA Board of Directors.

“It is important that dealers give back to our industry,” Pohanka says. “My skill sets are the right ones for the times and the many challenges that our industry faces. I bring a lot of retail experience but also experience working with manufacturers and politicians.”

MISSION 2023

Among the challenges Pohanka will tackle as 2023 chairman are combating regulations that harm the business, bolstering auto retail’s transition to electric vehicles, and strengthening the relationship between manufacturers and auto dealers, including the use and sharing

of customer data—addressed by NADA’s new Guiding Principles (see page 31).

“One of the biggest challenges we face is around messaging,” says Pohanka. “Basically, car dealers and manufacturers want the same thing—sell a lot of cars and take care of customers—but we don’t go about it the same way and we don’t understand each other completely.”

As for electric vehicles, Pohanka is all-in and is currently driving his third EV—a Volkswagen ID-4. “When dealers started asking questions about electrification, people thought we were opposing it,” he says. “We’re not opposed. We’re concerned about

1,700
NUMBER OF
EMPLOYEES
AT POHANKA
AUTOMOTIVE
GROUP

affordability and the charging infrastructure.”

As someone with deep roots in the Washington, D.C., area, Pohanka says he is uniquely qualified to lead NADA and the auto dealer

body. “I’ve been involved in industry and government relations for a long time and I understand how things work.

“We’ve had challenges from government and others, but we have a lot of strengths, including our community involvement,” Pohanka adds. “We’re consumer focused, adjust to changing situations, and there’s resiliency in the franchise system. People outside the franchise system don’t recognize the strength we have in terms of what we do so well.” ❖



Take Charge!

Auction to Benefit NADA Foundation

CANINE COMPANIONS

Saturday | January 28 | 1pm | BacklotCars Booth #2833

AUCTION ITEM | LiveWire One | 100% Electric | Liquid Black

- Recharge to 100% in 60 minutes
- 146-mile city range / 70 highway
- Customizable riding modes
- 0-60mph in 3 seconds 100hp 84ft-lb torque
- 4.3-inch Bluetooth infotainment touch screen



DONATE TODAY!



**BACKLOT
CARS**

BacklotCars has donated a LiveWire One to NADA Foundation, which will be auctioning it off. No pre-sale qualification required. The LiveWire One will be offered for sale by NADA Foundation "AS IS" in an open environment, onsite at the BacklotCars booth #2833 only. No online or proxy bids will be accepted. Winning bidder must pay any and all applicable fees, taxes and winning bid amount directly to the NADA Foundation. Neither NADA Foundation nor BacklotCars can provide any tax information or guidance. Consult a tax advisor regarding any potential tax deduction benefits relating to a charitable contribution. Transportation of the auction item to the winning bidder is limited to the contiguous U.S. and will be scheduled after payment is received by the NADA Foundation.

2023 NADA Officers & Board of Directors

WHO'S WHO

REGION III

- Illinois
- Metro Chicago
- Indiana
- Iowa
- Kansas
- Michigan
- Metro Detroit
- Minnesota
- Missouri
- Nebraska
- North Dakota
- Ohio
- Metro Cleveland
- South Dakota
- Wisconsin

15

REGION IV

- Alaska
- Arizona
- California (Northern)
- California (Southern)
- Colorado
- Hawaii
- Idaho
- Montana
- Nevada
- New Mexico
- Oregon
- Utah
- Washington
- Wyoming

14

5

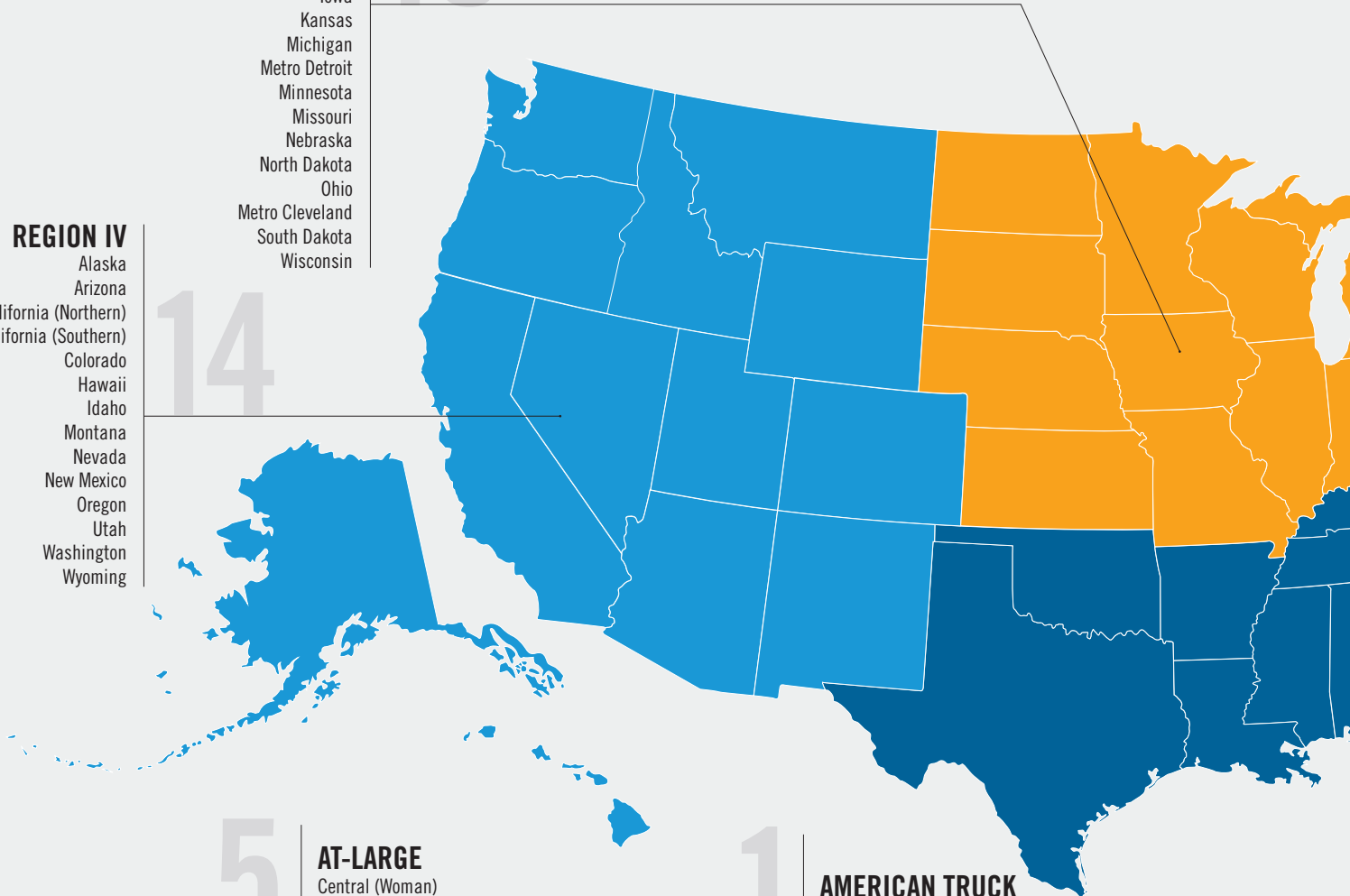
AT-LARGE

- Central (Woman)
- East (Woman) • East (Minority)
- West (Woman) • West (Minority)

1

AMERICAN TRUCK DEALERS

Chairman



OFFICERS



Geoffrey Pohanka
Chairman



Gary Gilchrist
Vice Chairman



Kirt Frye
Treasurer



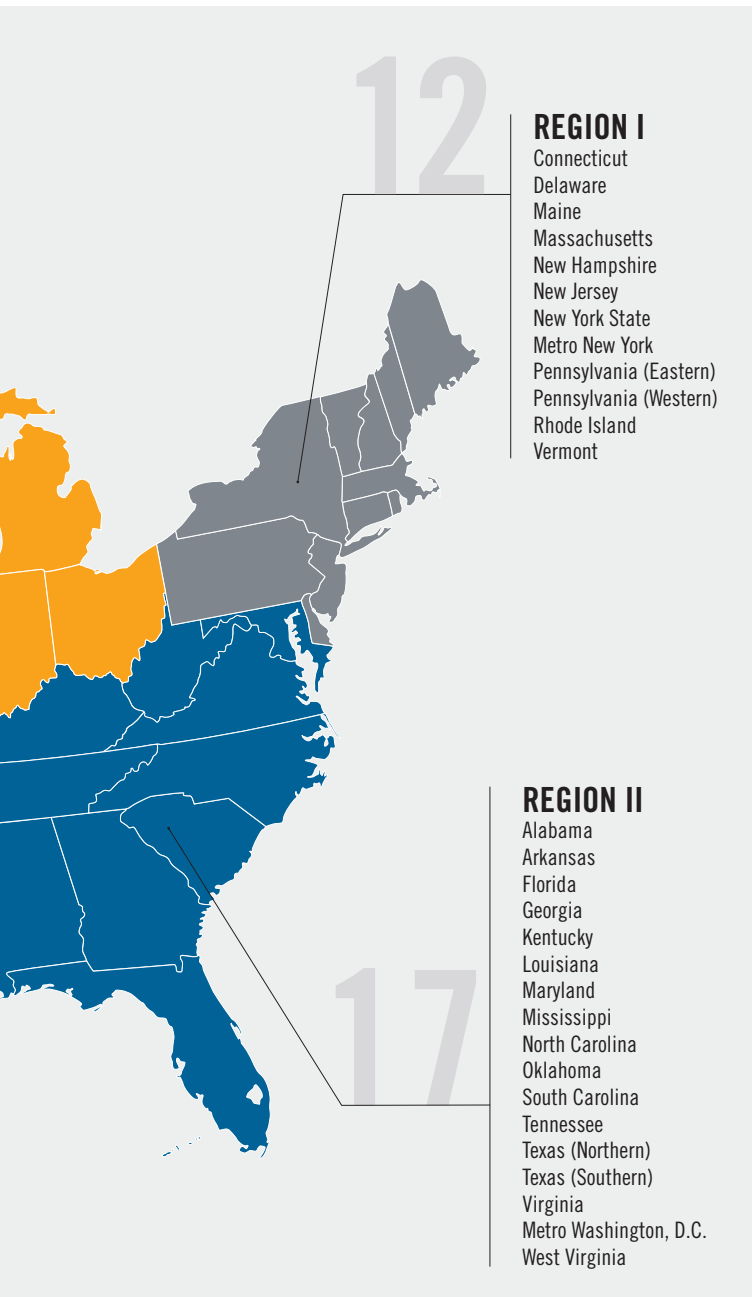
William H. Willis Jr.
Secretary



Michael K. Alford
Immediate Past Chairman



Mike Stanton
President and CEO



REGION I

Connecticut
Delaware
Maine
Massachusetts
New Hampshire
New Jersey
New York State
Metro New York
Pennsylvania (Eastern)
Pennsylvania (Western)
Rhode Island
Vermont

REGION II

Alabama
Arkansas
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas (Northern)
Texas (Southern)
Virginia
Metro Washington, D.C.
West Virginia

REGION I



Vice Chairman
Robert J. Vail
Vail Buick GMC
Bedford Hills, N.Y.
(New York Metro)



Jeff Aiosa
Mercedes-Benz of
New London
New London, Conn.
(Connecticut)



Rob Cochran
#1 Cochran
Monroeville, Pa.
(Western Pennsylvania)



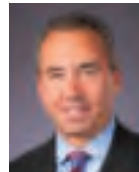
Richard DeSilva Jr.
Liberty Subaru
Emerson, N.J.
(New Jersey)



Scott Dube
McGovern Rt. 93 Hyundai
Wilmington, Mass.
(Massachusetts)



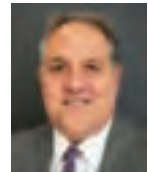
John Emerson
Emerson Chevrolet Buick Inc.
Auburn, Maine
(Maine)



David Hammer
Contemporary Chrysler Dodge
Jeep Ram Fiat
Milford, N.H.
(New Hampshire)



Frank B. Hanenberger
Brattleboro Subaru
Dodge Jeep Ram
Brattleboro, Vt.
(Vermont)



John McClurg
McClurg Chrysler
Dodge Jeep Ram
Perry, N.Y.
(New York)



John S. Oyer
Faulkner Nissan of Jenkintown
Jenkintown, Pa.
(Eastern Pennsylvania)



Robert F. Tasca Jr.
Tasca Automotive Group
Cranston, R.I.
(Rhode Island)



William H. Willis Jr.
Willis Automotive Group
Smyrna, Del.
(Delaware)

REGION II



**Vice Chairwoman
Valerie Bowen**
ValMark Chevrolet
New Braunfels, Texas
(At-Large Central)



Michael K. Alford
Marine Chevrolet
Jacksonville, N.C.
(North Carolina)



Sandy Angello
Pohanka Automotive Group
of Salisbury
Salisbury, Md.
(Maryland)



Tom Bloomfield
Don Thornton Automotive Group
Tulsa, Okla.
(Oklahoma)



Michael Joe Cannon
Cannon Motors of Mississippi
Oxford, Miss.
(Mississippi)



Thomas Castriota
Castriota Chevrolet Inc.
Hudson, Fla.
(Florida)



Roger Elswick
Community Toyota Honda Kia
Baytown, Texas
(Southern Texas)



Mark Hebert
Hebert's Town and Country
Dodge Chrysler
Shreveport, La.
(Louisiana)



A. Foster McKissick III
Fairway Ford Inc.
Greenville, S.C.
(South Carolina)



Stan McNabb
Stan McNabb Chevrolet
Buick GMC Cadillac
Tullahoma, Tenn.
(Tennessee)



Steve Middlebrooks
Heyward Allen Toyota
Athens, Ga.
(Georgia)



John Mitchell Jr.
Mitchell Nissan
Enterprise, Ala.
(Alabama)



Tony Pack
Sam Pack Auto Group
Farmers Branch, Texas
(Northern Texas)



Geoffrey Pohanka
Pohanka Automotive Group
Capitol Heights, Md.
(Metro Washington, D.C.)



Danny Renshaw
Renshaw Automotive Group
Bowling Green, Ky.
(Kentucky)



Ted Smith
Smith Ford Inc.
Conway, Ark.
(Arkansas)



Richard Stephens
Stephens Automotive Group
Danville, W.Va.
(West Virginia)



Michael Suttle
Suttle Motor Corp.
Newport News, Va.
(Virginia)

REGION III



**Vice Chairman
Joshua Johnson**
Don Johnson Motors
Rice Lake, Wis.
(Wisconsin)



Trace Beck
Beck Motors Inc.
Pierre, S.D.
(South Dakota)



Chris W. Coyle
Coyle Chevrolet Buick
GMC Nissan
Clarksville, Ind.
(Indiana)



Sidney "Sid" Dillon
Sid Dillon Chevrolet
Fremont, Neb.
(Nebraska)



Kirt Frye
Sunnyside Automotive Group
Middleburg Heights, Ohio
(Metro Cleveland)



Ryan Gremore
O'Brien Auto Team
Normal, Ill.
(Illinois)



Jeff Longbine
Longbine Auto Plaza
Emporia, Kan.
(Kansas)



Wesley L. Lutz
Extreme Dodge Chrysler
Jeep Inc.
Jackson, Mich.
(Michigan)



Joseph Massarelli
Liberty Auto City
Libertyville, Ill.
(Metro Chicago)



Colleen McDonald
Livonia Chrysler Jeep
Livonia, Mich.
(Metro Detroit)



Jesse Peterson
Eide Automotive Group
Bismarck, N.D.
(North Dakota)



Rhett Ricart
Ricart Automotive Group
Columbus, Ohio
(Ohio)



Bobby Sight
Rob Sight Ford
Kansas City, Mo.
(Missouri)



Paul Walsler
Walsler Automotive Group
Edina, Minn.
(Minnesota)



Jeffrey M. Weber
Anderson-Weber Inc.
Dubuque, Iowa
(Iowa)

NADA Data 2022

mid-year update

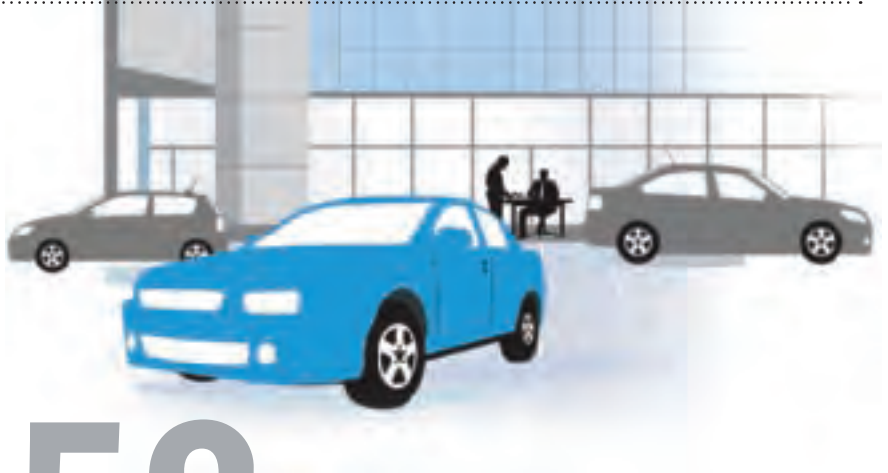
A mid-year report on vehicle sales.

BY JOE PHILLIPS

NADA's regular, comprehensive financial profiles of new-car dealerships—*NADA Data: Full-Year Report* and *NADA Data: Mid-Year Report*—are two of the association's most popular publications. Despite disruptions from the semiconductor shortage, vehicle sales and service have been keeping dealers and their employees busy, and bolstering local economies. Here are some highlights, with all *NADA Data* numbers from mid-year 2022 unless otherwise noted. (For a complete copy of the latest *NADA Data*, visit nada.org/nadadata.)

Total New-Car Dealerships

16,752



TOTAL DEALERSHIP SALES

\$618,750,452,450

...per dealership

\$36,935,915



CALIFORNIA

Highest dollar sales for all dealerships **\$73,518,872,533**



ARIZONA

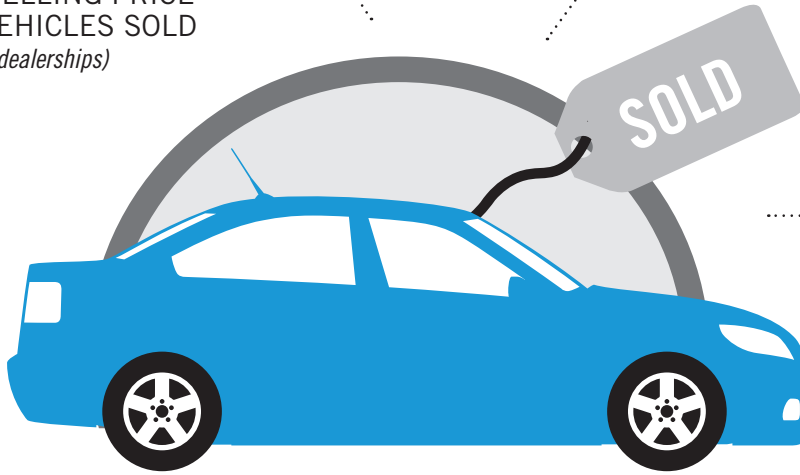
Highest dollar sales per dealership **\$60,819,210**

\$30,796

AVERAGE SELLING PRICE OF USED VEHICLES SOLD
(by new-vehicle dealerships)

\$45,646

AVERAGE SELLING PRICE OF NEW VEHICLES SOLD



404

AVERAGE NEW VEHICLES SOLD PER DEALERSHIP



domestic
1,032,482
+ import
189,741

NEW-CAR INVENTORY

1,222,223



NEW-VEHICLE DAYS' SUPPLY

30
domestic

22
import

March

Month with most new-vehicle sales

1,257,821 units

Change in number of new vehicles sold

-18.3%

from June 2021 to June 2022

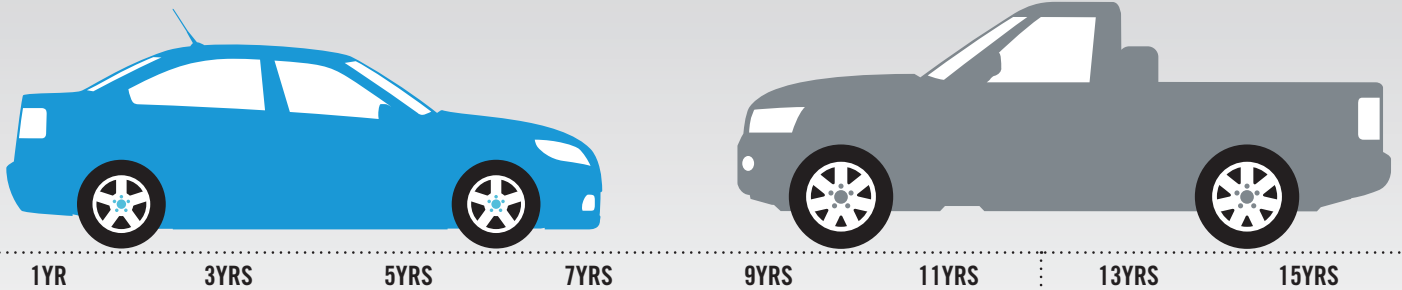
TOTAL NEW VEHICLES SOLD THROUGH JUNE 2022

6.8 million units

VEHICLES IN OPERATION, Q2 2022

284.4 million

Source: Experian



Average age of vehicles on the road
(cars and light trucks, Q2 2022)

**12.2
YEARS**

Source: S&P Global Mobility

DEALERSHIP EMPLOYEES

1,057,900

65

Average per dealership



\$1,600

Average weekly earnings per dealership employee (year-end 2021)

\$5.3 million

Average annual payroll per dealership (year-end 2021)

\$88.2 billion

Total payroll of all dealerships (year-end 2021)

Source: Bureau of Labor Statistics





\$68.9 billion
SERVICE AND PARTS SALES
(for all new-vehicle dealerships)



\$4.1 million
SERVICE AND PARTS SALES
(per new-vehicle dealership)



257,650
TECHNICIANS
(including body shop)



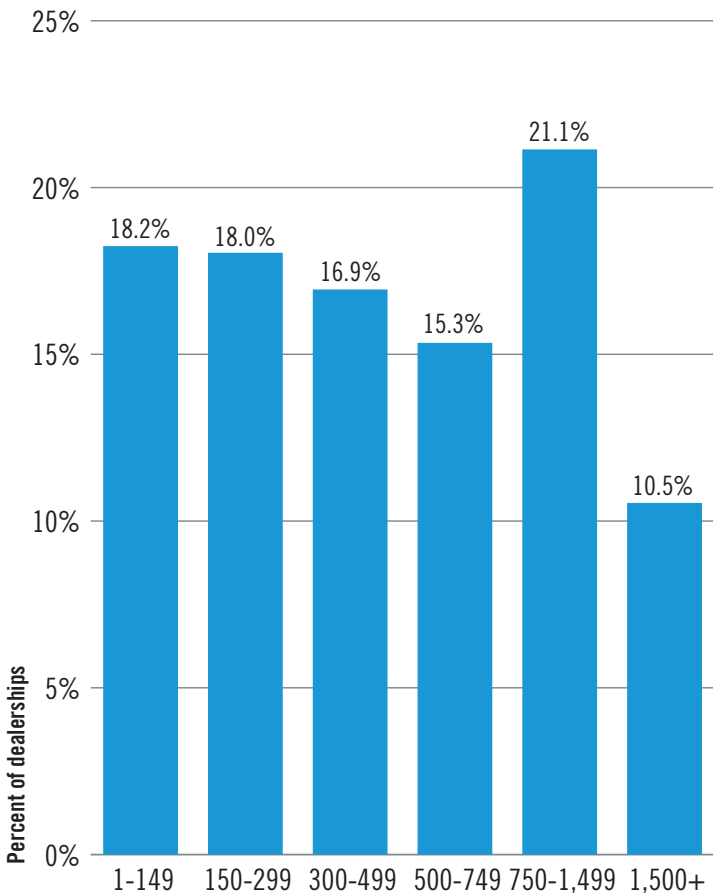
135 million
REPAIR ORDERS WRITTEN

Percentage of dealerships operating on-site body shops

34.8%

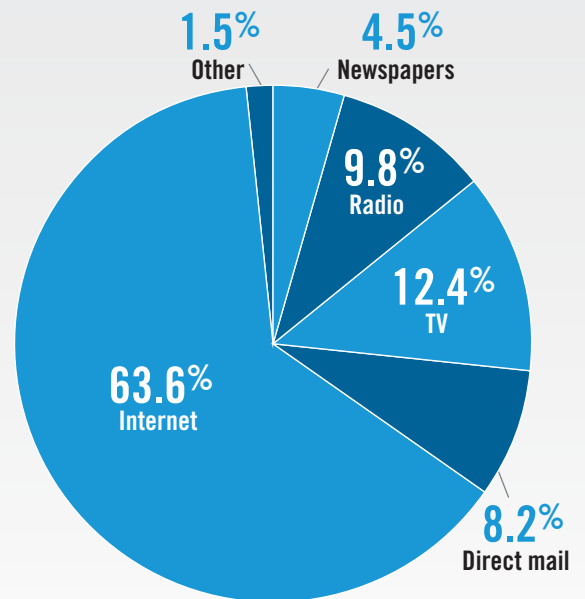
SHARE OF DEALERSHIPS BY VOLUME

(of new-unit sales, June YTD 2022)



ADVERTISING EXPENDITURES

(by medium, data from year-end 2021)



(All NADA Data numbers are from mid-year 2022 unless otherwise noted.)

REGULATORY MAZE

Service and Parts Department

- Clean Air Act
- Clean Water Act
- DOT hazardous-materials-handling procedures
- FTC Used Parts Guide
- IRS Core Inventory Valuation
- LIFO/FIFO inventory accounting method
- NHTSA tampering rules
- NHTSA tire rules
- OSHA asbestos standards
- OSHA Hazard Communication Standard
- OSHA lock-out/tag-out procedures
- OSHA workplace health and safety standards
- RCRA
- Safe Drinking Water Act
- Superfund
- UNICAP

Body Shop

- Clean Air Act
- EPA hazardous-waste rules
- OSHA Hazard Communication Standard
- OSHA Respiratory Protection Standard
- OSHA workplace health and safety standards
- UNICAP
- VIN and parts marking



All Departments (Customer)

- Americans with Disabilities Act
- CAN-SPAM Act
- Consumer Review Fairness Act
- Driver's Privacy Protection Act
- Electronic Funds Transfer Act
- FTC Privacy Rule
- FTC prohibition against deceptive and unfair trade practices
- FTC Safeguards Rule
- FTC Telemarketing Sales Rule
- FTC warranty rules
- IRS Cash-Reporting Rule
- Magnuson-Moss Act
- OFAC restrictions
- Telephone Consumer Protection Act
- USA PATRIOT Act

Our annual list of major federal regulations. State and local laws also apply and sometimes include additional requirements.

F&I Department

- Dodd-Frank Financial Reform Law
- Equal Credit Opportunity Act
- FACT Act of 2003
- Fair Credit Reporting Act
- FTC Credit Practices Rule
- FTC Holder-in-Due-Course Rule
- Gramm-Leach-Bliley Act
- Military Lending Act
- Producer-Owned Reinsurance Companies
- Truth in Lending and Consumer Leasing acts

All Departments (General Management/Personnel)

- Affordable Care Act
- Age Discrimination in Employment Act
- Americans with Disabilities Act
- COBRA
- Electronic deposit of taxes
- Electronic records retention
- Emergency-response planning
- Employee drug testing
- Employee Polygraph Protection Act
- ERISA
- Employee verification rules
- Equal Pay Act
- Estate tax
- Family and Medical Leave Act
- Federal child-support enforcement regulations
- Federal Civil Rights Act
- FTC Repossession Rule
- Federal wage-hour and child labor laws
- Genetic Information Nondiscrimination Act
- Health Insurance Portability and Accountability Act
- IRS/DOL worker classification
- IRS treatment of demo vehicles
- IRS treatment of tool plans
- Mail, Internet or Telephone Order Merchandise Rule
- Mandatory workplace posters
- Mental Health Parity Act
- Miscellaneous recordkeeping requirements
- NLRB unionization rules
- Newborns' and Mothers' Health Protection Act
- OSHA Blood-Borne Pathogens Rule
- OSHA injury and illness recording and reporting requirements
- Section 179 expensing and bonus depreciation
- USERRA
- Walking-working surfaces and fall protection rule
- WARN

New- and Used-Vehicle Sales Departments

- American Automobile Labeling Act
- CAFE and GHGs rules
- Diplomat vehicle purchases
- DOE/EPA gas-mileage guide
- Federal bankruptcy law
- FTC Cooling-Off Rule
- FTC guidelines for fuel-mileage advertising and alternative-fueled-vehicle advertising and labeling
- FTC Used Car Rule
- Gray-market vehicles
- Heavy-highway-vehicle excise tax
- IRS treatment of salesperson incentives
- LIFO inventory accounting method
- Monroney sticker (Price Labeling Law)
- Motor vehicle tax credits
- NHTSA alteration and tire-placarding rules
- NHTSA odometer rule
- NHTSA recall regulations
- NHTSA safety belt/airbag deactivation
- NHTSA tire regulations
- School van sales
- UNICAP



In addition to this list of federal laws and regulations, be sure to consult nada.org/regulatoryaffairs for more details.

All Departments (General Management/Personnel)

- **Affordable Care Act (ACA):** Extensive health care reforms enacted in 2010 affect dealerships and their health care plans. For example, most dealerships with more than 50 full-time employees had to decide by January 1, 2015, whether to offer health coverage that meets the federal requirements or pay a penalty. Many additional reporting, recordkeeping and other duties apply to dealerships and other businesses. For more information, visit healthcare.gov. The Tax Cuts and Jobs Act of 2017 (TCJA) eliminated the individual responsibility mandate after December 31, 2018.
- **Age Discrimination in Employment Act:** Protects older individuals against age-based employment discrimination.
- **Americans with Disabilities Act (ADA):** Prohibits discrimination against the physically handicapped in areas of public accommodation. Must make reasonable accommodations to facilities, such as by installing ramps, and accessible parking spaces, drinking fountains, public toilets and doors. While not clearly mandated by the ADA, businesses should consider developing and managing their websites to ensure they are accessible to those with disabilities.
- **Consolidated Omnibus Budget Reconciliation Act (COBRA):** Dealerships with 20 or more employees must continue health care coverage for ex-employees and their families for 18 to 36 months, depending on circumstances.
- **Electronic deposit of taxes:** Dealerships generally must use the Electronic Federal Tax Payment System.
- **Electronic records retention:** Revenue Procedure 98-25 explains IRS requirements for retaining computerized accounting records.
- **Emergency-response planning:** Federal, state and local laws require dealers to have emergency-response plans.
- **Employee drug testing:** Unionized dealerships must bargain with unions before implementing employer drug policies (not necessary for pre-employment drug testing). The ADA prohibits employers from discriminating against employees or applicants who have completed or are currently undergoing drug treatment, as long as they aren't currently abusing drugs.

- **Employee Polygraph Protection Act:** Prohibits dealerships from using polygraphs in pre-employment screening; allows use in limited cases where an employee is reasonably suspected of a workplace incident involving economic loss to the employer.
- **Employee Retirement Income Security Act (ERISA):** Dealers offering retirement or health plans must, among other things, provide employees with plan information, keep records and abide by fiduciary responsibilities.
- **Employment verification rules:** Dealerships must verify the employment eligibility of prospective new employees using I-9 forms and proper support documentation. Use of E-verify is optional.
- **Equal Pay Act:** Prohibits wage discrimination on the basis of sex.
- **Estate tax:** The estate tax limit for 2020 is \$11.58 million. The annual gift exclusion remains at \$15,000, with lifetime gifts beyond the annual exclusion counting toward the \$11.58 million combined estate/gift tax exemption.
- **Family and Medical Leave Act (FMLA):** Dealerships must post a notice informing employees of their right to take unpaid personal and family medical leave and must comply with appropriate requests for such leave. Special provisions apply to leave related to military service.
- **Federal child-support enforcement regulations:** Requires states to govern liens put on personal property—including vehicles—for overdue child support. Dealerships should check that child-support liens don't exist on used cars, and must place liens on wages of employees who are delinquent on child-support payments.
- **Federal Civil Rights Act:** Bars employment discrimination on the basis of race, sex, color, religion or national origin. Prevents employers from asking job applicants certain questions (such as age, marital status or childbearing plans). Prohibits workplace sexual harassment, including behavior that creates a hostile work environment.
- **FTC Repossession Rule:** Requires formal accounting of money collected for repossessed vehicles.
- **Federal wage-hour and child labor laws:** Address minimum-wage and overtime pay mandates and exemptions as well as standards for employing minors, including teen driving restrictions. Federal minimum wage is \$7.25 per hour; state and local minimum wage rates may be higher.

- **Genetic Information Nondiscrimination Act:** Prohibits discrimination based on health-related employee DNA information.
- **Health Insurance Portability and Accountability Act:** Generally prohibits health insurers from denying coverage to workers who lose or change jobs and bars insurers from excluding coverage for pre-existing conditions for more than a year.
- **IRS/DOL worker classification:** Dealers must determine whether their workers are employees or independent contractors. The IRS and the Department of Labor use multi-factor legal standards and tests to evaluate this question. When making worker-classification decisions, dealerships should be conservative and prepared to document their decisions. Of greatest importance: the level of control employers exercise over workers as measured by the means and manner of the work performed. The IRS Voluntary Classification Settlement Program encourages employers to admit past worker misclassifications.
- **IRS treatment of demo vehicles:** Revenue Procedure 2001-56 offers dealers alternative methods for determining the value of demo use by qualified salespeople and other dealership employees. It defines what constitutes limited personal use and streamlines recordkeeping requirements.
- **IRS treatment of tool plans:** Tool and equipment plans for service technicians and other employees must comply with the IRS requirements for business connection, substantiation and return of excess payment.
- **Mail, Internet or Telephone Order Merchandise Rule:** When you advertise merchandise that can be ordered by a buyer over the phone or internet for shipment to that buyer, you must either: (a) state when the merchandise will be delivered, or (b) if you make no shipment statement, you must have a reasonable basis for believing that you can ship within 30 days of a completed order. If, after taking a customer's order, you learn you cannot ship within the time stated or 30 days, you must: (a) seek the consumer's consent to a delayed shipment, or (b) if no consent is obtained, promptly refund all the money the customer paid.
- **Mandatory workplace posters:** Notices, such as "Your Rights Under the FMLA," "Equal Employment Opportunity Is the Law," "Federal Minimum Wage" and "Notice: Employee Polygraph Protection Act," must be conspicuously displayed.
- **Mental Health Parity Act:** Requires insurers and large health plans to offer

mental illness coverage comparable to that for physical illness and to set dollar limits on mental health care comparable to that for general medical and surgical services. The ACA generally mandates minimum mental health coverages.

- **Miscellaneous recordkeeping requirements:** A multitude of requirements govern the length of time records must be maintained. Examples: Notification forms for underground storage tanks must be kept indefinitely; and copies of Form 8300 cash reports must be kept for five years.
- **National Labor Relations Board (NLRB) unionization rules:** Govern unionization activities, including employee rights, election rules, postings and unfair labor practices.
- **Newborns' and Mothers' Health Protection Act:** Employers and insurers must provide minimum hospital-stay benefits.
- **OSHA Blood-Borne Pathogens Rule:** Dealerships more than four minutes from an emergency health facility must have a program to respond to employees who suffer cuts. All dealerships must have adequate first-aid kits.
- **OSHA injury and illness recording and reporting requirements:** Dealers with 10 or more employees are required to maintain a yearly log of work-related injuries and illnesses on OSHA Form 300. Dealers must also complete a report on each workplace injury or illness that occurs using OSHA Form 301. Even if no injuries or illnesses have occurred in a calendar year, all dealers with more than 10 employees must fill out and post an annual summary of work-related injuries and illnesses on OSHA Form 300A. Dealers also must report the following events to OSHA: all work-related fatalities; all work-related inpatient hospitalization of one or more employees; all work-related amputations; and all work-related losses of an eye. Heavy-duty truck dealerships with 20 to 249 employees per establishment also must electronically submit OSHA Form 300A. Both heavy-duty truck and light-duty car dealerships with more than 250 employees per establishment must electronically submit OSHA Form 300A.
- **Section 179 expensing and bonus depreciation:** Generally, businesses can expense qualified Section 179 property, subject to phaseout. The total Section 179 deduction limitation is \$1,080,000 for 2022. Bonus depreciation is 100% for certain property acquired after September 27, 2017, and is good through 2022. Starting January 1, 2023, bonus depreciation will reduce to 80% of applicable asset

cost and will reduce by an additional 20% per year until it reaches zero in 2027.

- **Uniformed Services Employment and Reemployment Rights Act (USERRA):** Governs the employment and reemployment rights of members of the U.S. uniformed services.
- **Walking-working surfaces and fall protection rule:** Must implement practices to prevent slips and falls, including personnel training and facility inspections.
- **Worker Adjustment and Retraining Notification Act (WARN):** Dealerships must give 60 days' notice to workers before termination or store closings under certain circumstances.

All Departments (Customer)

- **Americans with Disabilities Act (ADA):** Prohibits discrimination against the physically handicapped in areas of public accommodation. Must make reasonable accommodations to facilities, such as by installing ramps, and accessible parking spaces, drinking fountains, public toilets and doors.
- **CAN-SPAM (Controlling the Assault of Non-Solicited Pornography and Marketing) Act:** Emailers must identify a commercial message as an advertisement or solicitation and provide their physical postal addresses and a mechanism to opt out of future commercial emails. If recipients opt out, senders must stop sending them commercial email within 10 business days. The disclosure requirements don't apply to emails that relate to transactions or relationships, such as those containing exclusively warranty information or recall-repair messages, or messages related to the completion of transactions requested by the consumer. No one may send commercial emails to wireless devices without recipients' express prior authorization. So that senders can recognize wireless addresses, the FCC maintains a list of wireless domain names at fcc.gov/cgb/policy/DomainNameDownload.html. Commercial emailers must check the list monthly. (Additional provisions prohibit deceptive headers, misleading subject lines and other spam tactics.) A text message may also be considered an email and therefore subject to the CAN-SPAM Act if it is sent to an email address—that is, if it has an internet domain name after the "@" symbol (whether the email address is displayed or not). This means that no commercial text message (deemed to be an email) may be sent to a wireless device without

"express prior authorization." Merely having an "established business relationship" with the recipient is not enough.

- **Consumer Review Fairness Act (CRFA):** Effective March 2017, the CRFA voids any "Form Contract" that seeks to impede consumer reviews and makes it unlawful for a person to offer such a form contract to consumers. In particular, it prohibits provisions in form contracts that (1) restrict a consumer's ability to communicate reviews or performance assessments about a seller's goods, services or conduct; (2) impose a penalty or fee on a consumer who engages in communications of that nature; or (3) require people to give up their intellectual property rights in the content of their reviews.
- **Driver's Privacy Protection Act:** Prohibits access to personal information in state motor vehicle records except for limited purposes, such as driver safety, theft and recalls. Also restricts the release or use of personal info for marketing.
- **Electronic Funds Transfer Act (EFTA):** EFTA and its implementing "Regulation E" govern a variety of electronic transactions. Certain provisions of Regulation E apply directly to any "person" that engages in certain activities or transactions, regardless of whether the person is a financial institution. Examples of such transactions include: issuing access devices (such as debit cards, personal identification numbers [PINs] or payroll cards); issuing or selling gift cards; initiating electronic check conversions; preauthorizing electronic fund transfers; or operating ATMs.
- **FTC Privacy Rule:** Dealers must issue notices of their privacy policies to their finance and lease customers and, in some cases, to consumers when the dealer discloses nonpublic information about consumers to third parties. The rule also restricts disclosure of nonpublic personal information and requires dealers to contractually limit their service providers' access to and use of that information. Dealers who correctly use an FTC model privacy notice receive safe harbor protection for the language used to describe their privacy policy.
- **FTC prohibition against deceptive and unfair trade practices:** Section 5 of the FTC Act prohibits unfair and deceptive trade practices. For example, the FTC has found certain advertising practices to be deceptive, such as offering "50% OFF" the purchase prices of vehicles, but the discounted prices are only available to a very limited number of customers and the qual-

ifications for receiving the discounted price are not prominently disclosed in the ad.

■ **FTC Safeguards Rule:** The FTC recently amended the Safeguards Rule to require a series of procedural, technical, training, policy and other requirements for dealers to ensure the security of consumer data. The deadline for compliance with the new rule is June 9, 2023. Dealers should review NADA guidance and consult with their advisors and vendors to ensure compliance.

■ **FTC Telemarketing Sales Rule (TSR):** Imposes many of the Telephone Consumer Protection Act (TCPA) restrictions (below) on dealers who telemarket across state lines. Requires dealers who sell or obtain payment authorization for goods or services during interstate phone calls to abide by the prohibition against numerous deceptive and abusive acts and to maintain certain records. Prohibits prerecorded telemarketing calls without a consumer's express written agreement, requires such calls to provide a key-press or voice-activated opt-out mechanism at the outset of the calls, and requires the calls to ring for 15 seconds or four rings before disconnecting.

■ **FTC warranty rules:** The Disclosure Rule mandates disclosure requirements for written warranties and requires simple language in a single document. The Pre-Sale Availability Rule details the methods by which warrantors and sellers must provide warranty terms before a sale. The E-Warranty Act allows warrantors to comply by posting warranty terms to a website, as long as the warrantor also provides consumers with a non-internet-based method to obtain warranty terms, and allows sellers to use electronic methods to provide consumers with warranty terms pre-sale.

■ **IRS Cash-Reporting Rule:** Dealers receiving more than \$10,000 in cash in one transaction or in two or more related transactions must file IRS/FinCEN Form 8300 with the IRS within 15 calendar days and must provide written notice that the report was filed to the person named in the report by January 31 of the following year. "Cash" includes certain cashier's checks, traveler's checks, money orders and bank drafts. The IRS permits dealers to file Form 8300 electronically.

■ **Magnuson-Moss Act:** Dealers must give consumers certain information on warranties and service constraints. Warrantors are generally prohibited from requiring customer-pay service to be performed at a dealership as a condition of a vehicle warranty.

■ **Office of Foreign Assets Control (OFAC) restrictions:** Dealerships may not enter into

transactions with certain sanctioned countries, governments, or specially designated organizations and individuals. Dealers should check the electronic list maintained by OFAC to ensure compliance.

■ **Telephone Consumer Protection Act (TCPA):** Requires express written consent prior to any text message or prerecorded or autodialed telemarketing call to a cell phone. You cannot send any text message whatsoever to a cellular telephone number—solicitation or not, whether the number is on a do-not-call (DNC) list or not—using an "autodialer" unless you have the called consumer's "prior express consent." The act imposes national and company-specific DNC rules, calling-time restrictions, caller ID requirements, fax advertising rules, and restrictions on the use of autodialers and prerecorded messages. Fax ads may be sent only to authorized recipients and must include a phone number, fax number and toll-free opt-out mechanism (each available 24/7) on the first page of the fax ad. The FCC considers text messages to be "phone calls" under the TCPA. Do not send text-message "solicitations" to phone numbers on the national DNC list (subject to the "established business relationship" and "prior express permission" exemptions to the national DNC rules) or your company-specific DNC list (to which there are no exemptions). See additional text-message restrictions under "CAN-SPAM Act."

■ **USA PATRIOT Act:** Dealers must search their records and provide information about individuals or entities with whom they conducted transactions or created accounts if requested by the federal Financial Crimes Enforcement Network. Dealers are currently temporarily exempt from the law's anti-money-laundering program requirements.

New- and Used-Vehicle Sales Departments

■ **American Automobile Labeling Act (AALA):** New cars and light trucks must have a domestic-parts content label showing percentage of U.S. or Canadian parts; countries contributing more than 15% of the parts; origin of engine and transmission; and location of vehicle assembly. Dealers must ensure that labels remain on vehicles until sold.

■ **Corporate Average Fuel Economy (CAFE) and Greenhouse Gases (GHGs) rules:** NHTSA CAFE and EPA GHGs rules govern the fuel economy performance of all light-, medium- and heavy-duty vehicles, which

affects their design, performance and cost. EPA also governs the use of alternative technologies and fuels.

■ **Diplomat vehicle purchases:** The State Department's Office of Foreign Missions must approve a diplomat's vehicle purchase before a tax exemption request may be honored.

■ **DOE/EPA gas-mileage guide:** Dealers must make this guide available to prospective new-vehicle buyers upon request. Download the guide from fuelconomy.gov.

■ **Federal bankruptcy law:** Dealerships should perfect security interests within 30 days after a customer takes possession of a vehicle, regardless of state law. Otherwise, if the customer files for bankruptcy within 90 days of when the financing agreement is signed, the bankruptcy trustee may avoid the lien. Dealerships failing to perfect liens in a timely manner may be liable for losses.

■ **FTC Cooling-Off Rule:** Gives consumers a three-day "cooling-off" period only for sales not consummated at a dealership. Does not apply to auctions, tent sales or other temporary locations if the seller has a permanent place of business. FTC guidance states that an online sale or delivery of a vehicle to a consumer does not implicate this rule as long as the sale is negotiated at the dealership or online, and that the only activity that takes place at the home are the administrative tasks of obtaining a signature and delivering the vehicle.

■ **FTC guidelines for fuel-mileage advertising and alternative-fueled-vehicle advertising and labeling:** Dealer and manufacturer fuel economy advertisements must state that the numbers are estimates and where they come from. Alternative-fueled vehicles must be properly labeled.

■ **FTC Used Car Rule:** "Buyers Guides" are required on all used vehicles offered for sale, disclosing whether the vehicle is offered "as is" or with a dealer warranty, other non-dealer warranty disclosures and service contract availability. Dealers must use the FTC-required Buyers Guide form.

■ **Gray-market vehicles:** EPA, NHTSA and U.S. Customs restrict the importation/sale of new and used vehicles.

■ **Heavy-highway-vehicle excise tax:** A 12% excise tax generally applies to the first retail sale of (1) truck chassis and bodies with a gross vehicle weight rating (GVWR) in excess of 33,000 pounds (Class 8); (2) truck trailer and semitrailer bodies with a GVWR in excess of 26,000 pounds (Classes 7 and 8); and (3) "high-



way tractors,” unless they have a GVWR of 19,500 pounds or less (Class 5 and under) and a gross combined weight rating of 33,000 pounds or less. Dealers selling Class 5 vehicles with more than 33,000-pound gross combined weight rating or Classes 6 or 7 vehicles should apply the “primary design” test to determine if a vehicle is a taxable tractor or a nontaxable truck.

■ **IRS treatment of salesperson incentives:**

Factory incentives paid directly to salespeople by the factory are not required to be treated as wages for tax purposes. However, factories must report these incentives as taxable amounts to salespeople if \$600 or more.

■ **LIFO (last-in/first-out) inventory accounting method:**

The use of the LIFO inventory methods must comply with the conformity requirement.

■ **Monroney sticker (Price Labeling Law):**

Dealerships must keep stickers on new passenger cars showing the manufacturer’s suggested retail price, plus other costs, such as options, federal taxes, and handling and freight charges. Stickers also include EPA’s revised fuel economy information and NHTSA’s NCAP revised crash-test star ratings. Dealerships that alter covered vehicles must attach a second label adjacent to the Monroney label, stating, “This vehicle has been altered. The stated star ratings on the safety label may no longer be applicable.” No size or form of this label is specified, but it must be placed as close as possible to Monroney labels on automobiles that (1) have been altered by the dealership and (2) have test results posted.

■ **Motor vehicle tax credits:** Customers may be eligible for up to a \$7,500 personal federal tax credit when they buy new quali-

fying plug-in electric or dedicated electric vehicles. The Inflation Reduction Act of 2022 significantly modified eligibility for this “EV Tax Credit.” It is now limited to vehicles assembled in North America (i.e., in the United States, Canada and Mexico) and, beginning January 1, 2023, is subject to critical minerals and battery component requirements, as well as MSRP and taxpayer income limits. Dealers should use caution when discussing the availability of this credit, and should ensure they do not provide legal or tax advice.

■ **NHTSA alteration and tire-placarding rules:**

Significantly altered new vehicles must have labels affixed identifying the alterations and stating that they meet federal safety and theft standards. Tire-placarding and -relabeling rules require a new tire-information placard/label whenever parts or equipment are added that may reduce a vehicle’s cargo-carrying capacity, or when replacement tires differ in size or inflation pressure from those referred to on the original.

■ **NHTSA odometer rule:** Prohibits odometer removal or tampering and misrepresentation of odometer readings. Requires recordkeeping to create a proof of disclosure to the customer and odometer disclosures on titles. Required disclosures may now be made electronically, consistent with state law. Vehicles with a greater than 16,000-pound gross vehicle weight rating and those 20 model years old or older are exempt, starting in 2021 for model years 2011 and later. Model years prior to 2011 are exempt from the 20-year disclosure requirement.

■ **NHTSA recall regulations:** New vehicles and parts subject to any safety recall, and used vehicles subject to “do-not-drive” safety recalls, should be brought into compliance before delivery.

■ **NHTSA safety belt/airbag deactivation:**

Dealerships may install airbag switches for consumers with NHTSA authorization. Dealerships also must be responsive to consumer requests for rear-seat lap/shoulder safety belt retrofits in older vehicles.

■ **NHTSA tire regulations:**

Rule requires proper replacement or modification of the tire-information labels when replacing tires or adding weight before first sale or lease. Also, customers must be given registration cards when buying new tires or the tires may be registered electronically. Other rules govern the handling and disposal of recalled new and used tires.

■ **School van sales:**

Dealers may not sell, lease or give away large, new passenger vans with more than 10 seating positions if they know the vehicle will be used to transport students to or from school or school activities. Schools must purchase or lease a school bus or multifunction school activity bus for such purposes.

■ **Uniform capitalization (UNICAP):**

Dealers who (1) “produce” property or (2) acquire it for resale if their average annual gross receipts over the three preceding tax years exceed \$25 million must comply with the UNICAP requirements contained in Section 263A of the Internal Revenue Code. Revenue Procedure 2010-44 creates two safe harbor methods of accounting, which dealers may elect by filing Form 3115 with the IRS, that generally permit dealers to expense, instead of capitalize, all handling and storage costs at certain dealership facilities.

F&I Department

■ **Dodd-Frank Financial Reform Law:**

Dealers engaged in three-party financing are excluded from the authority of the

Consumer Financial Protection Bureau and remain subject to regulation by the Federal Reserve Board, the FTC (which has been given streamlined authority to declare dealer practices as unfair or deceptive) and state consumer protection agencies. Finance sources, including dealers who engage in BHPH financing, are subject to the bureau's jurisdiction. The Dodd-Frank law also created several new obligations for creditors, including additional disclosure requirements for risk-based pricing and adverse-action notices under the Fair Credit Reporting Act (Section-1100F). Plus, it contains a requirement to collect, report to the federal government, retain and make available to the public upon request certain data collected in credit applications from small, women-owned and minority-owned businesses. Dealers are temporarily exempt from this requirement pending promulgation of specific regulations.

■ **Equal Credit Opportunity Act (ECOA):**

Regulation B prohibits discrimination in credit transactions based on race, sex, color, marital status, religion, national origin, age and public-assistance status. The government interprets this prohibition as applying not just to intentional discrimination, but also to credit practices that result in a negative "disparate impact" on consumers based on one of these prohibited factors. In addition, the dealer/creditor is required both to notify applicants in a timely fashion of actions taken on—and reasons for denying—applications, and to retain certain records. (See also "Dodd-Frank Financial Reform Law," above, for a description of small-business loan data collection requirements.) An optional ECOA compliance program template is available to dealers at nada.org/faircredit.

■ **Fair and Accurate Credit Transactions (FACT) Act of 2003:**

Amends the Fair Credit Reporting Act (FCRA) and provides consumers with tools to help prevent identity theft and enhance the accuracy, security and reliability of their financial information. Dealer duties include: responding to requests for records from victims of ID theft and to fraud and active-duty alerts on credit reports; disposal requirements for credit report information; opt-out disclosure formatting requirements for prescreened credit solicitations; truncating the expiration date and all but the last five digits on electronically printed credit and debit card receipts provided to purchasers at the point of sale; the Federal Reserve's Regulation FF restrictions on obtaining, using and sharing "medical information" in credit

transactions; the FTC Red Flags Rule, which requires creditors and financial institutions to develop and implement a written Identity Theft Prevention Program that contains procedures to identify, detect and respond to "red flags" indicating the possibility of identity theft; the FTC Address Discrepancy Rule, which requires users of credit reports to develop and implement procedures to verify a customer's identity when receiving a "Notice of Address Discrepancy" from a consumer reporting agency; the FTC Affiliate Marketing Rule, which generally requires a business to offer customers the opportunity to opt out of receiving solicitations from the business's affiliates before affiliates may market to the customers; and the Risk-Based Pricing Rule, which generally requires initial creditors to issue either risk-based pricing notices to consumers to whom credit is granted but on relatively unfavorable terms, or credit score disclosure exception notices to all consumer credit applicants. Additional requirements apply to businesses that furnish negative information about consumers to consumer reporting agencies.

■ **Fair Credit Reporting Act (FCRA):**

Dealers are restricted in their use of credit reports for consumers, job applicants and employees. Credit reports generally may be obtained only pursuant to consumers' written instructions or if consumers initiate a business transaction (not if they merely talk with salespeople). Dealers must give job applicants and employees a separate document informing them that a credit report may be obtained and must obtain prior, written authorization to access the report. Dealers generally may not share credit information with affiliates unless they give consumers notice and the opportunity to opt out. If dealers take adverse action based on the report, they must notify consumers and follow additional procedures with job applicants and employees.

■ **FTC Credit Practices Rule:** Dealers are required to provide a written disclosure statement to a cosigner before the cosigner signs an installment sale contract. Dealers cannot "pyramid" late charges (that is, add a late charge onto a payment made in full and on time when the only delinquency was a late charge on a previous installment).

■ **FTC Holder-in-Due-Course Rule:**

Preserves the consumer's right to raise claims and defenses against purchasers of consumer credit contracts (with automobile sales, it protects consumers who buy vehicles from dealerships on credit). When dealerships sell credit contracts to lenders,

consumers are obligated to pay the lenders instead of the dealerships. Under the rule, if a dealership engaged in fraud or made misrepresentations in selling a car on credit, a consumer could raise the dealership's conduct as a defense against the lender's demand for payments. Dealerships must ensure that their credit contracts contain the precise disclosure required by the rule.

■ **Gramm-Leach-Bliley Act:** See "FTC Privacy Rule" and "FTC Safeguards Rule" under "All Departments (Customer)."

■ **Military Lending Act (MLA):** The MLA imposes duties and restrictions on certain types of consumer credit extended to active-duty service members and their dependents that is not covered by the motor vehicle financing exclusion, such as a motor vehicle financing transaction with an active-duty service member that includes a cash advance (i.e., "cashout" financing).

■ **Producer-Owned Reinsurance Companies (PORCs):**

IRS Notice 2016-66 identifies certain reinsurance arrangements as "transactions of interest" requiring taxpayer disclosure by the filing of Form 8886. While this requirement does not involve all reinsurance arrangements, the IRS may continue to scrutinize any transaction that shifts income from taxpayers to related companies and results in tax benefits. The Tax Cut and Jobs Act of 2017 reduced the tax rate to 21% for domestic finance and insurance reinsurance companies, including small companies, electing to be taxed only on investment income and U.S.-taxed "controlled foreign corporations." The law makes significant changes involving non-controlled foreign corporations by expanding the definition of a U.S. shareholder and, most importantly, by changing the definition of a passive foreign investment company. These changes may decrease the ability of U.S. shareholders to defer the taxable income from these companies. The IRS proposed regulations addressing this issue, which when finalized should provide clarity in this regard. Additionally, a recent 6th circuit ruling enjoined the IRS from enforcing the disclosure requirements of IRS Notice 2016-66. The IRS response to this ruling is unclear and it may continue to pursue enforcement outside of the 6th district. Please consult your tax advisor.

■ **Truth in Lending and Consumer Leasing acts:**

Regulations Z and M cover consumer credit and consumer leasing transactions, respectively, specifying information to be disclosed to a consumer before completing the transaction, and information to

be disclosed when advertising consumer credit transactions or leases. For example, dealers who advertise a lease down payment or monthly payment amount must disclose in lease ads that the advertised deal is a lease; the total amount due at lease signing; number, amount and period (for example, monthly) of payments; and whether a security deposit is required.

Service and Parts Department

- **Clean Air Act:** Dealerships may not tamper with, replace or remove emissions-control equipment, such as catalytic converters. CFC recycling regs require dealership air-conditioning techs to obtain certification and to use certified recycling and recovery equipment to capture spent refrigerant, including HFC-134a and other non-ozone-depleting refrigerants. The act also regulates any fuels dealers store and dispense, and the alternative fuels motorists use, including gasohol. It restricts emissions from solvents and chemicals.
- **Clean Water Act:** Sets standards for regulation of wastewater and stormwater at dealerships and comprehensive rules governing aboveground oil storage tanks.
- **Department of Transportation (DOT) hazardous-materials-handling procedures:** Require parts employees who load, unload and package hazardous products, such as airbags, batteries and brake fluid, to be trained in safe handling practices.
- **FTC Used Parts Guide:** Prohibits misrepresentations that a part is new or about the condition, extent of previous use, reconstruction or repair of a part. Previously used parts must be clearly and conspicuously identified as such in advertising and packaging, and, if the part appears new, on the part itself.
- **IRS Core Inventory Valuation:** Revenue Procedure 2003-20 creates an optional method for valuing core inventories for those using the Lower of Cost or Market Valuation Method.
- **LIFO/FIFO inventory accounting method:** Revenue Procedure 2002-17 provides a safe harbor method of accounting that authorizes the use of replacement cost to value year-end parts inventory.
- **NHTSA tampering rules:** Prohibit dealerships from rendering inoperative safety equipment installed on vehicles in compliance with federal law.
- **NHTSA tire rules:** Dealerships must report sales of defective tires when they

are sold separately from vehicles, and must properly manage recalled tires.

- **OSHA asbestos standards:** Dealerships must use certain procedures during brake and clutch inspections and repairs to minimize workplace exposures. Water, aerosol cleaners or brake washers may be used to comply with the standard.
- **OSHA Hazard Communication (HAZCOM) Standard (right-to-know laws):** Dealers must inform employees about chemical hazards they may be exposed to in the workplace, keep chemical product information sheets on-site and accessible, and train staffers to properly handle the hazardous materials. Also, EPA's community right-to-know rules require dealers to list annually with state and local authorities tanks of more than 1,600 gallons.
- **OSHA lock-out/tag-out procedures:** Explain what service departments must do to ensure machines, including vehicles, are safely disengaged before being serviced.
- **OSHA workplace health and safety standards:** Extensive regulations cover a multitude of workplace issues and practices, from chemical labeling requirements to the number of toilets required. Example: Dealerships must determine if workplace hazards warrant personal protective equipment and, if so, to train employees on its use. Verbal or online reports must be made within eight hours of any incident involving the hospitalization or death of any worker.
- **Resource Conservation and Recovery Act (RCRA):** Comprehensive environmental law regulating many dealership functions, including underground storage tanks and the storage, management and disposal of used oil, antifreeze, mercury products and hazardous wastes, including some airbags. Underground tanks must be monitored, tested and insured against leaks; leaks and spills must be reported to federal and local authorities and cleaned up. The law also regulates new-tank installations. Dealers must obtain EPA ID numbers if they generate more than 220 pounds per month (about half of a 55-gallon drum) of certain substances; must use EPA-certified haulers to remove the waste from the site; and must keep records of those shipments. Used oil should be burned in space heaters or hauled off-site for recycling. Used oil filters must be punctured and drained for 24 hours before disposal.
- **Safe Drinking Water Act:** To protect underground drinking water from contamination, dealerships should avoid discharging waste liquids (such as used oil, antifreeze

and brake fluid) into septic system drain fields, dry wells, cesspools or pits.

- **Superfund (Comprehensive Environmental Response, Compensation, and Liability Act):** As waste generators, dealerships may be subject to Superfund liability. Carefully select companies to haul waste off-site. Dealers can deduct the cost of cleaning up contaminated soil and water in the year it's done. Dealers may qualify for an exemption from liability for sites involving used oil managed after 1993. The service station dealer exemption application (SSDE) requires dealers to properly manage their oil and to accept oil from do-it-yourselfers.
- **UNICAP:** See "New- and Used-Vehicle Sales Departments."

Body Shop

- **Clean Air Act (CAA):** National paint and hazardous air-pollution rules require reformulated, environmentally safer paints and finishes, special handling procedures, and recordkeeping.
- **EPA hazardous-waste rules:** See "RCRA" under "Service and Parts Department."
- **OSHA Hazard Communication (HAZCOM) Standard:** See "Service and Parts Department."
- **OSHA Respiratory Protection Standard:** Requires written programs describing how to select, fit and maintain respirators to protect body shop workers from hazardous chemicals.
- **OSHA workplace health and safety standards:** Extensive regulations affect body shops in many ways, including mandating the use and care of protective equipment such as face masks, gloves and respirators. Hex chrome standards limit air emissions during sanding and painting. (See also "Service and Parts Department.")
- **UNICAP:** See "New- and Used-Vehicle Sales Departments."
- **VIN and parts marking:** Dealers may not alter, destroy or tamper with vehicle identification numbers or anti-theft parts-marking ID numbers and should use only properly marked replacement parts. ❖

Greg Cote, Doug Greenhaus, Kaye Lynch-Sparks, Paul Metrey and Brad Miller of the NADA Legal and Regulatory Affairs Department contributed to this guide. For more info, visit nada.org/regulatoryaffairs.

Legal disclaimer: The information provided in this document does not, and is not intended to, constitute legal advice; instead, all information, content and materials are for general informational purposes only. Information in this document may not constitute the most up-to-date legal or other information. Furthermore, each dealership should consult an attorney who is familiar with federal and state law applicable and the dealership's operations to obtain advice with respect to any particular legal matter.

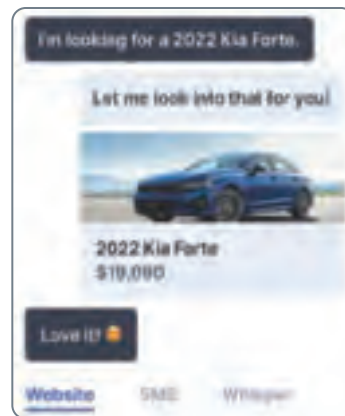
BUYER'S GUIDE

NEW PRODUCTS & SERVICES

BY PETER CRAIG

CUSTOMER ENGAGEMENT

Gubagoo, Boca Raton, Fla.—a Reynolds and Reynolds company—offers top-tier communication solutions and digital retailing to deliver the best conversational commerce in the industry. Gubagoo reaches your customers across all communication platforms, engaging them in live guided car-shopping experiences. Its patented behavioral and scoring algorithm makes each interaction with customers more intelligent and highly personalized. More at gubagoo.com or 833.GUBAGOO. (Booth 2509)

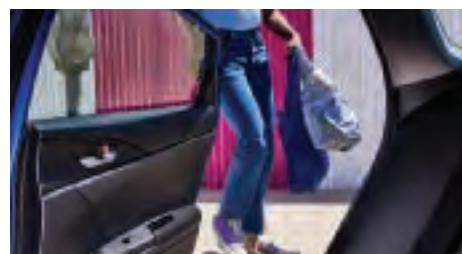


DEALERSHIP MANAGEMENT SYSTEM

Dominion DMS, Boca Raton, Fla., introduces the Microsoft Azure Cloud-based VUE dealership management system, with intuitive sales, service, parts and accounting modules designed to drive efficiency across all departments. VUE DMS provides security, flexibility and efficiency while cutting costs. More at dominiondms.com or 866.928.3210. (Booth 4255)

SERVICE CUSTOMER TRANSPORT

Lyft Business, San Francisco, has Lyft Concierge, which offers dealership customers convenient courtesy rides while their cars are being serviced. The system replaces dealership shuttle fleets, saving time, fuel and insurance costs. More at lyft.com/business or 855.865.9553. (Booth 2008)



ONLINE AUCTION

EBlock, Burlington, Vt., offers an online dealer-to-dealer auction that features live and timed auction channels with set times, as well as advanced filter and search tools customized to particular inventory needs. It also includes third-party condition reports and an Assurance Program that covers unforeseen non-wear mechanical issues and additional expenses, if the sale is reversed. More at eblock.com or 833.817.7247. (Booth 3048)



DEALERSHIP MANAGEMENT SYSTEM

PBS Systems, Calgary, Alberta, Canada, has the multifaceted v10 DMS, which combines user-focused functionality with comprehensive setup capabilities. It brings high speed and ironclad security to accounting, sales, DSS, fixed ops, CRM and business intelligence. More at pbsystems.com or 800.665.6304. (Booth 1619)



TEXT MARKETING

Podium, Lehi, Utah, has text marketing to help dealerships instantly connect with customers and close more deals in both sales and service. The system lets you manage leads in a single inbox and view your customers' conversation and purchase histories. More at podium.com or 833.276.3486. (Booth 5917)



TITLE TRACKING

The Title Girl, Addison, Texas, has proprietary software Registration Impact Portal (RIP) to let dealers track every vehicle title in real time with easy-to-use dashboards. It integrates with leading DMS offerings and webDEALER (state system), ensuring faster, more accurate title processing. More at thetitlegirl.com or 214.997.6005. (Booth 7152)

SERVICE SOLUTIONS

Solera, Westlake, Texas, offers top vehicle repair solutions to help get customers back on the road faster. They include technical auto repair info from OEM-recommended master techs; cloud-based auto repair software solutions to optimize bay utilization; vehicle service advertising and digital marketing; and parts distribution management. More at solera.com or 855.839.8020. (Booth 3969)



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The business and engineering faculty at the University of Michigan Tauber Institute for Global Operations are proud to help select the 54th annual TIME Dealer of the Year finalists.

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PBS Systems (inside front cover)
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gubagoo.com
1.833.GUBAGOO
Visit us at NADA booth 2509.

Market Scan (page 9)
marketscan.com
866.658.7226
Visit us at NADA booth 3685.

NADA Foundation/Canine Companions
(page 45)
Attend the auction, Saturday, January 28,
1pm, at BacklotCars, NADA booth 2833.

NADA Grassroots (page 64)
nada.org/grassroots
Visit us at the NADA Pavilion/Legislative
Affairs (booth 3008).

NADA Live Stage (page 35)
Visit us at Lobby D, Level 2

NADA Retirement from Empower (page 24)
nadasales@empower.com
Visit us at NADA Pavilion (booth 3008).

Proton (page 4)
800.250.6349
Visit us at NADA booth 2523.

ReconTRAC (page 21)
Visit us at NADA booth 2419.

Tauber Institute for Global Operations
(page 63)
tauber.umich.edu

TVB (Television Advertising Bureau)
(page 65)
tvb.org
Visit us at NADA booth 6942.

GETTING INVOLVED MAKES A DIFFERENCE

Senate Minority Leader
Mitch McConnell (R-Ky.)
meets with NADA Kentucky
Director Dan Renshaw.



ATD Academy
Class visits the
U.S. Capitol.

NADA NextGen Leadership
Club member J.P. Garvey
meets with U.S. Rep. Elise
Stefanik (R-N.Y.)



Regardless of which party controls Washington, grassroots dealer involvement has delivered results on Capitol Hill that benefit dealers, their employees, and local communities.

NADA, with the active engagement of dealers, has worked with Congress to address key legislation important to dealers, including bills that:

- Protect state dealer franchise laws from federal intrusion;
- Grant LIFO relief to dealers due to pandemic-related inventory shortages; and
- Avert major tax increases on dealers, particularly family-owned dealerships.

Connect with us at the NADA Pavilion and find out more about the latest legislation, how changes in Washington will affect your dealership, and how you can help make a difference.



Of all ad-supported platforms **car buyers** spend the **most time** with **television**.



Source: GfK TVB Media Comparisons Study 2022. M-S 4A-4A. Persons 18+ Plan to buy/lease auto in next year: Yes. Top ten platforms; Online/internet platforms such as email, social media, internet radio and websites, are totaled for any online device-PC, Smartphone and Tablets.

61% of car buyers stream with **NO** advertising. Advertisers **cannot** reach these viewers – but **broadcast assets CAN reach 94%** of them.



Source: GfK TVB Media Comparisons Study 2022. M-S 4A-4A. Persons 18+.



Learn more about TVB, the trade association for local broadcast TV, at tvb.org



NADA

SHOW | 2024

LAS VEGAS • FEBRUARY 1-4

BY JOE PHILLIPS

In 2024, the NADA Show returns to Las Vegas—one of the most popular cities for dealer attendees. But dealers aren't the only ones enchanted with all the neon and nightlife. More than 41 million people visit annually, with the city hosting over 22,000 conventions (and hundreds of shows and concerts each day!). More than half of the 20 largest hotels in the world are here—many recently renovated with even ritzier rooms. And where else can you dine at a different celebrity chef restaurant every night? For 2023, dealers can bet on a winning hand at the NADA Show, along with a full house of accommodations and amenities.



1906

YEAR THAT GOLDEN GATE—SIN CITY'S OLDEST CONTINUOUSLY OPERATING HOTEL/CASINO—OPENED, AS HOTEL NEVADA



300

WEDDINGS PER DAY





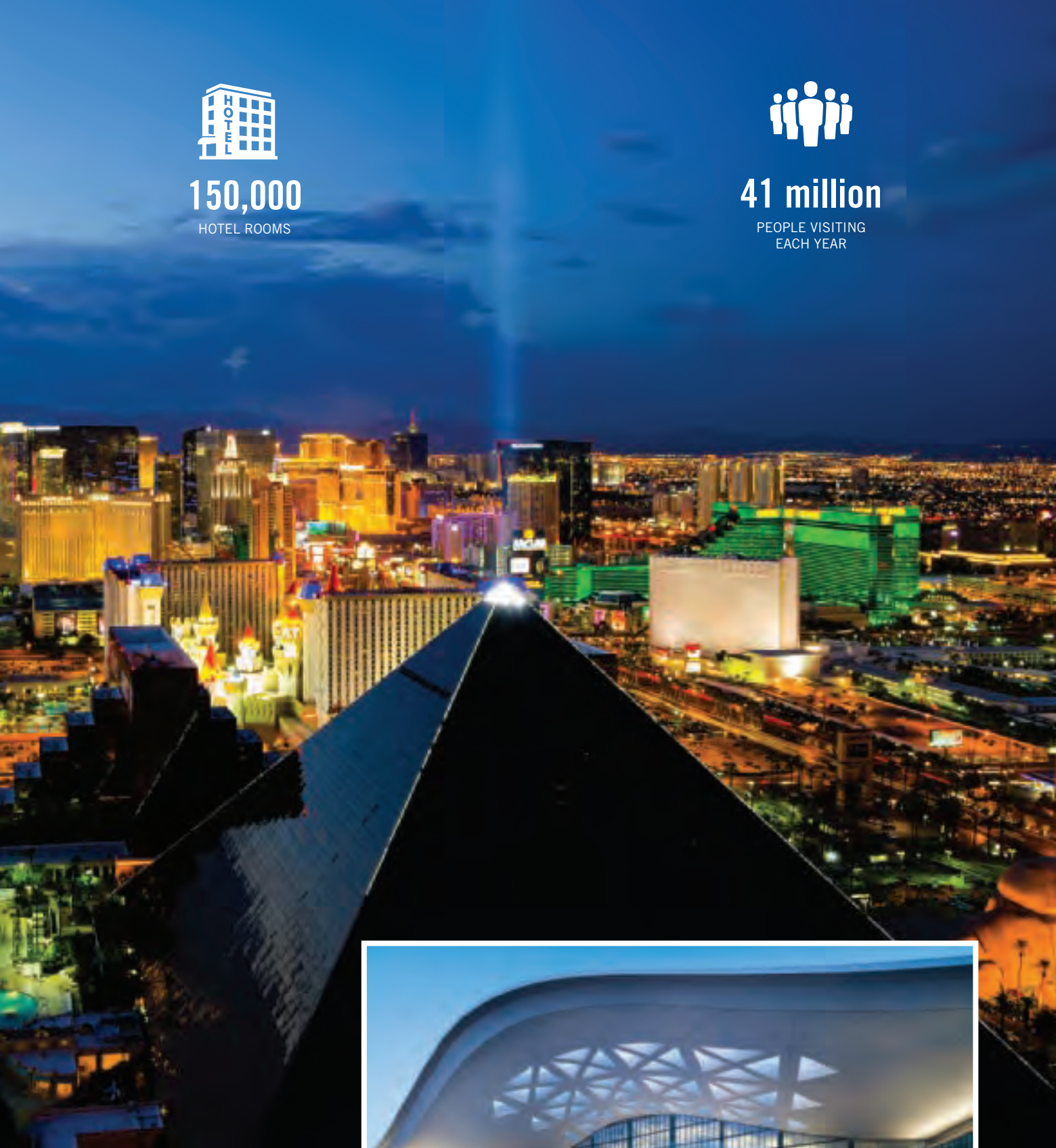
150,000

HOTEL ROOMS



41 million

PEOPLE VISITING
EACH YEAR



Winning NADA Show site: Bright lights, big-name entertainment and a state-of-the-art convention center have always made Las Vegas a dealer favorite.

NADASHOW

FUTURE DATES

2024

February 1-4
THURSDAY-SUNDAY
LAS VEGAS



2025

January 23-26
THURSDAY-SUNDAY
NEW ORLEANS



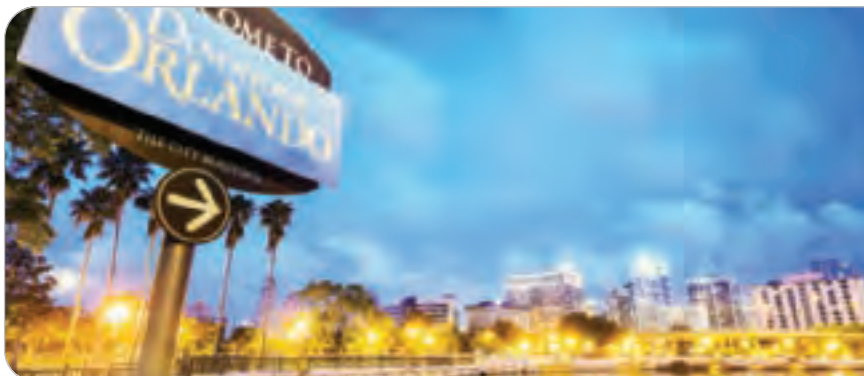
2026

February 5-8
THURSDAY-SUNDAY
LAS VEGAS



2027

February 18-21
THURSDAY-SUNDAY
ORLANDO





DIGITAL DEALERSHIP SYSTEM

Managed Digital Sign & Kiosk Solutions
VISIT BOOTH #949

DIGITAL DASHBOARD



TRACK. MOTIVATE. RETAIN.

The Digital Dashboard Goes Beyond a Sales Leaderboard to Provide an Information Portal for the Entire Dealership to Track, Motivate & Maintain staff.

SALES | FINANCE | BDC | INVENTORY | SERVICE | TECHS



Sales Solutions

- Digital Dashboard
- Sales Leaderboard
- BDC Activity Board
- Video Walls
- Showroom TV
- Sales Appointment Board



Customer Lounge TV

- Commercial Free ddsTV
- Commercial Replacement
- LiveTV Integration
- DMS Service Status TV
- ROKU / Firestick / AppleTV



Service Solutions

- Fixed Ops Leaderboard
- Service Status Menus
- DMS Welcome Board
- Service Menus
- Dare to Compare Boards
- serviceALERT Texting



Kiosk Solutions

- Customer Resource Center
- Interactive Kiosk Hardware
- Vertical Totems
- Custom Applications



\$57 Billion Digitally Funded Auto Loans

“ ”

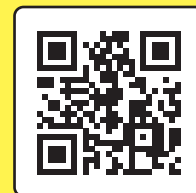
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Learn more at [CUDL.com](https://www.cudl.com)