



Fellow Dealers:

What a difference a month makes.

When I took over as your chairman just a few short weeks ago at the NADA Show in Las Vegas, I pledged to all of you that I was going to gun the accelerator and power NADA into 2020. I spoke of the challenges dealers were facing at the store today, the many obstructions NADA was tackling on your behalf, and the disruptors that will continue to knock on our industry's door.

And I had a simple message: In spite of all this, you'll be just fine.

Yet even considering how the world has been turned upside down in seemingly a matter of days, I still believe that. **We will be fine.** In fact, when it's all said and done, I still believe **we will be more than fine.**

The path that leads us there, though, is going to look much different than any of us envisioned. And—let's not sugar coat it—the road may be pretty rough at times.

The coronavirus pandemic sweeping across the globe and our country has already decimated every plan and projection we had for our great industry in 2020. Nobody knows what's going to happen tomorrow, let alone next week, let alone six months from now.

But while the situation is in many ways unprecedented, in many ways we've been here before. September 11. The 2008 financial crisis. The 1970s oil embargo. The savings and loan crisis. The start of wars. These were all events that caused us to worry that the bottom might fall out completely.

They had something else in common, as well. They channeled our strength and our might. In the aftermath of national crises affecting the auto industry, NADA has always pulled together every resource we have to fight for our dealer interests.

Today is no different. Here's are just some of the actions we have taken to date and items we are prioritizing immediately:

- **We sent a letter directly to President Trump** asking him to declare car and truck dealership sales, service and parts operations as essential operations to ensure that

your stores can remain open even as local governments continue to force the closure of nonessential businesses.

- We will be stressing with the White House, the Administration, Congress and the Federal Reserve the urgent need to protect the functionality of the credit markets, preserve the liquidity of dealerships, and potentially make available emergency loans to dealerships on an expedited basis.
- We urged Congress to restructure the paid leave provisions of the Families First Coronavirus Response Act to allow greater flexibility for small businesses and will do the same before the executive branch as they draft the emergency implementing regulations.
- We have joined other business groups in calling on the Administration and Congress to help dealers improve cash flow now by suspending the filing of business tax returns and the payment of all business taxes, including payroll taxes, to the federal government for the duration of the pandemic; and soften the tax blow later by making other changes to the Tax Code related to net operating losses, interest expense deductions, and loss limitation for pass-through businesses.
- We are actively discussing with lenders, manufacturers and government entities the need to ensure that floor plan financing does not become an undue burden either immediately or in the coming months.
- We are urging manufacturers to be aggressive and creative with the implementation of programs to both encourage retail demand and keep their dealer partners afloat.
- We are already looking at and focusing attention on potential Congressional proposals to jump-start retail sales when economic conditions improve.
- We will soon begin a regular survey of our members to get a real-time assessment of sales and other conditions on the ground across the country.
- We are working closely with state and metro dealer associations on these efforts.
- And, of course, I am speaking regularly with the press to ensure that dealers, our importance, and our priorities continue to be placed front and center in the conversation about how we respond as a nation to the coronavirus.

Franchised new-car and -truck dealers are essential businesses—for transportation, for the U.S. economy, for millions of American workers, for our first responders, and indeed for the health and well-being of our nation in a time of crisis. We must, and we will, make sure that everyone is well aware of that reality for as long as we need to.

As we work, there are things you can do that will help immensely.

First, respond to our weekly survey—which you will receive for the first time early next week—about business conditions on the ground at your stores. Information we receive from these surveys will be invaluable to our ability to communicate and advocate on your behalf.

Second, continue to go above and beyond the call of duty in your communities—and let NADA know, via this weekly survey, what special measures, big and small, you are undertaking to help your communities and your customers during this crisis. You are pillars of your communities; it's time to make that fact known.

Lastly, stay vigilant and stay connected to NADA. I in turn promise to stay connected with you.

I closed my speech in Las Vegas by reminding all of you that the power of NADA is in our unity. That has never been more true.

We are a bulletproof band of brothers and sisters. There's nothing we can't accomplish together—and that includes surviving this crisis.

Let's get to work.

Rhett Ricart
NADA Chairman