



Montana Automobile Dealers Association

JULY 2017 NEWS BULLETIN

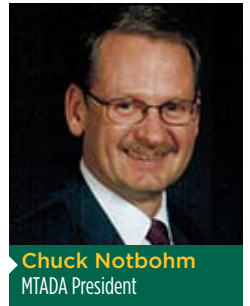
July MTADA News and Updates

Hello Montana Auto dealers and friends. I hope you were able to escape the heat this July. We have been afforded the opportunity to support a local community college's automotive technician program with a \$1,000 grant. The grant will be awarded either the latter part of August or the beginning of September. This is part of the Montana Career Pathway Initiative, a program aimed to raise awareness of professional and good paying careers within our industry, to partner dealerships and schools and to help bring quality technicians to our dealerships. The Career Pathway Initiative is aiming to start a pilot program in the near future. The pilot program will start as an apprenticeship for students to practice what they've learned in the classroom and to allow them to see how a dealership operates. This will give students real-life working skills, before they officially start careers in dealerships and help fill a technician shortage across the state.

If you haven't already registered for the Annual Family Convention, I urge you to do so soon at mtada.com/registration. The MTADA room block at Fairmont Hot Springs resort closes the first week of August and rooms are filling fast. We'll be having our all dealer-member meeting 1:00-4:00 PM on August 25th. During the all dealer-member meeting, we'll discuss the bills that were passed during the 2017 legislative session and what that means for Montana auto dealers. We will also talk through plans for the 2019 legislative session and Bruce will explain the legislative process. We'll

also discuss the current relationship with the MVD and upcoming solutions to pain points many of us are facing. Representatives from the State MVD and the newly approved authorized agent, MVD Express, will be present at the convention to talk through the processes and how this will benefit Montana Dealers. Finally, we'll talk through the development of the "MTADA Automotive Industry Technician Career Pathways Program". It is incredibly important to attend the all dealer-member meeting to have a voice within the industry and to keep up to date with important things issues our industry.

There will be State and National representatives at the convention, including: Greg Gianforte, Tim Fox, Matt Rosendale, Elsie Arntzen, along with legislative representatives from around the state. We also have some incredible speakers lined up. Glen Mercer, who is a national expert regarding automotive industry consulting and investment, will speak Friday evening. Glen Mercer was a key-note speaker at the 100th NADA convention. Mark Scarpelli, the NADA Chairman, will address the dealer body. Members from the



Chuck Notbohm
MTADA President

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and more!



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from the **Verde training group**



Included Featured Speakers...



Glen Mercer

Automotive industry analyst and
2017 NADA Conference keynote speaker



Tim Fox

Montana Attorney General



Greg Gianforte

Montana Congressman

...along with many other legislative representatives.

Register at MTADA.com/registration or call Kelsey at 406-442-1233
for more information and to qualify for \$7,500 in advertising from Spectrum Reach.*



AGENDA

FRIDAY, AUGUST 25TH

- 8:00 - 9:00 AM** **Executive Board Meeting** Ponderosa Room
- 9:00 - 11:00 PM** **MTADA Board Meeting** Ponderosa Room
- 11:00 - 11:30 PM** **Lunch**
- 11:30 - 1:00 PM** **Trust Meeting** Ponderosa Room
- 1:00 - 4:00 PM** **Exhibit Hall Setup - Exhibitors** Meadowlark Room
- 1:00 - 4:00 PM** **All Member Meeting** Bitterroot Room *Sponsored by J&H Inc.*
- **J&H Inc. Presentation**
 - **2017 Legislative Session Review**
 - **2019 Legislative Discussion**
 - **Representatives from the State Motor Vehicle Division**
 - **Representatives from MVD Express**
(new private titling company for the State of Montana)
 - **Automotive Industry Technician Career Pathways program update**
 - **Legal Update**
- 3:00 - 4:00 PM** **Registration Check-in Rocky Mountain Foyer**
- 4:30 - 9:00 PM** **Babysitting Available** Ponderosa Room
- 4:30 - 5:30 PM** **Welcome Reception Cocktails** Meadowlark Room *Sponsored by True Car*
- 5:30 - 8:30 PM** **President's Reception and Banquet** Meadowlark Room *Sponsored by American Financial*
- Time Dealer Award Announcement**
- MTADA Eagle Award**
- Glen Mercer, Automotive Industry Consulting and Investment Advisor
 - Matt Rosendale, Montana Insurance Commissioner
 - Tim Fox, Montana Attorney General
 - Greg Gianforte, Montana Congressman
- 8:30 - 11:00PM** **Texas Hold Em' Rocky Mountain Foyer** *sponsored by Wheels For You*

SATURDAY, AUGUST 13TH

- 7:30 - 8:30 AM** **Breakfast Buffet and Registration Check-In Bitterroot Room**
- 8:00 - 11:00 AM** **Sessions Morning session** Bitterroot Room *sponsored by American Fidelity*
- 8:00 - 8:50 AM** **Sharon Kitzman Vice President, DMS Dealertrack**
- 9:00 - 9:15 AM** **Mark Scarpelli, NADA Chairman**
- 9:15 - 11:00 AM** **Shawn Gardner, Joe Verde Training Group**
- 11:00 - 1:00 PM** **Exhibit Hall Open** Meadowlark Room
- 12:00 - 1:30 PM** **Lunch and Drawings** Exhibit Hall *sponsored by ADS of Montana*
- 2:00 - 5:00 PM** **Baby Sitting Available Ponderosa Room**
- 2:00 - 4:00 PM** **9 Hole Golf Scramble Tournament** Fairmont Golf Course *Sponsored by Cox Automotive*
- 4:00 - 5:00 PM** **"10th Hole" Whiskey** Joe's Lounge *Sponsored by MVD Express*
- 6:00 - 10:00 PM** **Dinner, Band and BBQ** Pool Patio *Sponsored by Spectrum Reach*

DIRECTOR'S MESSAGE:

June Auto Default Rate Sets 10-year Low

Perhaps the auto loan component of the S&P/Experian Consumer Credit Default Indices is becoming a game of "how low can you go?"

A month after the rate tied a 10-year low, S&P Dow Jones Indices and Experian released data through June on Tuesday and determined auto loan defaults decreased 3 basis points from the previous month to settle at 0.82 percent. The May reading tied for the lowest mark analysts have seen during the past 10 years. In June 2015, the auto finance default rate also stood at 0.85 percent.

Along with establishing a new low point, the June auto default rate made it three consecutive months where it landed below 1 percent.

The new low record might not last, as the rate has made an upward movement from June into July during five of the past eight years. The most pronounced rise in the cyclical pattern arrived in the immediate aftermath of the Great Recession, when the rate in June 2009 of 2.18 percent jumped to 2.46 percent a month later.

Turning back to this June's information, analysts noticed the composite rate — which represents a comprehensive

measure of changes in consumer credit defaults — dropped four basis points from May to settle at 0.82 percent that also set a new 10-year low. The composite rate has been below the 1 percent threshold since March 2015.

The composite rate's high point arrived in May 2009 at 5.51 percent.

Helping the composite rate to sink to a new low as well was a decline in the bank card default rate for the first time in nine months, dipping 4 basis points on a sequential basis to 3.49 percent.

Analysts added the June first mortgage default rate also dropped 4 basis points from May to 0.60 percent.

Three of the five major cities S&P Dow Jones Indices and Experian tracks for this update saw their default rates decrease in the month of June.

New York had the largest decrease, down 13 basis points from May to 0.88 percent.



Don Kaltschmidt
NADA Director

Continued on **PAGE 9**

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CHAIRMAN'S MESSAGE:

Share MyDealership.org Today

American dealerships are *local*.

They are *diverse*.

They are *modern*.

They save people *money*.

And they create *jobs*.

These are five facts of life in the auto retail business and they are now powerful mantras at the National Automobile Dealers Association. Auto dealers have known the consumer benefits of the dealer franchise system since its inception, and we're proud to spread the word with a new national campaign: www.MyDealership.org.

This initiative aims to help local dealerships-as well as state and metro new-car dealer associations-showcase the benefits of America's auto dealers and the more than 16,500 dealerships across the nation. This is a movement to educate others about our business, whether it's the general public, policymakers, opinion leaders, journalists, OEM executives and stakeholders throughout the auto industry.

You may be thinking, "how is this effort different?"

MyDealership.org is unique because it does not come from the dealer perspective. You will not see me in any of the five featured videos which, by the way, is a hallmark of the campaign-along with the newly launched website. The testimonies and stories that you will see are straight from the mouths of real customers-customers who have benefitted through lower prices on sales, finance, and service. It also comes from the perspective of real dealership staff, who benefit from gainful employment at all levels and acknowledge the great opportunities for advancement. Finally, you will get the perspective of local community leaders, who also benefit when local businesses like ours plant roots and contribute to the tax base.

MyDealership.org is a smart campaign. It capitalizes on social media platforms and PSAs, assuring that our messages reach as many people as possible. The site also highlights data that outlines the economic advantages and job creation at dealerships in each state.

But the facts and testimonies are just one piece. The true strength of the campaign lies with all of you! I am calling on each and every one of our members to share MyDealership.

org today if you haven't already. The ads are designed to be used by any dealer on their own websites, in their marketing or in their dealerships. Use this campaign to your advantage and target your state legislators and your local media. NADA has also created a toolkit where you can access and download the videos and banner ads directly: www.MyDealership.org/toolkit.

Finally, why is this campaign so important today?

During NADA's 100th anniversary convention in January, I told thousands of attendees in New Orleans that I would serve as the gatekeeper for this industry. Above all, that means being the gatekeeper between Washington's policies-whether well-intentioned or not-and your doors. As we've seen over the past few years, the consequences of federal regulations can negatively impact not just us, but our customers-including higher prices, fewer inventory choices, and less convenience. Gatekeeping also extends to our manufacturer relationships. NADA is encouraging our OEMs to enact programs that help dealers strengthen our relationships with customers, not weaken them. This campaign will not only educate the public on multiple levels but it will showcase the strong relationships we have built with customers over the past century.

Let us all be a gatekeeper for our great industry. Share MyDealership.org today and share the good news: you are local, you are diverse, you are modern, you save people money, and you create jobs! ■

Scarpelli is 2017 NADA chairman and president of Raymond Chevrolet and Raymond Kia in Antioch, Ill., and co-owner of Ray Chevrolet and Ray Chrysler-Jeep-Dodge-Ram in Fox Lake, Ill.



Mark Scarpelli
2017 NADA Chairman

LEGAL UPDATE

Test Drive Accident - Who Pays?

The Colorado Court of Appeals recently found a car dealership liable for damage resulting from a vehicle test-drive accident because the dealer representative was in the car at the time, reversing the dealer's previous summary judgment and granting one instead to the non-test driver's insurance company. The three-judge panel unanimously agreed that the test drive in this case represented a joint venture between the Go Courtesy Ford dealership and the vehicle's test driver because each party was united in the pursuit of a common goal and because a dealer sales rep along for the ride had a right to control the car. Therefore, the court concluded that the dealership was liable for the driver's negligence and owed American Family Mutual Insurance Co. for damage to a third party's vehicle that was hit in the accident.

The decision reversed the decision by a Douglas County district court judge who found requirements to satisfy the state's joint venture doctrine were not met because Go Courtesy Ford and the driver had different reasons for participating in the test drive — one was trying to buy and the other trying to sell — and therefore didn't share a common goal. However, the appeals panel ruled that the district court had erred, finding instead that the two parties did in fact share a common interest in conducting the test drive because the ultimate objective of that action is to find a car that will be negotiated over in the course of a purchase.

The court noted that the Ford salesman who accompanied the test drive testified in his deposition that he and the driver had already negotiated and agreed on the price, thus both participants had a common interest in conducting a successful test drive to complete the transaction. The underlying incident occurred when Colorado resident Kristin Hart, while test-driving a vehicle from Go Courtesy Ford, turned in front of oncoming traffic and collided with a car driven by Kelly Minna-Angard.

Minna-Angard filed a claim with her insurer, American Family, which paid her claim, then filed a negligence claim against Hart and the Ford dealership to recover damages on the grounds that Go Courtesy Ford was vicariously liable through a

joint venture. Hart did not defend her case, but the dealership filed a cross-motion for summary judgment claiming the driver and representative had opposing financial interests.

While conceding that no published Colorado case has applied the joint venture doctrine in the context of a test drive, the appeals panel on Thursday noted that most courts in other states have followed the general rule that a dealer is not liable for a prospective purchaser's negligence during a test drive if they are unaccompanied by the dealer's representatives. However, the judges said the majority rule in cases where the salesperson was along for the test drive has been to find the dealer liable if there is an accident, based on the fact that the representative can take control of the car at any time or instruct the driver where to go.

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R. J. "Jim" Sewell, Jr.
MTADA General Counsel



5 Reasons to say *Thank you*

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Dealership Performance Ratings Under Siege

States Join N.Y. to Require Local Factors be Considered

Two months ago we had the wonderful A year after a New York dealership won a court battle over General Motors' use of generic sales-effectiveness ratings, the ruling's impact has spread across the country. Courts, state agencies and state legislatures have repeatedly decided automakers can't evaluate a dealership's performance without taking local factors into account.

California, Florida, Illinois, Ohio and Maryland are among the states that have joined New York in rejecting the use of generic sales-effectiveness ratings, and the practice is under review elsewhere.

Automakers typically use generic sales-effectiveness ratings to see how a dealership's local market share compares with the brand's state average. Dealers argue doing so ignores local conditions, including income disparities and geographic considerations. If, say, a rival automaker has an assembly plant 10 miles from a dealership, that automaker's vehicles are likely to have a disproportionate local market share — a factor ratings often don't acknowledge.

The stakes are high. Dealerships with poor ratings don't qualify for incentives that can often determine whether a store is profitable.

"It's not like a bad letter grade. It has serious consequences," Zach Doran, president of the Ohio Automobile Dealers Association, said. "It can affect allocation. It can affect [dealers'] ability to transfer their dealership to a successor. It can affect their incentive programs."

Kitzmiller: "Basically the whole game"

Peter Kitzmiller, president of the Maryland Automobile Dealers Association, agreed.

"These programs are basically the whole game. If you're not earning the incentives from these programs, you're going to have a hard time selling these cars and making money," he said. "So the assignment of that territory is critical."

State fights

Kitzmiller said one of his dealers' sales were rated as below target for three consecutive years until a neighboring dealer moved his store to a spot much closer to his, prompting the automaker to redraw the boundary lines. "Suddenly, the man was sales effective for selling the same amount of cars," he said.

Ohio passed dealership protection legislation last year, constraining how automakers use the ratings, in the wake of the landmark Beck Chevrolet v. General Motors case in New York. That came on top of a ruling by an Ohio agency that Nissan North America was wrong in using nationwide market-share numbers to evaluate a Nissan dealership in the same market as GM's massive Lordstown, Ohio, plant.

Maryland tightened its dealer-protection laws in May to conform to the Beck case. Florida did likewise last month, and other states are taking similar steps, say attorneys who follow the issue. Two cases in California — one involving Nissan and the other Fiat Chrysler Automobiles — also went in dealers' favor.

Attorney Aaron Jacoby, automotive group leader at Arent Fox, the law firm involved in the New York case, advised Maryland lawmakers on legislation. He said to stay within the law, automakers have to change the way they



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MTADA Executive Vice President
& Government Relations

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Continued on **PAGE 14**

Driving Montana's Economy

Annual Contribution of Montana's New-Car Dealers

Numbers reflect annual economic activity during 2016.



100
DEALERSHIPS
(new car)



9,036
TOTAL JOBS
(created by dealerships)
Includes 4,050 direct jobs and
4,986 indirect and induced jobs.



41
EMPLOYEES
(average per
dealership)



\$4B
TOTAL SALES

17.8%
Share of Total
Retail Sales in State



\$206M
PAYROLL

\$51,808
Average Annual
Earnings

\$78M
State and Federal
Income Taxes Paid

Includes income taxes paid for direct,
indirect and induced jobs.



0.4%
REGISTRATIONS

Montana's Share of
Total U.S. New-Vehicle
Registrations

15.4 YEARS
**AVERAGE
VEHICLE AGE**

Sources: Alliance of Automobile Manufacturers, Center for Automotive Research, IHS Markit, NADA Industry Analysis,
U.S. Bureau of Labor Statistics.



NATIONAL AUTOMOBILE DEALERS ASSOCIATION

NADA Industry Analysis | 8400 Westpark Drive, Tysons, VA 22102 | 703.821.7010 | industryrelations@nada.org
NADA Legislative Affairs | 412 First Street, SE | Washington, DC 20003 | 800.563.5500 | legislative@nada.org

Director's Message

CONTINUED FROM PAGE 4

Miami reported in at 1.17 percent for June, dropping 12 basis points from the previous month.

Chicago came in at 0.91 percent, down 6 basis points from May.

Analysts noticed that Dallas and Los Angeles both remain unchanged from last month at 0.67 percent, and 0.66 percent, respectively.

Although the national bank card default rate experienced its first drop in nine months, analysts acknowledged it is still high.

When comparing the bank card default rate among the four census divisions, the default rate in the South is considerably higher than the other three census divisions.

The East South Central Census Region — comprised of Kentucky, Tennessee, Alabama and Mississippi — has the highest bank card default rate. As per Bureau of Labor Statistics, these states have some of the lowest median household income.

After all the data arrived, David Blitzer, managing director and chairman of the index committee at S&P Dow Jones Indices, offered his assessment of what's happening.

"The economic expansion started in June 2009 and just passed its eighth anniversary. For most of those eight years, the consumers, politicians and business people expected bubbles, rampant inflation and budget crises. None of these fears were realized," Blitzer said.

"Inflation is 1 to 2 percent, debt service levels are close to record lows. Disposable income is growing and supporting spending growth. Based on national averages, consumers are in good financial shape. Consumer credit defaults across mortgages, bank cards and auto loans are at levels similar to those before the financial crisis," he continued.

"While nationally overall consumers' financial condition is good, there are regional variations as shown by the charts. Regional patterns show that household income is one determinant of bank card default rates. The continuing decline in the unemployment rate and rising employment have not created any upward pressure on wages and salaries," Blitzer added.

The Title & Registration Bureau has Moved!

The Title & Registration Bureau is now centrally located with MVD Headquarters. Our new physical address is: 302 N Roberts in Helena, MT

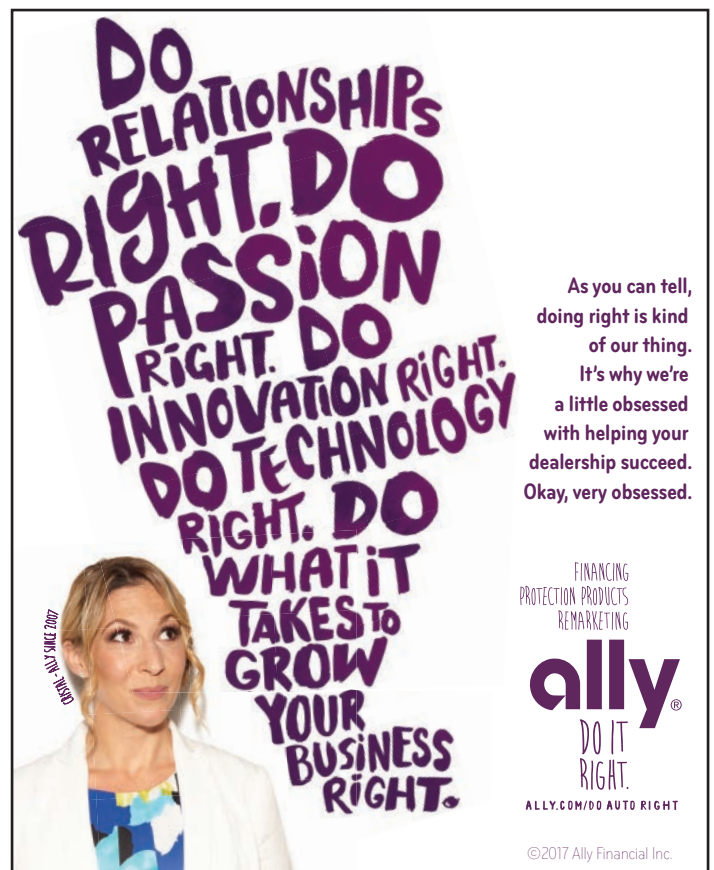
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"Wage growth is about 2 percent to 3 percent annually, barely enough to stay ahead of inflation. Additional improvements in the economy, both nationally and regionally, are needed to push bank card default rates lower," he went on to say. ■

Source: SubPrime Auto Finance News Staff



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July Trivia Contest

Win a \$20 Gift Card and a Chance to Win 4 Tickets to the Cat-Griz Game

The winner of last month's trivia question

"What is the official Montana State Fish" was Andrew Fowler with Courtesy Ford with the correct answer "Cutthroat Trout."



July Trivia Question

On January 15, 1972, what was the location of the most extreme recorded temperature change in a 24-hour period in the United States when a chinook wind blew in and the temperature went from -54F to +49F?"

Submit your answers to kwandke@mtada. All correct responses to this month's trivia question will be put in a drawing for a \$20 Amazon Gift Card. The winners of the monthly trivia questions will be put in the drawing for the grand prize, four tickets to the Cat-Griz Game!! **Good Luck!**

Legal Update

CONTINUED FROM PAGE 6

Both the district court and the appeals panel said it was undisputed that the salesman chose the test drive route and instructed Hart where to turn, thus satisfying the second prong of the joint venture doctrine.

The Montana Supreme Court has not directly addressed this issue, but in our opinion would likely follow the majority rule as described by the Colorado Supreme Court as there are a number of decisions on the books that, although not in the motor vehicle context, analyze joint venture liability to third parties in a manner similar to that of the Colorado Supreme Court. ■

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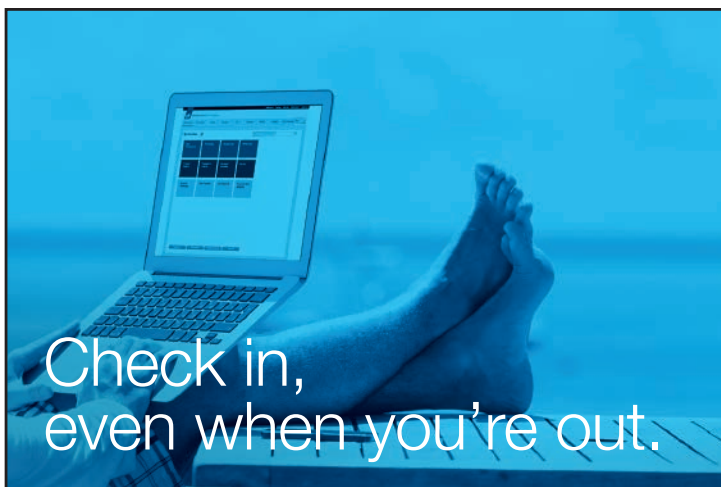
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Checklist for a Checkup

Be informed before you even make an appointment with a provider. EBMS, your health plan's benefit administrator, has developed strategies for you to become an educated and empowered healthcare consumer.

SHOP AROUND FOR A PHYSICIAN.

- ✓ Find out pricing before making your first visit. Remember, not all doctors charge the same fees.
- ✓ Look for a provider who is part of the health plan's networks. (And don't wait until you get sick to find one.)
- ✓ Seek a provider who utilizes a hospital or other healthcare facility for procedures, lab work, etc. that is part of your health plan's networks.

BEFORE THE VISIT

- ✓ Make a note of your family health history.
- ✓ Take a list of any medications you are currently taking.
- ✓ If you have seen a doctor before for a similar problem, take the record from the visit with you.

DURING THE VISIT

- ✓ State your main problem first.
- ✓ Describe your symptoms.
- ✓ Describe past experiences with the same problem.

- ✓ Ask questions about the medications, tests, and treatments your doctor is suggesting for you. Find out about the risks and alternatives.

AT THE END OF THE VISIT, ASK:

- ✓ Do I need to return for another visit?
- ✓ Can I phone in for test results?
- ✓ What danger signs should I look for?
- ✓ When do I need to report back about my condition?
- ✓ What else do I need to know?

AFTER THE VISIT:

- ✓ Write down what's wrong, what might happen next, and what you can do at home.
- ✓ Verify billing charges associated with the treatment or services you received. Unfortunately, billing errors, fraud, and abuse can affect billing processes. Only properly coded and accurately billed services will be reimbursed. Check your bill, once you receive it, and ask about charges you don't understand. ■



By Gillette Vaira, M.A.
Communications Manager
EBMS, INC.



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Educating Your Members Begins with You

The Montana Automobile Dealers Association has partnered with EBMS to provide you and your employees with a variety of resources to keep you physically and financially well on your journeys. So pass it on! Consider sharing this information with your employees so you can empower them to be their healthiest selves. After all, a healthy workforce means a healthy business.

DEALERS CORNER

MVD Express Intro

Hello MTADA!

We can't wait to meet you and share some good news....

The State of Montana, Department of Justice, Motor Vehicle Division, has heard your calls about delays in the dealer title only processing as well as other wholesale title concerns. Thanks, in (big) part to the efforts of the MTADA, in concert with empathetic MVD officials, the DOJ has come up with a solution.

To deliver service with faster turn-around times, the MVD has selected a contractor to perform Authorized Agent duties for the business community. MVD Express is proud to be that selection!

With over two decades of experience as the leading third-party agent in the State of New Mexico, MVD Express provides licenses/Real ID, titles, registrations, call center support and dealer services to over 300,000 customers annually through our Retail, Commercial and Support Divisions. Our deep understanding of industry issues inspires us to design better solutions while maintaining a culture of continuous improvement that fosters efficiency, transparency and accountability.

As experts in the industry, we currently service some of your most respected counterparts in New Mexico and are very proud to have received endorsements from the MTADA, MTIADA and the Montana Auto Auction.

Come join us at the MTADA 103rd Annual Family Convention, we'd love to talk more!

See you soon,

Janice Lucero *President & CEO, MVD Express* ■



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- » PERSONALIZED SERVICE
- » START-TO-FINISH TITLE TRACKING

Look for us at the Annual
Family Convention!

mvdexpress.com

TRB Name Change

Dear valued customer,

The Motor Vehicle Division (MVD) has changed the name of the Title & Registration Bureau (TRB) to the Vehicle Services Bureau (VSB) to better identify the bureau with the wide range of services offered.

This change stems from MVD's mission to bring the best service to our customers through innovation and simplification of our processes.

VSB's new name will be updated across web services. MVD will also replace the old name, Title & Registration Bureau, on all forms in phases.

Thank you for your attention in this matter. If you have questions regarding this information, please contact us by email at mvdtitleinfo@mt.gov.

Respectfully

Joann Loehr

Vehicle Services Bureau Chief



NOTICE:

The U.S. Citizenship and Immigration Services has issued a revised Form I-9, Employment Eligibility Verification. Until September 18, 2017, dealers may use either the new Form I-9 (7/17/17) found at <https://www.uscis.gov/i-9> or the one marked "11/14/16N" when establishing a new hire's eligibility to work in the U.S. Please see NADA's Driven Guide to Employment Eligibility Verification, or contact NADA Regulatory Affairs with questions at regulatoryaffairs@nada.org.

Dealer Performance Ratings CONTINUED FROM PAGE 7

measure performance — even in states without laws such as Maryland's.

"They can't treat a dealer in Michigan differently than they treat a dealer in Maryland, in New York," he said.

After the New York ruling, GM said it would revisit its performance standards for dealerships, at least in that state. GM declined to comment for this article. Urban Science, a Detroit consulting firm that calculates the metrics for most automakers, including GM, would not comment on whether automakers using its services have adjusted their metrics.

FCA studied adjusting its metric to account for market nuances, but only after it had sought to terminate a dealer for underperforming in sales under a generic metric. It lost in court.

In 2014, before the Beck decision, California passed a law requiring sales-performance metrics to be "reasonable," and that automakers disclose the methodology and data behind those metrics to dealers. A similar law passed in Florida this year.

Termination Denied

In November 2015, FCA moved to terminate Dependable Dodge of Canoga Park, Calif., when the store, which sold Dodge and Ram vehicles, failed to meet the automaker's standards, known as its minimum sales responsibility.

Falling short of that generic standard wasn't enough to say for certain that Dependable Dodge had failed sales expectations, the California New Motor Vehicle Board decided unanimously in March.

During the board's proceedings, an FCA internal market study came to light revealing the automaker moved to exclude luxury vehicles from the competitive sets that applied

to Dependable Dodge in the beginning of 2016. The study recognized Dependable Dodge is in a low-income market, but one that is surrounded by an extremely high-income neighborhood, serviced by three Mercedes-Benz stores as well as Lexus and Audi dealerships within 20 miles of the store.

Had FCA removed luxury brands from the calculations it used in 2015 to justify terminating the dealership, Dependable

Dodge's score on FCA's metric would have gone up nearly 2 percentage points, according to court documents.

"The importance of these findings is they show FCA had knowledge of local market conditions [that the minimum sales responsibility measure] failed to account for when measuring performance in the San Fernando Valley market," said attorney Gavin Hughes, who represented Dependable Dodge before the motor vehicle board. "It also revealed FCA's true motivation was not to terminate a bad dealer, but instead to consolidate the [Chrysler-Jeep and Dodge-Ram] franchises at a location in more affluent Woodland Hills."

FCA, which did not respond to a request for comment, filed an appeal of the decision, arguing the internal market study cited in legal proceedings was privileged. A decision on the appeal is expected in January ■

Source: July 17, 2017, 12:01 am; Jackie Charniga, Automotive News

Ratings Rebuked

Here are examples of states where automakers' use of sales-effectiveness ratings are being overturned by courts, legislatures and agencies.

Court or regulatory agency rulings: New York, California, Ohio

Legislatures: Maryland, Florida, California, Ohio, Montana, Illinois

President's Message CONTINUED FROM FRONT PAGE

Verde training group have an outstanding presentation lined up for Saturday morning. We also have Sharon Kitzman, who is a 25 year automotive industry veteran and is responsible for leading Dealertrack's DMS division from single to double-digit market share, and for executing triple digit growth. She will explain how stronger dealerships happen through change, not through chance-technology changes can be intimidating, but are filled with opportunity.

Following the Saturday sessions, we'll have the exhibit hall open with lunch along with raffles from many of our favorite vendors. After the exhibit hall open, we'll have a golf tournament right there at Fairmont. Babysitting will be available from 2:00-5:00pm. Following the golf

tournament, we'll have by dinner BBQ by the pool and the winner of \$7,500 in advertising from Spectrum Reach will be announced.

This is going to be a great annual event to keep up to date on legislative issues that impact our industry, gather important information, meet great people, have a fantastic time with family and friends, and to have a chance to win \$7,500 in advertising from Spectrum Reach. If you have any questions regarding the Annual Family convention or the Career Pathway initiative, call Kelsey at 406-439-2692. That wraps up another month! I hope you all enjoy your summer and I'll talk to you all again next month. ■

Upcoming MTADA Webinars

MTADA has partnered up with Montana State Fund to Host a Webinar on the Updated HAZCOM Communication Standards.

The Webinar Will cover the Following Materials:

OSHA HAZCOM Standard Updated

The Hazard Communication Standard (HCS) is now aligned with the Globally Harmonized System of Classification and Labeling of Chemicals (GHS). This update to the Hazard Communication Standard (HCS) will provide a common and coherent approach to classifying chemicals and communicating hazard information on labels and safety data sheets. This update will also help reduce trade barriers and result in productivity improvements for American businesses that regularly handle, store, and use hazardous chemicals while providing cost savings for American businesses that periodically update safety data sheets and labels for chemicals covered under the hazard communication standard.

Hazard Communication Standard

In order to ensure chemical safety in the workplace, information about the identities and hazards of the chemicals must be available and understandable to workers. OSHA's Hazard Communication Standard (HCS) requires the development and dissemination of such information:

- Chemical manufacturers and importers are required to evaluate the hazards of the chemicals they produce or import, and prepare labels and safety data sheets to convey the hazard information to their downstream customers;
- All employers with hazardous chemicals in their workplaces must have labels and safety data sheets for their exposed workers, and train them to handle the chemicals appropriately.

Major changes to the Hazard Communication Standard

- Hazard classification: Provides specific criteria for classification of health and physical hazards, as well as classification of mixtures.
- Labels: Chemical manufacturers and importers will be required to provide a label that includes a harmonized signal word, pictogram, and hazard statement for each hazard class and category. Precautionary statements must also be provided.
- Safety Data Sheets: Will now have a specified 16-section format.
- Information and training: Employers are required to train workers by December 1, 2013 on the new labels elements and safety data sheets format to facilitate recognition and understanding. ■

Date/Time: August 8 at 10:00am MST

Please register for MTADA Webinar - Global Harmonization on Aug 8, 2017 10:00 AM MDT at:

<https://attendee.gotowebinar.com/register/4054140548958216963>

After registering, you will receive a confirmation email containing information about joining the webinar.



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