MASSACHUSETTS
AUTO
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The official publication of the Massachusetts State Automobile Dealers Association, Inc

Before You Buy Another AI Tool

Building a Smarter AI Strategy for Your Dealership



Dealers Attend NADA's Washington Conference

2026 MSADA Annual Meeting

Friday Oct. 9

Encore
Boston Harbor
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AUTO DEALER

The official publication of the Massachusetts State Automobile Dealers Association, Inc

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AD DIRECTORY

Annual Meeting Registration Form, 2
ComplyAuto, 47
Ethos Group, 41
GW Marketing Services, 13
Harris Beach Murtha, 28
Merchant Advocate, 23
Nancy Phillips Associates, 27
National Grid, 42
Reynolds & Reynolds, 33
Sprague Energy, 37
Withum, 51

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TABLE OF CONTENTS

4 FROM THE PRESIDENT: Our Annual Journey to D.C.
5 ASSOCIATE MEMBERS DIRECTORY
6 THE ROUNDUP: Dealers Attend NADA's Washington Conference
12 LEGISLATIVE SCORECARD
14 MASSACHUSETTS AUTO OUTLOOK – August 2026
18 **COVER STORY:** Before You Buy Another AI Tool – Building a Smarter AI Strategy for Your Dealership
24 NEWS FROM AROUND THE HORN
30 LEGAL: FTC Issues Dealer Advertising "FAQs"
32 LEGAL: FTC Releases FAQs on Pricing Transparency
34 DEALER OPS: Fourth and Goal – The Discipline to Finish Strong
36 ACCOUNTING: Pack Accounting – Getting the Balance Right
38 NADA MARKET BEAT – August 2026
40 AIADA: Congress is Taking Important Steps to Block China Auto Sales
43 TRUCK CORNER: Truck Dealers Hit D.C. Again
48 NADA UPDATE: Washington Conference Concludes as Prep Continues for 2027 Show



Join us on X at @MassAutoDealers



Our Annual Journey to D.C.

By Jeb Balise, MSADA President

Every year, we use several outreach programs to visit with our Members of Congress to make sure our representatives understand that the policies they pursue should be focused on making it easier to do business, not harder. We are not seeking any special favors or privileges, just a level playing field.

To be able to confront such challenges, it is always important to engage our elected politicians and regulatory parties at all levels. September's NADA Washington Conference afforded us the opportunity to meet with our Members of Congress and their staffs to provide the dealer side of several on-going matters that impact our businesses and the livelihood of our employees.

> WITHOUT OUR INPUT, POLITICIANS WILL HAVE TO DECIDE ON MATTERS POTENTIALLY UNAWARE OF THE IMPACT THEY WILL HAVE ON OUR BUSINESSES, EMPLOYEES, AND CUSTOMERS.

I want to thank the dealers who traveled to D.C. for the annual conference with MSADA Executive Vice President Robert O'Koniewski to make sure our voice is heard: Next Gen dealers Chad Bouchard of the Ron Bouchard Auto Stores and Ruddy Brito of the Mastria Auto Group, and Adam Silverleib of the Silko Auto Group (a Next Gener of sorts himself). Check out Bob's The Roundup column and Scott Dube's NADA column for more information on this year's conference.

It is vital to our success as an organization that our next generation of dealership leaders step up to participate and become involved with our legislative outreach. We can never stop putting effort into making sure our representatives know who we are, what we do, and how vital our contribution is to their districts and our communities. Without our input, politicians will have to decide on matters potentially unaware of the impact they will have on our businesses, employees, and customers.

We at your Association continue to stress the importance of your voice in this process. We make the trip down to D.C. so you do not have to, but that does not mean you should not pick up the phone and let your legislator know what issues you care about as an important economic engine in their community. Please let me or Bob know if you would like any talking points or other tips for representing our business.

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Dealers Attend NADA's Washington Conference

By Robert O'Koniewski, Esq.
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The National Automobile Dealers Association rang the bell once again for 2026 and asked its member dealers to hit our Nation's capital in mid-September for its 51st version of its annual Washington Conference. For those who attended, there was no lack of issues and attendee camaraderie.

Every time we travel to D.C. for our annual NADA confab, it never ceases to amaze just how insular their world is in the 202 area code. There is surely no place on Earth like it. That is why our visits with our elected officials are so important. They need to hear from their local businessmen and women – our member dealers – on a continual basis to fully grasp our importance to the local, state, and national economies.

Putting aside the cynicism and skepticism about the ability of getting anything done positively for our nation, when in Washington it is always important for dealers to remember why they are there and to stay in their own lane regarding those issues important to our industry. We have been successful over the years by avoiding the very fights everyone else seems to want to jump into, regardless of the relevancy to their own industries. When in D.C., we step gingerly into the sandbox others use as a smack down pit.

Dealers and their association executives from across the country use the annual Washington Conference to meet with their Senators and Representatives to discuss various legislative and regulatory issues affecting dealership operations. This is also a chance for dealers to see their legislators in the halls of power where they conduct their business, in contrast to the usual district functions like chamber of commerce rubber-chicken luncheons, holiday parades, and ribbon cuttings.



As we flew in, we find ourselves almost halfway into the Trump Administration's second term, albeit separated by a four-year Democrat presidency, and on the threshold of the mid-term elections, which most D.C. prognosticators say will not be so good for the GOP. Hence, the Republican hold on power in the House and Senate could change after the November 2026 elections,

thereby altering President Trump's approach to governance for the remainder of his term.

NADA, as part of the festivities, in addition to conducting policy briefings and handing out issues memos, schedules politicians and commentators to provide attendees with a flavor of the current situation in Washington and what may be in store for us prospectively. This year's collection of speakers included:

- Sen. Bernie Moreno (R-Ohio), a leader for the auto industry and chief proponent of the bipartisan Connected Vehicle Security Act he introduced to keep Chinese vehicles out of the U.S. market;
- Rep. Debbie Dingell (D-Michigan), the chief cosponsor in the House of the anti-Chinese connected vehicle legislation;
- Rep. Erin Houchin (R-Indiana), who addressed the gathering of Next Gen dealers and store managers;
- Chris Mufarrige, director of the FTC's Bureau of Consumer Protection, who updated attendees on the agency's renewed focus on transparency in advertising, especially on the heels of the FTC's release of their long-awaited price transparency FAQs the day before; and
- David Wasserman of the Cook Political Report, who offered an inside look at the current political landscape and what the results of the upcoming 2026 mid-term elections could mean for dealers and their issues.

Before heading to Capitol Hill, dealers were briefed by NADA's Public Policy team — Paul Metrey, Ivette Rivera, and Michael Harrington — on the association's top legislative priorities of the day:

- The Connected Vehicle Security Act to keep Chinese vehicles out of the U.S. market;
- The so-called "Right to Repair" Act bill would primarily benefit insurers and aftermarket manufacturers and raise significant privacy concerns; and
- The PART Act addressing catalytic converter theft.

Each issue's complexities, arguments, and established common ground was spelled out so dealers could most effectively discuss the matters with their lawmakers over the next two days.

After canvassing the halls of both the House and Senate office buildings Tuesday afternoon and educating their elected representatives on the major policy issues of the day, Washington Conference attendees gathered for a reception in the Library of Congress' Thomas Jefferson Building, hailed by many as the most beautiful building in Washington.





Your MSADA delegation consisted of Next Gen dealers Chad Bouchard of the Ron Bouchard Auto Stores and Ruddy Brito of the Mastria Auto Group; Adam Silverleib of the Silko Auto Group; and yours truly. During our two days of meetings in D.C., we conferred with Reps. Jake Auchincloss (D-Newton) and William Keating (D-Bourne), and staff members for Reps. Lori Trahan (D-Westford), Jim McGovern (D-Worcester), Stephen Lynch (D-South Boston), Katherine Clark (D-Revere), and Seth Moulton (D-Salem).

Once on Capitol Hill, in addition to the primary bills on the NADA agenda, we also talked about the impact tariffs have on vehicle pricing and inventory at dealerships and the effect of higher interest rates on the cost of money and what it means for the increase to customers' monthly vehicle loan payments.

Moving forward, we need to keep in mind that for our time in D.C. we collectively were a group of small businessmen and women who, on behalf of their fellow dealers back home, gave up time from their dealerships and families to fly to Washington to discuss issues important to their stores and making sure the economy remains progressing in a positive direction. Back home in the Commonwealth, however, we are an association of 427 members, whose dealerships employ on average 60 men and women, and who are responsible for almost 20 percent of the Commonwealth's retail economy.

There always exists a great need to go before our elected officials and inform them of our concerns and desires. As we ask dealers to get more engaged in contacting their Congresspeople and local legislators, we ask that you not be shy and let others carry the load. All dealers – big and small, domestic makes and international – are in the same boat. If we give the Members of Congress a free ride and do not engage them on the issues, they will think we have no problems. The same is true when we are fighting for or against certain laws on Beacon Hill.

In the future, please heed the call from your Association to contact your elected officials when issues arise. Without our input, our esteemed Members of Congress, if left to their own devices, could find a way to pour more gasoline on the fire. After all, the easiest vote they can take is one in which no one talks to them.

FTC Issues Long-Awaited FAQs on Dealer Ad Practices

On September 15, the Federal Trade Commission (FTC) issued a Frequently Asked Questions (FAQs) document on dealer advertising. NADA worked with the FTC on the FAQs to supplement guidance the FTC provided during NADA webinars.

The FAQs are available at: www.ftc.gov/business-guidance/resources/automobile-industry-pricing-transparency-faqs.

The FTC has made price transparency a priority across all industries, including auto sales. In March, the FTC sent letters to 97 dealerships warning them of potentially illegal advertising practices. The FTC has also announced two settlements with auto dealers alleging deceptive advertising practices and requiring the dealerships to advertise the total price of a vehicle clearly and conspicuously as the most prominent price. FTC settlements are only between the party and the FTC and not an admission of guilt.

The FAQs clarify the FTC's expectations for vehicle advertising that complies with federal law. A summary of the FAQs is below but each of the 14 FAQs should be reviewed in its entirety:

FTC Authority to Regulate Dealer Advertising: The FTC has authority to regulate dealer advertising practices as unfair or deceptive acts or practices (UDAP) under Section 5 of the FTC Act.

Responsibility for Advertising: Dealers are responsible for their own advertising and messages they can control. However, the FAQs state that everyone who has control over the advertising is responsible for making sure an advertisement is compliant, including third parties and OEMs. The FAQs also state that OEM policies cannot conflict with FTC price advertising requirements.

Advertised Price: The most prominent price in any advertisement must be the all-in, out the door price available to all consumers. Prominence is not limited to font size, but the FTC will look at factors such as if a certain price is more likely to draw a consumer's attention. (Dealers can also consult page 17 of the FTC's dotcom disclosure guidelines for a discussion on prominence.) This all-in price must reflect everything, including the doc fee. Dealers may also separately disclose the doc fee, provided it remains included in the all-in price and the separate disclosure is less prominent than the all-in price. Only government charges (explained below) can be excluded from the all-in price.

MSRP Advertising: A dealer can list the MSRP of a vehicle if it is less prominent than the actual price that includes all mandatory non-government fees.

Government Charges: Government charges may be excluded from the all-in price if the government agency requires the consumer to pay the charge directly. However, dealer required fees that a government authorizes but does not mandate, and fees the government requires the dealer to pay but that the dealer passes onto consumers, must be included in the advertised price. NADA will seek further clarification from the FTC on this requirement.

State Statutes: State-specific document fee rules do not change the fundamental FTC Act requirement that the advertised price must reflect every dealer-required charge and must be the most prominent amount consumers see. Once dealers satisfy that obligation, they can make any additional document fee disclosures required under state law.

Credit and Lease Advertising: Processing fees that are due upfront in a leasing transaction must be included in any advertisement concerning the total amount due upfront. These FTC guidelines do not alter dealers' compliance obligations under the Consumer Leasing Act and Regulation M, the Truth in Lending Act and Regulation Z, or other federal laws.

Advertising Rebates and Discounts: The most prominent advertised price may not include rebates or discounts that are available only to a subset of consumers. Advertisements may separately include rebates available only to certain customers, such as first responders, provided those rebates are properly disclosed and shown less prominently than the all-in price.

Conditioning Price on Consumers Using Dealer Financing: The most prominently displayed price may not be conditioned on dealer financing because those offers are not available to all consumers. However, dealers may still advertise a discount for using dealer financing if it is displayed less prominently.

Unavailable or Non-Existent Vehicles: Dealers must not advertise cars that have already been paid for and delivered, or that are otherwise unavailable, as a tactic to draw consumers to the dealership and then steer them to higher-priced options. The FTC does not specify when to stop advertising a sold vehicle, but a best practice would be to stop advertising a vehicle that is no longer available as soon as practicable. Dealers may truthfully advertise in-transit vehicles if the dealer clearly discloses that the vehicle is not currently at the dealership and consumers must not be led to believe the car is available on the lot if the car is not.

Representative Photos: Dealers may use a representative photo if it is truly representative of the vehicle being sold and when a reasonable consumer would understand that the picture is illustrative rather than the exact car.

Optional Products and Vehicle Add-Ons: Dealers can offer optional products if they do not mislead consumers. Dealers should not suggest an add-on is required when it is in fact optional, imply that an optional add-on cannot be removed and that the consumer must pay for it, misstate the cost of an option, or include charges for options the consumer did not agree to.

The FTC may update the FAQs with additional guidance. NADA will continue working with the FTC on issues related to dealer advertising and implementing FTC guidance. NADA will schedule a webinar with the FTC to discuss the FAQs further.

Subsequent to the FTC's announcement, ComplyAuto, MSADA's endorsed compliance partner, published a breakdown of all seven clarifications, with practical takeaways for dealer ad review. (Available at www.complyauto.com.)

The FTC's FAQs provide some further

clarification on several open questions but unfortunately leave several key questions unanswered, and, in some ways, add new questions that dealers need to address.

Two items warrant immediate attention. First, non-tax charges paid to state or quasi-governmental bodies — electronic titling, smog, and emissions — may no longer be excluded from advertised prices. Second, treating staff phone calls and text messages as advertisements extends compliance obligations into everyday sales communications. Both align with the proposed FTC CARS Rule and the California CARS Act, which takes effect October 1, 2026.

To delve further into these matters, ComplyAuto held a webinar on September 21. A recording of the webinar is available on ComplyAuto's website.

RTR Telematics Disclosure Notice Requirement; Letter from Auto Care Association

As we have so astutely determined from the numerous communications we have received from our member dealers in late August and early September (even from individuals who have not been in business for well over a decade but were letter recipients), the right to repair advocacy group billing itself as the Auto Care Association, in a classic example of someone who has too much free time on their hands, has felt the need to send to franchised dealers in Massachusetts a copy of an undated letter addressed to your MSADA regarding the current telematics disclosure requirement and dealers' alleged lack of compliance with such.

As a reminder, readers may recall the disclosure requirement was statutorily created, through initiative petition approved by voters, in the 2020 amendments (the Massachusetts Vehicle Data Access Law) to our state's so-called right to repair law, which was enacted initially in 2013. The 2020 amendments imposed on the vehicle manufacturers requirements for the inclusion of certain telematics capabilities in vehicles beginning with MY2022 models. The manufacturers, in November 2020, immediately challenged the constitutionality and legal validity of those amendments, litigation which continues to linger in the federal court on the manufacturers' appeal filed subsequent to the decision tossing the lawsuit in February 2025.

The purpose of Bulletin #145 we issued was twofold. First, this out-of-state association shilling for aftermarket parts companies, including foreign-based entities that create product lacking in the level of quality demanded by American consumers for which they are accustomed to with OEM parts, has no legal authority to be threatening our member dealers with their ill-researched claims, nor should they write in a tone that indicates they do. Not that you need any reminder, this is the group that continues to promote Trojan horse data-grab legislation in Congress, which we are fighting against, that is quite the antitheses of what so-called "right to repair" was meant to cover in reality back in 2013.

Second, the disclosure requirement is a real thing with which, I can confidently state, dealers are complying. Since the Massachusetts Attorney General began on June 1, 2023, to enforce the telematics disclosure requirement, we issued a number of communications to our members informing them of the requirement.

Thus, please accept this as a friendly reminder that new- and used-vehicle dealers must provide a "telematics system notice", drafted by the Attorney General, to prospective vehicle owners describing the existence and abilities of the telematics system, including data collection content, in the vehicle. Under the law, if a dealership fails to provide the notice, the dealership could potentially lose its Class 1 or Class 2 license to do business in Massachusetts, a severe penalty for a minor infraction.

As stated on the AG's website: "The law requires a car dealer who sells or leases a motor vehicle containing a telematics system to provide the motor vehicle telematics system notice to the prospective owner, obtain the prospective owner's signed certification, and provide a copy of the signed notice to the prospective owner."

Here is a direct link to the notice: https://www.mass.gov/doc/2023-6-1-telematics-right-to-repair-notice/download. Dealerships can print the form off the AG's website at the above link. Please make sure your dealership personnel retain a signed copy of the consumer notice.

Additional information is available at these links:

- https://www.mass.gov/your-car-your-rights
- https://www.mass.gov/info-details/motor-vehicle-telematics-system-notice-requirement

Dealers Take Note: Scammers Are Spoofing Car Dealership Websites

On September 1, the Federal Trade Commission issued the following consumer alert, warning the public and dealers that scammers are setting up fake car dealership websites to trick consumers to pay up front for vehicles that do not exist.

Scammers Are Spoofing Car Dealership Websites: What You Need to Know

By FTC Bureau of Consumer Protection Staff

While the car-buying process can be stressful, whether you're shopping online or in person, the thought of driving off the dealer's lot with that sweet ride you've had your eyes on can be exhilarating. But imagine showing up at the dealership and finding out the dealer has no record of your order or your payment. And that there's no shiny car waiting for you! That's what's happening to unwitting car buyers who've been duped by scammers impersonating a car dealership.

How the scam works: Scammers set up bogus car dealership websites to trick you into paying up front for a car you'll never lay hands on.

- They clone a real auto dealer's website — often using AI to do so — copying the brand logos, vehicle listings, and photos down to the last detail. Some websites even include fake customer testimonials.

- They might advertise rare muscle cars or hard-to-find classics to lure you in.
- They describe the buying process in detail and offer flexible return policies to put you at ease.

How to avoid the scam: Here's how to protect yourself from scammers that clone auto dealership websites:

- Search online for the dealer's name with words like "scam," "review," or "complaint." Any negative hits that come up are a red flag.
- Keep in mind that if the scammers are impersonating a real dealership, you might find glowing reviews. So go the extra mile — ask to see the car, and the dealership, in person. If they won't let you, pump the brakes.
- If the car is too far for you to visit in person, tell the dealer you want to hire a mobile inspection service to check out the car. If they won't let you, consider taking your business somewhere else.

Report a scam: Walk away if the dealer insists on an upfront payment by wire transfer only. And report them at ReportFraud.ftc.gov.

FTC'S Do Not Call Registry Fee to Increase on Oct. 1

The Federal Trade Commission announced this month that it will increase fees for businesses to compare its customer list against the National Do Not Call ("DNC") Registry. The adjustment is effective October 1, 2026. There is no annual fee for the first five area codes accessed from the DNC Registry, but there is an annual fee for each additional area code.

Under the Telemarketing Sales Rule ("TSR"), a company that makes telephone solicitations to consumers must access the DNC registry at least every 31 days to ensure they are not calling a number on the list. The FTC maintains the DNC Registry to enforce the TSR. The Federal Communications Commission also uses the DNC Registry to enforce the Telephone Consumer Protection Act. The DNC Registry allows consumers to sign up if they do not want to receive telephone solicitations.

Solicitations are defined as calls or texts made for the purpose of encouraging the purchase of property or services. Businesses are prohibited from making solicitation calls or texts to any phone number on the DNC Registry. However, there are exemptions to this rule when the business and individual have one of the following: i) an established business relationship, ii) prior express written consent, or iii) a personal relationship.

Dealers who engage in calling or texting solicitations should access the DNC Registry to ensure they are not contacting customers with registered numbers.

IRS Issues Final Rules for New Car Loan Interest Deduction

On September 8, the Internal Revenue Service issued regulations implementing the auto loan interest deduction created by the One, Big, Beautiful Bill Act (OBBBA). The rules take effect November 9, 2026, although the deduction is already available.

The OBBBA includes a "no tax on car loan interest" provision, which allows some taxpayers to deduct interest paid on qualified passenger vehicle loans for tax years 2025 through 2028. The deduction phases out for taxpayers with an adjusted gross income over $100,000 (or $200,000 for joint filers). To qualify for the deduction, the vehicle must be new, for personal use, and assembled in America. Customers and dealers can use the government's VIN decoder website to find where a vehicle was assembled.

The law was already in effect for 2025, when 1.4 million filers claimed the deduction. In response to NADA's feedback, the IRS clarified that the deduction applies to interest on amounts financed for certain products purchased with the vehicle, such as GAP waiver, tire and wheel protection, and key fob replacement plans. However, the deduction does not apply to negative equity from a trade-in vehicle that is rolled into a new finance contract.

The rule also establishes specific requirements for lenders to report interest information at the end of the year. A lender that receives $600 or more in applicable interest during the year must report that information to the IRS and provide a statement to the borrower. For most vehicle purchases, the lender rather than the dealership will be responsible for this reporting.

NHTSA Resets CAFE Rules for Cars and Light Trucks

On September 28, the National Highway Traffic Safety Administration issued a final rule (available at www.nhtsa.gov) resetting its corporate average fuel economy (CAFE) standards at achievable levels, given the current market for battery-electric vehicles (BEVs) in the U.S. These new CAFE standards apply to passenger cars and light trucks manufactured for MYs 2022-2031.

The prior CAFE standards sought to push fuel economy at a pace requiring dramatic increases in BEV sales far exceeding consumer demand. Today's revisions bring the standards in line with statutory requirements and Americans' interest in BEVs. Under the new rule, dealers and manufacturers can offer the full range of vehicle technologies and powertrains consumers want to buy.

These reforms should translate into lower new-vehicle purchase prices. NADA estimates that resetting CAFE standards to the economically practicable levels in this final rule will make a new vehicle affordable for an additional 2.6 million American households.

Under the Biden administration, three regulatory regimes (California, EPA, and NHTSA) would have forced a supply of BEVs on dealers' lots higher than customer demand. As manufacturers prepared to comply with new regulations, BEV inventories climbed to as much as 70 days' supply higher than internal combustion engine-driven vehicles. Over the last 18 months, Congress struck down California's regulations, and the administration reversed EPA's regulations. NHTSA's revision of the CAFE rule is the final piece in reversing technology-forcing regulations that do not align with customer demand.

The final CAFE rule completes the reform of all three of the significant Biden-

era rules forcing EV adoption. First, in February 2026, EPA repealed its 2009 "endangerment finding," that provided the legal basis for regulating emissions under the Clean Air Act (CAA). In repealing the finding, EPA concluded the CAA does not authorize the agency to regulate carbon dioxide emissions.

Then, in June 2025, President Trump signed legislation blocking California and several other states from enforcing regulations that would have forced a shift to electric vehicles far faster than consumer demand supported, including a complete phase-out of ICE engines by 2035 in those states. These Congressional Review Act disapprovals of preemption waivers stopped a process that would have significantly disrupted the vehicle market, causing higher prices and less consumer choice.

NADA filed a comment (available at www.nada.org) supporting NHTSA's revised CAFE standards. NADA CEO Mike Stanton released the following statement upon NHTSA's release of the final rule: "NADA commends the Department of Transportation for issuing a fuel efficiency rule that supports consumer choice. The updated standards will yield year-over-year improvements in fuel economy while letting automakers build cars that customers want and can afford."

Columbus Day Pay Rules

This year, Columbus Day falls on Monday, October 12. Under state law, this is considered a restricted holiday. This means:

- An employee cannot be required to work on the holiday.
- An employee cannot be punished or penalized for choosing not to work that day.
- If the dealership is going to be open prior to Noon on the day, a local permit is required.
- REMINDER: As of January 1, 2023, under state law, there is no holiday premium pay requirement. Thus, non-exempt employees, if working the day, need to be paid at least the state minimum wage of $15 per hour for any hours worked the day.
- Review your holiday policies under your Employee Handbook. For employees who do not work on the holiday, there is no legal requirement to provide a paid holiday. However, be sure to review your holiday policies in your Employee Handbook to determine whether you have previously agreed to paid holidays. If you have, you will need to follow your policies until they are revised.

MSADA Annual Meeting – Oct. 9, Encore Casino

We will be holding our annual meeting on Friday, October 9, at the Encore Boston Hotel and Casino, in Everett. We are in the process of developing our speakers line-up, running 1-5pm after our Noon welcome reception. The day will conclude with our cocktail reception, 5-8pm. Please use the registration information that we have emailed to you, or the registration form included on page 2 of this month's *Auto Dealer*, to sign up. We look forward to seeing you on October 9.

MSADA Endorsed Vendor Services

It is never a bad time to review your use of vendors and explore outreach to companies that may be able to move the dial more positively for your bottom-line. Your Association has engaged several vendors for endorsed services:

- **Merchant Advocate** works with retailers to analyze the credit card fees those businesses are charged and assessed in processing transactions. The savings can be considerable, as Merchant Advocate uncovers duplicate or unsubstantiated fees from the credit card companies. Over the last several years, they have saved retailers across the country over $400 million.
- **ComplyAuto** works with dealers' compliance efforts on privacy and cybersecurity platforms, FTC Safeguards Rule, advertising, AI-powered sales, workplace safety and OSHA-related rules, and HR policies and employee training.
- **Sprague Energy** works with businesses to analyze their electric and gas charges in an attempt to provide them with reduced charges for such services. Sprague works with a number of Massachusetts dealerships currently in those efforts.
- **Ethos Group** can improve your F&I products, services, and compliance.
- **Reynolds & Reynolds**, through its LAW Library program, is our partner for forms sales and compliance.
- **Withum** is our accounting partner.
- **American Fidelity** can assist you with health and other insurance-based benefit products for your employees.

Check out the ads for most of these companies in this month's *Auto Dealer* magazine. For more information, feel free to contact me at rokoniewski@msada.org.

Our PACs - NADAPAC & NCDPAC

We appreciate the contributions we receive from our member dealers who answer our calls for donations to our PACs.

Each year MSADA expresses itself politically through NADA's federal PAC, NADAPAC, and through our state PAC, the New Car Dealers Political Action Committee (NCDPAC). We depend on contributions from our dealers to keep these PACs strong, as we need to have an active voice in Washington and on Beacon Hill. Contributions to our PACs are an inexpensive insurance policy. Since by law we cannot use our membership dues or other association revenues for political contributions, the PACs help us to remain strong politically as we advocate for our dealers' interests in the political process.

If you have not yet given to the PACs this year, please contact me at rokoniewski@msada.org and we can make sure your contributions happen. Thank you.

Tell Us About Your Giving

We always love to hear from our dealers about their charitable efforts and community assistance they do throughout the year. Whether it is big or small, it makes no matter. It all helps your fellow citizens in some manner. Be sure to pass it on to us so we can recognize these efforts in our magazine.

Legislative Scorecard

SEPTEMBER 2026

BILL#	SPONSOR	SUBJECT		STATUS
S201 H406	Sen Crighton Rep Hunt	Amendments to Ch. 93B, the auto dealer franchise law.	SUPPORT	Joint Committee on Consumer Protection held public hearing on 10/14/25; H4980, redraft of H406, reported favorably and referred to House Ways and Means; S2998, redraft of S201, reported favorably and referred to Senate Ways and Means.
H398	Rep Howitt	RTR Law amendment to fix consumer notice requirement.	SUPPORT	Joint Committee on Consumer Protection held public hearing on 10/14/25. Committee placed bill into study.
S271 H342 H365	Sen O'Connor Rep Chan Rep Finn	Creates process to appeal improperly issued Class 1 license.	SUPPORT	Joint Committee on Consumer Protection held public hearing on 10/14/25. Committee included provisions in H4980.
S202 H424	Sen Crighton Rep Lewis	Modernize on-line vehicle purchase process.	SUPPORT	Joint Committee on Consumer Protection held public hearing on 10/14/25. Committee included provisions in H4980.
S266	Sen Moore	Amends definition of heavy-duty trucks in RTR law.	SUPPORT	Joint Committee on Consumer Protection held public hearing on 10/14/25. Committee placed bill into study.
S291 H474	Sen Velis Rep Walsh	Open safety recalls notifications.	SUPPORT	Joint Committee on Consumer Protection held public hearing on 4/14/25. H4284, redraft of H474, reported favorably and referred to House Ways and Means.
S228	Sen Feeney	Protects consumer choice in vehicle service contracts.	SUPPORT	Joint Committee on Consumer Protection held public hearing on 10/14/25.
H5036	Rep Domb	Price disclosures due to tariffs.	OPPOSE	Joint Committee on Consumer Protection held public hearing on 4/15/26; placed bill into study.
S797 H1260 H1285	Sen Moore Rep McMurtry Rep Philips	Creates process to increase the insurance reimbursed labor rate paid to auto body repairers.	SUPPORT	Joint Committee on Financial Services held public hearing on 10/22/25; S797 reported favorably and referred to Senate Ways and Means.
H1293	Rep Puppolo	Protects consumer choice in vehicle service contracts.	SUPPORT	Joint Committee on Financial Services held public hearing on 5/13/25.
H1139 S812	Rep Donahue Sen Oliviera	Regulates motor vehicle servive contracts	SUPPORT	Joint Committee on Financial Services held public hearing on 5/13/25. S812 reported favorably and referred to Senate Ways and Means.
H3406 S2185	Rep Puppolo Sen Moore	Creates process to delay ACT.	SUPPORT	Joint Committee on State Administration held public hearing on 7/22/25.
H2386 H3535 H3572	Rep Muradian Rep Muradian Rep Soter	Creates process to delay ACC II and ACT.	SUPPORT	Joint Committee on Telecommunications, Utilities and Energy held public hearing on 5/14/25.
S2360 H3603	Sen Cronin Rep Arciero	Eliminates initial state inspection for new vehicle.	SUPPORT	Joint Committee on Transportation held public hearing on 5/13/25. H3603 reported favorably and referred to House Ways and Means.
H3690	Rep Howitt	Limit doc prep fee to $400.	OPPOSE	Joint Committee on Transportation held public hearing on 5/13/25. Reported favorably and referred to House Ways and Means.
H3676 S2371	Rep Gregoire Sen DiDomenico	Establishes requirements for e-titles and e-signatures on RMV and sales docs.	SUPPORT	Joint Committee on Transportation held public hearing on 5/13/25. Provisions eventually passed into law in FY26 budget act.
H78 H80 H104 S29 S33 S45	Rep Farley-Bouvier Rep Hogan Rep Vargas Sen Creem Sen Driscoll Sen Moore	Mass. Consumer Data Privacy Act	OPPOSE	Joint Committee on Advanced Information Technology, the Internet and Cybersecurity held public hearing on 4/9/25. Redraft S2516 reported favorably on 5/12/25, referred to Senate Ways and Means. On 9/25/25, Senate passed S2619, which was referred to House Ways and Means. H4746 reported favorably by committee and referred to House Ways nd Means.

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AUTO OUTLOOK

Released: September 2026 **Covering data thru August 2026**

Massachusetts Auto Outlook™

Comprehensive information on the Massachusetts new vehicle market

% Change In New Retail Market: YTD 2026 thru August vs. YTD 2025



Light trucks **-5.9%**



Cars **-14.0%**

Massachusetts New Retail Light Vehicle Registrations

	Light Trucks	Cars	Total
YTD '25 thru Aug.	163,529	30,120	193,649
YTD '26 thru Aug.	153,874	25,907	179,781
% change	**-5.9%**	**-14.0%**	**-7.2%**
Aug-25	21,221	3,823	25,044
Aug-26	20,940	3,622	24,562
% change	**-1.3%**	**-5.3%**	**-1.9%**
Jul-26	20,098	3,710	23,808
Aug-26	20,940	3,622	24,562
% change	**4.2%**	**-2.4%**	**3.2%**

Data sourced from Experian Automotive. Figures for August 2026 are partially estimated.

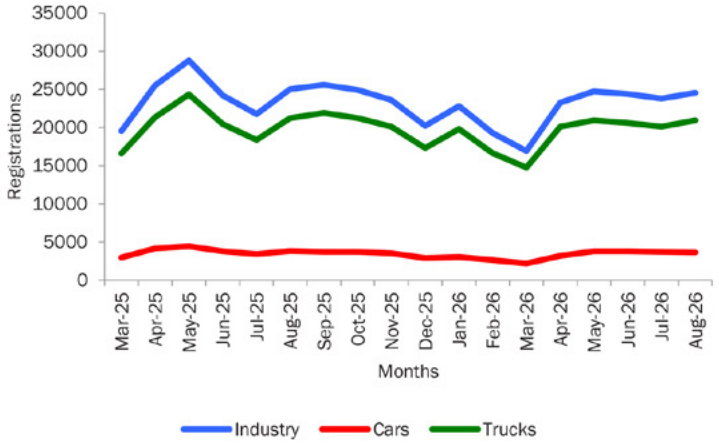
QUICK FACTS

New retail light vehicle registrations in the state declined 7.2% during the first eight months of this year versus year earlier. The U.S. market was off 4.6%

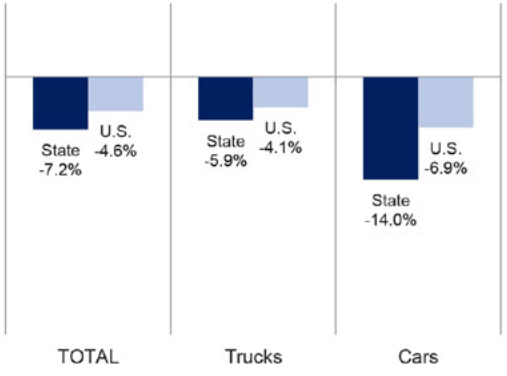
State new vehicle registrations fell 1.9% in August of 2026 vs. year earlier, but were up from July of this year.

Registrations increased for these nine brands so far this year: Ram, Lucid, Dodge, Acura, Nissan, GMC, Jeep, BMW, and Genesis.

Monthly New Retail Light Vehicle Registrations in State



Percent Change in State and U.S. New Retail Light Vehicle Markets YTD 2026 thru August vs. YTD 2025



The graph above compares the change in new retail car and light truck registrations in both the state and U.S. markets. Data sourced from Experian Automotive.

Data Information

Data presented in Auto Outlook measures new retail vehicle registrations in Massachusetts. Monthly recording of registrations occurs when vehicle title information is processed, which may differ from date of sale. Title recording can occasionally be subject to processing delays by governmental agencies. For this reason, the year-to-date figures will typically be more reflective of market results.

Change in New Retail Light Vehicle Registrations YTD '26 thru August vs. YTD '25

DOMESTIC BRANDS	EUROPEAN BRANDS	JAPANESE BRANDS	OTHER ASIAN BRANDS
DOWN 7.4%	DOWN 12.3%	DOWN 5.3%	DOWN 8.5%

Massachusetts New Retail Car and Light Truck Registrations by Make

	YTD thru Aug.			Year to date Market Share (%)		
	YTD '25	YTD '26	% chg.	YTD '25	YTD '26	Chg.
TOTAL	193,649	179,781	-7.2%			
Acura	1,834	1,952	6.4%	0.9	1.1	0.1
Alfa Romeo	79	33	-58.2%	0.0	0.0	0.0
Audi	3,500	2,784	-20.5%	1.8	1.5	-0.3
BMW	5,554	5,619	1.2%	2.9	3.1	0.3
Buick	664	415	-37.5%	0.3	0.2	-0.1
Cadillac	1,284	860	-33.0%	0.7	0.5	-0.2
Chevrolet	11,797	9,908	-16.0%	6.1	5.5	-0.6
Chrysler	313	302	-3.5%	0.2	0.2	0.0
Dodge	552	605	9.6%	0.3	0.3	0.1
Ferrari	22	19	-13.6%	0.0	0.0	0.0
Ford	14,191	13,037	-8.1%	7.3	7.3	-0.1
Genesis	1,046	1,049	0.3%	0.5	0.6	0.0
GMC	5,482	5,689	3.8%	2.8	3.2	0.3
Honda	25,074	22,779	-9.2%	12.9	12.7	-0.3
Hyundai	11,092	10,112	-8.8%	5.7	5.6	-0.1
Ineos	110	87	-20.9%	0.1	0.0	0.0
Infiniti	611	419	-31.4%	0.3	0.2	-0.1
Jeep	8,446	8,743	3.5%	4.4	4.9	0.5
Kia	8,852	8,048	-9.1%	4.6	4.5	-0.1
Land Rover	1,502	1,209	-19.5%	0.8	0.7	-0.1
Lexus	5,588	4,988	-10.7%	2.9	2.8	-0.1
Lincoln	901	732	-18.8%	0.5	0.4	-0.1
Lucid	263	293	11.4%	0.1	0.2	0.0
Mazda	6,639	6,079	-8.4%	3.4	3.4	0.0
Mercedes-Benz	4,115	3,700	-10.1%	2.1	2.1	-0.1
MINI	613	513	-16.3%	0.3	0.3	0.0
Mitsubishi	864	726	-16.0%	0.4	0.4	0.0
Nissan	6,930	7,354	6.1%	3.6	4.1	0.5
Porsche	901	700	-22.3%	0.5	0.4	-0.1
Ram	2,782	3,110	11.8%	1.4	1.7	0.3
Rivian	647	461	-28.7%	0.3	0.3	-0.1
Subaru	13,013	12,324	-5.3%	6.7	6.9	0.1
Tesla	7,107	6,231	-12.3%	3.7	3.5	-0.2
Toyota	32,495	31,477	-3.1%	16.8	17.5	0.7
Volkswagen	5,542	4,834	-12.8%	2.9	2.7	-0.2
Volvo	2,915	2,374	-18.6%	1.5	1.3	-0.2
Other	329	216	-34.3%	0.2	0.1	0.0

Top ten are shaded yellow. Other Asian brands include Genesis, Hyundai, Kia, and VINFast.

At Auto Outlook, we strive to provide accurate analyses based upon the data available to us. Auto Outlook can make no representation or warranty with respect to the accuracy or completeness of the data we provide or the projections that we make based upon such data. Auto Outlook expressly disclaims any such warranties, and undue reliance should not be placed on any analysis. Auto Outlook undertakes no obligation to revise any forecasts or analyses, whether as a result of any new data, the occurrence of future events, or otherwise.

Released: September 2026

BRAND RESULTS

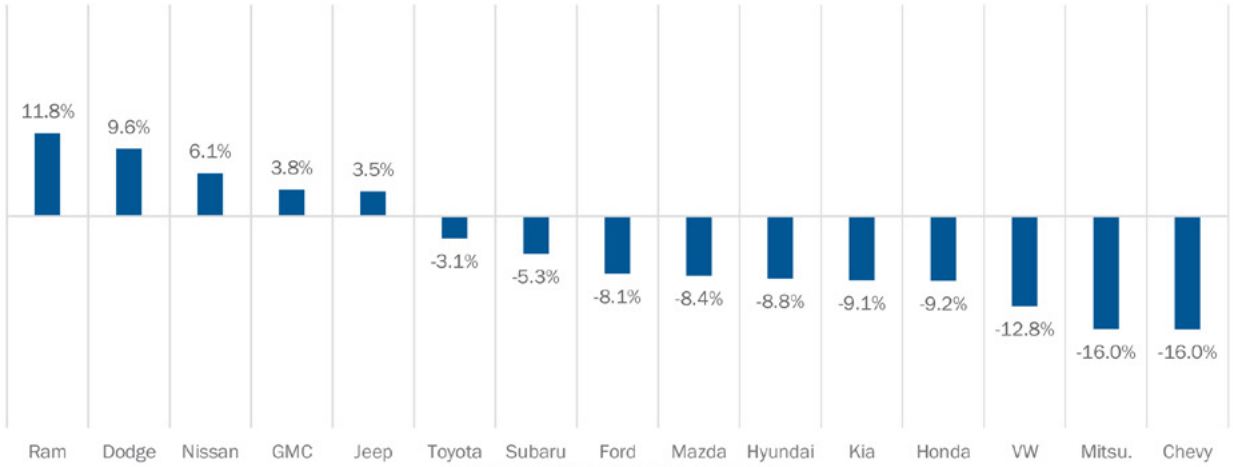
The two graphs below show the percent change in new retail light vehicle registrations for mainstream and luxury brands in the area during the first eight months of this year versus the same period a year earlier.



Brands with increases so far this year:

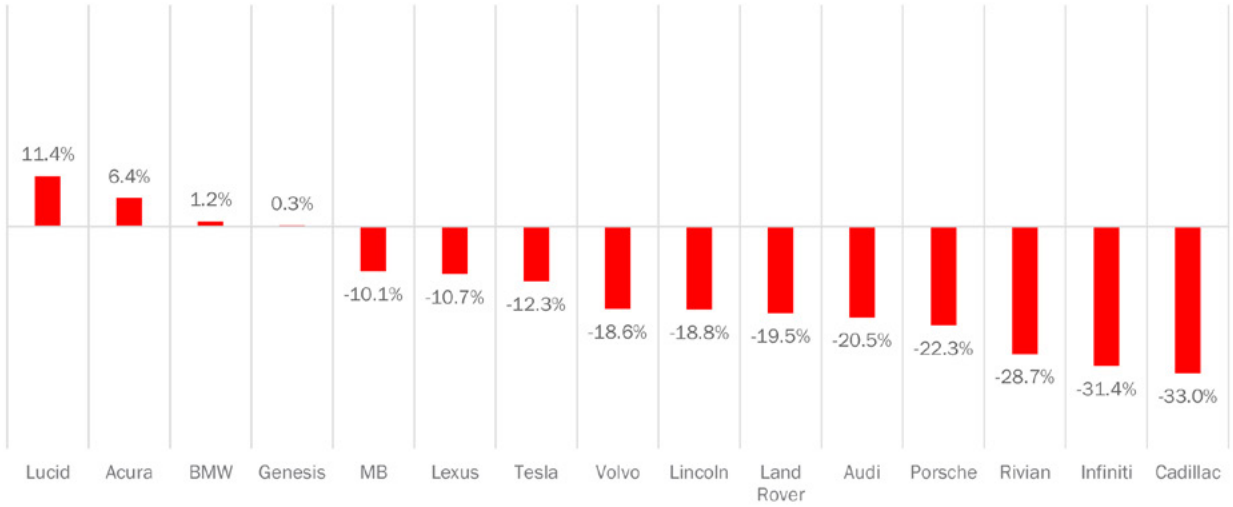
Ram - Up 11.8%
Lucid - Up 11.4%
Dodge - Up 9.6%
Acura - Up 6.4%
Nissan - Up 6.1%
GMC - Up 3.8%
Jeep - Up 3.5%
BMW - Up 1.2%
Genesis - Up 0.3%

% Change in New Retail Registrations for Mainstream Brands - YTD '26 thru Aug. vs. YTD 2025



Data sourced from Experian Automotive.

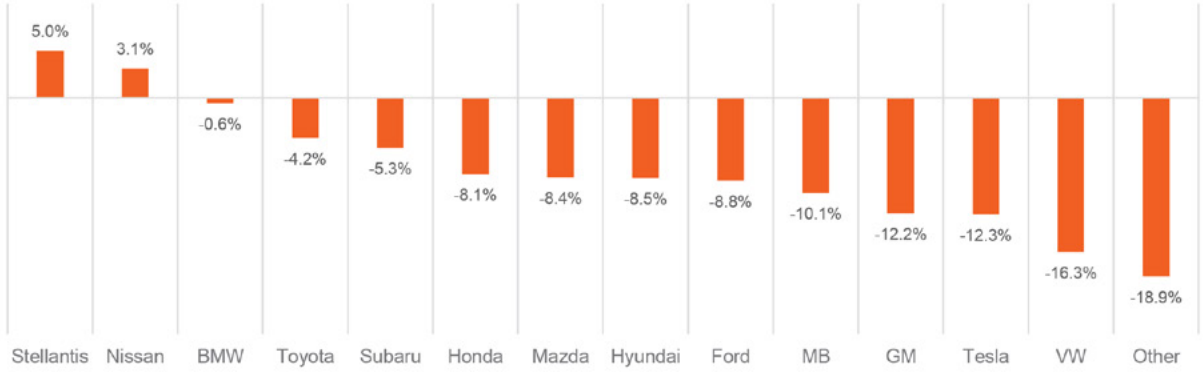
% Change in New Retail Registrations for Luxury Brands - YTD '26 thru Aug. vs. YTD 2025



Data sourced from Experian Automotive.

MANUFACTURERS

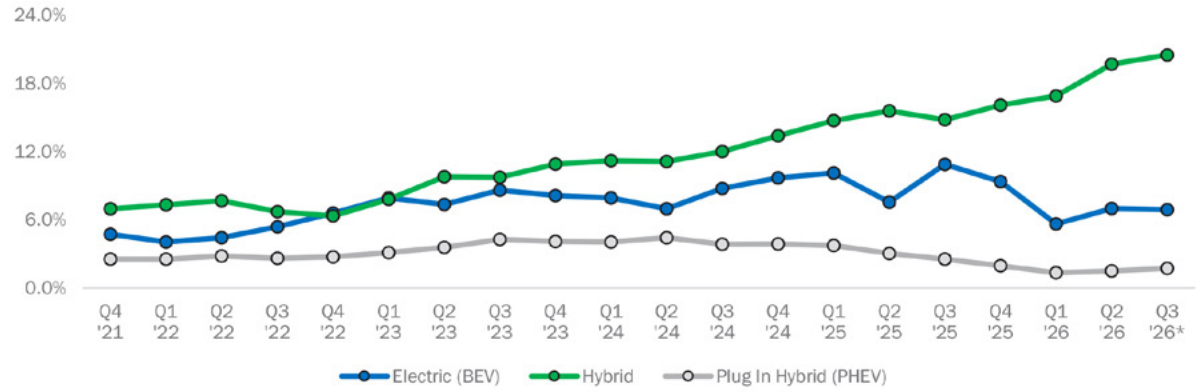
Percent Change in State Registrations by Manufacturer
YTD 2026 thru August vs. Year Earlier



The graph above shows the percent change in new car and light truck registrations by manufacturer during the first eight months of this year versus the same period a year earlier. Data sourced from Experian Automotive. Note: MB is Mercedes-Benz.

HYBRID AND ELECTRIC VEHICLES

Quarterly Alternative Powertrain Market Share (includes hybrid and electric vehicles)



The graph above shows hybrid powertrain and electric vehicle market share in the state. Data sourced from Experian Automotive. *Q3 includes July and August only.

Massachusetts New Light Vehicle Registrations by Powertrain Type

	Registrations					Market Share					
	Months			YTD thru Aug.		Months			YTD thru Aug.		
Powertrain Type	Aug-25	Jul-26	Aug-26	YTD '25	YTD '26	Aug-25	Jul-26	Aug-26	YTD '25	YTD '26	Chg. In share
ICE	18,351	16,501	17,786	140,617	131,230	73.3%	69.3%	72.4%	72.6%	73.0%	0.4
BEV	2,316	1,913	1,424	17,478	11,717	9.2%	8.0%	5.8%	9.0%	6.5%	-2.5
Hybrid	3,757	4,962	4,953	29,484	34,131	15.0%	20.8%	20.2%	15.2%	19.0%	3.8
PHEV	620	432	399	6,070	2,703	2.5%	1.8%	1.6%	3.1%	1.5%	-1.6

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Before You Buy Another AI Tool

Building a Smarter AI Strategy for Your Dealership

By Scott Spatz
CEO, Cooperative Systems

If it feels like every dealership software vendor suddenly has an AI feature to sell, you are not imagining it. AI now shows up in customer follow-up, marketing, phone systems, inventory tools, fraud detection, and everyday office applications. Each new feature arrives with a promise: save time, respond faster, find better insights, or do more with the staff you already have.

Some of those tools may be genuinely useful. The problem is that the conversation usually starts with the product a vendor wants to demonstrate, not with what the dealership is trying to accomplish. One department switches on a new feature. Another tests a separate tool. An employee tries a chatbot because it makes tasks easier. None of those choices seems especially significant on its own. Taken together, they can leave the dealership with no clear picture of where AI is being used, what information it can reach, or who is responsible for it.

Many dealers are asking the same basic questions: What is AI beyond what our vendors are telling us? Why does our dealership need its own strategy and roadmap? And how do we get a handle on everything that is already being introduced?



How to cut through the noise, evaluate vendor tools, and build an AI strategy that works across your dealership

The answer begins with looking at AI as a dealership-wide business issue, not simply another feature included in individual software platforms. Before choosing the next tool, the dealership needs a practical way to evaluate, approve, and manage AI as a whole.

AI is already part of your dealership

AI is a broad term, but, in this context, it simply refers to technology that can recognize patterns, generate content, summarize information, make recommendations, or automate parts of a task. For a dealership, that might mean drafting a customer email, summarizing a sales call, identifying trends in service data, or helping an employee find information more quickly. It is not one product, and it is not limited to ChatGPT.

AI may already be built into systems your dealership uses every day. CRM platforms, retail tools, phone systems, marketing campaigns, productivity software, and security platforms are all adding AI-powered capabilities. A feature may arrive in a routine update, be enabled by one department, or be tested by an employee using a free online service. Your dealership may never have made a formal decision to adopt AI, but AI has entered the business anyway.



That is where the confusion starts. Each vendor explains AI through the lens of its own product. What leadership rarely gets is the dealership-wide view: Which tools are in use? What problems are they solving? What data do they touch? Are they connected to other systems? What happens to the information entered into them?

No one at the dealership needs to become an AI expert overnight. Someone does need to keep track of the bigger picture and make sure the right questions are being asked.

AI decisions should not happen in silos

An AI strategy does not have to be a hundred-page document or a major technology initiative. It should give the dealership a consistent way to make decisions: connect AI use to business goals, establish who can approve new tools, and define the basic safeguards every vendor or feature must meet.

Without that structure, departments can make decisions on their own that create problems when viewed together. Sales may adopt an AI writing assistant, marketing may use a separate automation platform, the business office may test a document tool, and employees across the dealership may use public chatbots for quick answers. Each decision may seem harmless. Collectively, they can lead to duplicate costs, inconsistent customer experiences, unmanaged access to dealership data, and uncertainty about where information is going.

A coordinated strategy also keeps the dealership from chasing every new product announcement. AI is changing too quickly to build a plan around whichever tool is popular this month. A few clear rules are more useful: start with a business need, protect sensitive information, verify important output, assign accountability, and measure whether the tool is helping.

Start with the foundation, not the feature

An AI tool can only work with the access, systems, and information it is given. If employees can already reach files they should not see, an AI assistant may make those files easier to find. If customer records are incomplete or inconsistent, the tool may produce a seemingly correct answer built on bad information. If accounts are shared or former employees still have access, connecting another service adds to the problem.

Before expanding the use of AI, dealerships should review a few fundamentals: identity and access controls, multifactor authentication, employee permissions, data classification and retention, security policies, software inventory, vendor management, and employee training. This will help determine whether a rollout will be useful and manageable.



AI IS CHANGING TOO QUICKLY TO BUILD A PLAN AROUND WHICHEVER TOOL IS POPULAR THIS MONTH.

You also need a clear business case. “We should be using AI” is not one. Reducing the time salespeople spend documenting calls, improving response time to online leads, or helping managers spot recurring customer concerns are much better starting points. When the problem is specific, it becomes easier to select the right tool, set boundaries, and decide whether the result is worth the investment.

Small, focused pilots are often more effective than a broad rollout. Choose a use case, involve the employees who understand the work, decide what success will look like, and review the results before expanding.

Your software vendor’s controls are not a catchall

Vendors should provide security settings, access controls, and documentation for their AI features. Those protections matter, but they do not replace your dealership’s own oversight.

A vendor is responsible for how their product operates. Your dealership is still responsible for deciding who may use it, what information employees may enter, how its output will be reviewed, and whether the use fits the dealership’s policies and obligations. Even a well-designed feature can be used in the wrong way or for the wrong purpose.

For example, a tool may allow an employee to generate a customer message from information in a record. The vendor may secure the platform, but the dealership still needs to decide whether the message requires human review, what types of customer information can be included, and how errors will be handled.

Vendor due diligence checklist

Before enabling an AI feature or signing an agreement for a new tool, ask the vendor direct questions. The answers should be documented and reviewed by the people responsible for technology, security, and operations. At a minimum, the questions you should ask can start with these:

- What dealership information will the tool collect, access, or create?
- Is dealership data used to train the vendor's models or improve services for other customers?
- Where is the data stored, how long is it retained, and how can it be deleted?
- Which employees, vendor personnel, or third parties can access the information?
- Can the dealership control permissions by employee, role, or department?
- What other dealership systems does the tool connect to?
- How does the vendor test the accuracy and reliability of AI-generated output?
- What security standards does the vendor provide?
- How will the dealership be notified of a security incident, material product change, or new use of its data?
- Can the dealership export its information and turn off the AI functionality if needed?

No checklist can eliminate every possible risk. It can reveal the risks before a tool becomes part of daily operations. If a vendor cannot clearly explain how dealership data is handled, who can access it, or what controls are available, an impressive demo should not be enough to move forward.



IF A VENDOR CANNOT CLEARLY EXPLAIN HOW DEALERSHIP DATA IS HANDLED, WHO CAN ACCESS IT, OR WHAT CONTROLS ARE AVAILABLE, AN IMPRESSIVE DEMO SHOULD NOT BE ENOUGH TO MOVE FORWARD.



The ABCs of getting started

Dealers do not need to solve everything at once. A simple framework can turn a broad topic into a manageable set of actions.

A: Assess what is already in use. Create an inventory of AI-enabled tools and features across the dealership. Include approved systems, free tools employees may be using and features recently added by existing vendors. Identify the department, business purpose, data involved, owner and current approval status.

B: Build the rules and roadmap. Assign an individual or small cross-functional group to oversee AI decisions. Establish an acceptable-use policy that explains which tools are approved, what information may not be entered, when human review is required and how employees should request a new tool. Then prioritize a



short list of use cases based on business value, readiness and risk.

C: Control, communicate, and continuously review. Configure access carefully, train employees and monitor how the tool is being used. Review the results against the original goal. AI tools and vendor terms will continue to change, so the inventory and roadmap should be revisited regularly rather than a one-time project.

Give employees useful directions

A policy sitting in a shared folder will not stop unmanaged AI use, especially when employees see these tools as an easy way to get work done. Training needs to be practical. Employees need examples of what they can do, what they should not do, and when they need to involve a manager.

A salesperson may be allowed to use an approved tool to improve the tone of a follow-up email, but not to paste a customer's driver's license or financial information into a public chatbot. A manager may use AI to create a first draft of a meeting summary, but should verify names, commitments, and numbers before sharing it. Marketing may use AI to brainstorm copy, but customer claims, pricing, and offers still need human review.

Clear examples are more useful than broad warnings. They help employees understand that the dealership is not banning AI; it is setting reasonable boundaries so people can use it safely. Leadership should also make it easy for employees to ask questions or request approval. If the process is unclear or overly complicated, people are more likely to work around it.

BEFORE YOU BUY ANOTHER AI TOOL



THE RIGHT PLAN STARTS WITH THE DEALERSHIP'S GOALS AND ITS ABILITY TO MANAGE THE TOOL RESPONSIBLY.

A roadmap that fits your dealership

A useful roadmap can begin with four stages:

- First, discover: identify current tools, business needs, data exposure, and gaps in the dealership's foundation.
- Second, govern: establish ownership, an approval process, acceptable-use rules, and minimum vendor requirements.
- Third, pilot: choose one or two worthwhile use cases, train a defined group, and measure the results.
- Fourth, expand: build on what worked, address what did not, and continue reviewing tools as they change.

This work can often be led by a small group that includes executive leadership, operations, technology or security, and representatives from the departments using the tools. What matters is that someone owns the overall picture and decisions are not made in separate silos.

The roadmap should also reflect the dealership's actual priorities. One store may focus on reducing repetitive administrative work. Another may want better visibility into customer communications. A dealer group may need to standardize tools and policies across locations. There is no universal list of AI projects that every dealership should pursue. The right plan starts with the dealership's goals and its ability to manage the tool responsibly.

The best first move is to get organized

AI deserves the industry's attention. Used thoughtfully, it can help dealership employees work more efficiently, surface useful information, and improve parts of the customer experience. But a collection of vendor features is not an AI strategy.

The dealerships that get lasting value from AI may not be the ones that turn on the most features first. They are more likely to be the ones that know where AI is being used, put sound fundamentals in place, ask vendors better questions, and give employees clear direction.



If the subject still feels overwhelming, start with three questions:

- Where are we already using AI?
- What business problem are we trying to solve next?
- Who is responsible for deciding how we move forward?

Those answers will not settle every issue, but they will replace noise with a starting point. From there, the dealership can build a roadmap that fits the business, gives employees useful guardrails, and can adapt as the technology continues to change.

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NEWS from Around the Horn

HOLYOKE

Gary Rome Hyundai Awards New Vehicle to Deserving Student for Academic Achievement

Gary Rome Hyundai continued a longstanding tradition of encouraging Holyoke students to work hard, attend school, and make positive choices by offering one extraordinary reward: the opportunity to win a brand-new vehicle.

Graduating Dean Technical High School senior Don Ampofo was named the 2026 winner of the Gary Rome Academic Achievement Award and drove away in a brand-new Hyundai Venue.



Ampofo was selected from more than 150 qualifying students from Holyoke High School's North and Dean campuses. Twenty finalists gathered with their families, teachers, school administrators, and community supporters at Gary Rome Hyundai on June 4 for the car giveaway ceremony.

Each finalist received a key and took a turn attempting to start the Hyundai Venue. Ampofo's key unlocked the vehicle, making him the winner just days before his high school graduation.

Established by Gary Rome in 2010, the Academic Achievement Award recognizes students who demonstrate a commitment to their education and personal development.

To qualify, students must maintain a GPA of at least 3.0, have fewer than six absences during the academic year, and remain free of major disciplinary actions. Gary Rome and members of the dealership team visit the schools to introduce the program and encourage students to remain focused on achieving their goals.

"We started this program because we wanted students to know that hard work matters and that their future matters," said Rome, President and CEO of Gary Rome Auto Group. "This is about much more than giving away a car. It's about recognizing young people who are making positive choices, overcoming challenges and working hard to build a better future for themselves."

The dealership's showroom was filled with excitement as the finalists were recognized individually before the keys were distributed. The ceremony also featured participation from the Holyoke High School band and brought together parents, educators, previous winners and community leaders to celebrate the students' accomplishments.

For Rome, the gathering is one of the dealership's most meaningful traditions. "Seeing the excitement, pride and emotion from these students and their families is incredibly powerful," Rome said. "Every finalist has accomplished something worth celebrating. The vehicle makes the day exciting, but recognizing these young people and showing them that their community believes in them is what the program is truly about."

Since its establishment in 2010, the Gary Rome Academic Achievement Award has motivated Holyoke students to pursue academic excellence, consistent attendance and responsible behavior. The program reflects Gary Rome Hyundai's broader commitment to investing in children, education and families throughout Western Massachusetts. By turning academic achievement into a communitywide celebration, the dealership hopes to encourage students to recognize their own potential and continue building toward a successful future.

WASHINGTON, D.C.

Fed's First Hike in 3 Years Hits Industry in an Affordability Bind

John Huetter and Paige Hodder, *Automotive News*

Automakers, dealers, and consumers face a deepening affordability strain as they brace for higher financing costs and weaker consumer demand following the Federal Reserve's decision to raise interest rates for the first time since 2023.

The quarter-point increase, which defied pressure from the White House, reverses cuts that had helped ease car purchase expenses in 2024 and 2025. Officials predicted another quarter-point increase by year end.

Changes to the Fed's benchmark rate have a ripple effect on the interest rates lenders offer auto buyers and that dealers pay on loans for their inventory.

The Fed's rate increase is intended to slow economic activity by making borrowing more expensive and reducing demand. Over time, weaker demand can help bring inflation down. But it can have a large negative effect on big-ticket purchases, such as cars.

Already, the combination of high vehicle prices, high interest rates and expensive fuel continues to strain many American car buyers — some consumers have even been squeezed out of the new-vehicle market.

A dealer survey conducted by Cox Automotive this summer found dealers are concerned about rising costs in general — in-

cluding fuel inflation resulting from the war with Iran. They said consumers are reassessing what they can afford to pay for cars.

New-vehicle borrowers in August financed an average of $44,658, up 4.6 percent from a year earlier, at an average interest rate of 7 percent, according to Edmunds. That is the same rate as a year earlier. Used-vehicle borrowers financed an average of $30,658, up 3.6 percent, at an average rate of 10.6 percent, which is mostly flat compared with a year earlier.

The central bank's federal funds rate target stands now at 3.75 to 4 percent, up from 3.5 to 3.75 percent, and Fed officials predicted September 16 they'd have to raise it by another quarter point by the end of the year in response to inflation.

"Inflation remains elevated," the Federal Open Market Committee, which sets monetary policy, said in a September 16 statement.

The Fed's goal is to lower inflation to 2 percent while simultaneously encouraging maximum employment. Prices rose 3.7 percent in July based on the latest personal consumption expenditures data the Fed uses to measure inflation.

"Energy price spikes are often treated as temporary supply shocks that Fed officials look through," Cox Chief Economist Jeremy Robb said in a Sept. 14 statement. "But we are now seven months into the Middle East conflict with no resolution in sight, and the market is grappling with the increased probability that energy costs will continue to push inflation higher across the economy."

Dealers' inflation struggle

Dealers said inflation has affected their costs, interest rates, vehicle sales and fixed operations during the third quarter, and it also has had a slight impact on dealership staffing, according to the Cox study, conducted from July 22 to August 5.

Nearly 4 in 10 dealers called interest rates a challenge in the third-quarter Cox Automotive Dealer Sentiment Index survey, a drop from 49 percent a year earlier and from 67 percent in 2024, before the Fed began cutting rates. But it reflects an increase from 36 percent in the second quarter.

A Toyota dealer in the Midwest said as part of Cox's third-quarter poll that interest rates were the highest they have been "in a long time. Rising prices for everything are causing people to hold on to cars longer."

"Operating costs, insurance costs, payroll costs, vendor costs, advertising costs. Every single thing is going up," a GMC dealer in the Midwest told Cox.

Car dealers had anticipated some interest rate relief.

For part of 2025, "the narrative was, whether through political pressure or whatever, interest rates were going to start to be pushed down," said Mark Strand, Cox deputy chief economist. "People are starting to realize that the markets have a say in that, and it's not going to happen quickly."

The Fed's rate increase will not ease auto affordability challenges, but seasonal rate promotions toward the end of the year could blunt the impact, said Jessica Caldwell, head of insights at Edmunds. "Affordability is at the top and center for most American families," she said. "Having an interest rate hike isn't good optics."

Trump had pushed for cuts

Before the Fed announced its decision, President Donald Trump urged Federal Reserve Chairman Kevin Warsh, who was confirmed to lead the central bank in May, and other Fed committee members to cut rates.

"LOWER THE RATE OR I'LL STOP TRADING WITH COUNTRIES WITH WHICH WE HAVE A DEFICIT," Trump wrote in a Truth Social post September 4.

But on September 13, White House economic adviser Kevin Hassett said in an interview on CNN's "State of the Union" that the president would accept the committee's decision.

Previously, Trump repeatedly criticized former Federal Reserve Chairman Jerome Powell for the committee's reluctance to cut rates. The U.S. Department of Justice also investigated Powell for statements made about renovations to the Fed's headquarters. The agency closed the investigation without filing charges.

ALBANY, NEW YORK

New York AG Settlement Signals Increased Scrutiny of Dealer Fee Practices and Add-On Products

By Brooke Conkle, Chris Capurso, and Michael Yaghi,
Troutman Pepper and Locke

[*NOTE: This New York matter is illustrative of actions that Attorneys General across the country can take against dealership sales and advertising practices.*]

On September 16, the New York Attorney General's Office (OAG) announced a settlement with two Westchester County (NY) dealerships, resolving allegations of deceptive fee practices under General Business Law § 349 and § 350 and Executive Law § 63(12). The resolution requires more than $1 million in immediate consumer restitution, with additional claims-based payments potentially reaching into the millions, plus $700,000 in penalties.

For dealers and finance professionals, the underlying findings are worth attention; the settlement is an illustration of how regulators are analyzing fee disclosure and add-on sales in current enforcement actions.

The Core Allegations

According to the Assurance of Discontinuance, the dealerships implemented a 2% "Sales Commission" charge applied to nearly every retail sale and lease transaction, roughly 97% at one dealership and 96.8% at the other. The Attorney General's investigation found three problems with the way this fee was presented, each independently significant:

First, the fee was optional but was not disclosed as such. The pre-printed line item stated the charge was "not required by law," language the OAG found created ambiguity rather than clarity.

Consumers reasonably read "not required by law" to mean the fee was government-related overhead, not an elective charge they could decline.

Second, the label itself was misleading. A "sales commission," as commonly understood, is compensation paid to the salesperson from the dealership's margin. The OAG found no reliable evidence that the charge functioned this way, and when consumers asked about it, staff reportedly gave inconsistent or inaccurate explanations, including claims that it directly compensated the salesperson.

Third, the near-universal capture rate undercut any claim that the fee was truly voluntary. A 97% acceptance rate for an optional charge with no product or service attached is, in the OAG's view, evidence that the fee was functioning as a mandatory add-on regardless of its labeling.

The Add-On Product Findings

The settlement separately addressed the inclusion of a bundled aftermarket product, priced as high as $2,495, and included in a majority of transactions. The OAG's findings on this product are instructive for any dealer offering similar bundles. The investigation determined that the product's advertised benefits were largely illusory. For example, a "collision credit" marketed as up to $2,500 in reimbursement was only payable if the consumer purchased or leased another vehicle from the same dealership within 60 days, effectively converting a protection product into a loyalty incentive with no immediate value to a consumer who had just been in an accident.

The larger compliance issue was disclosure. The OAG found the product was often advertised on vehicles and websites without any indication of cost or optionality, and that transaction documents did not consistently make clear that consumers could decline it.

Disclosure Evolution Was Not Sufficient

The dealerships did revise their disclosure documents twice, in May 2022 and again in September 2024, and neither revision satisfied the OAG. The May 2022 form was untitled and bundled the fee with genuine optional add-ons. The September 2024 form, despite being titled "optional sales commission," still described the charge as partially offsetting employee compensation, language the OAG found reinforced the impression that the fee was an unavoidable cost rather than a true option. Incremental disclosure improvements do not resolve an underlying labeling or presentation problem if the document's substance continues to suggest the charge is standard or expected.

Required Reforms

The settlement requires both dealerships to permanently cease charging any fee characterized as a sales commission and to permanently cease offering add-on protection and reconditioning packages or any substantially similar bundled product. Going forward, any additional product or fee must be disclosed through a standalone "elected options form" that separately itemizes each optional item and requires the consumer's affirmative, written consent. The dealerships must also implement a "dealer worksheet" disclosing the negotiated price, trade-in treatment, government fees, and any installed equipment before a consumer enters the finance office and must conduct mandatory annual compliance training for all sales, finance, and management personnel.

Practical Takeaways

For dealers and finance professionals, several practical points emerge from this settlement:

An optional fee is only optional if the consumer can decline it without friction. Additionally, the dealership's capture rate cannot, by itself, suggest otherwise. A near-universal acceptance rate on a fee with no associated product or service is a red flag regulators will treat as evidence of de facto mandatory pricing.

Fee labels matter. A charge described as a "commission," "service fee," or similar term should function exactly as that label implies. Mislabeling a charge, even if the underlying amount is legally permissible, creates independent liability exposure under deceptive practices statutes.

Add-on products should be evaluated for genuine consumer value. Legal permissibility alone is not sufficient. Products with narrow, conditional payout triggers invite scrutiny regardless of how they are marketed.

Revising a disclosure form is not a substitute for correcting the underlying practice. Regulators will examine whether a revised document still creates a misleading overall impression, not merely whether it uses the word "optional."

Finally, this settlement follows a broader pattern of enforcement activity by the New York OAG in the auto finance space, including prior settlements involving Nissan-affiliated dealerships. Dealers operating in New York, and likely other jurisdictions monitoring this trend, should treat this as an opportune moment to audit fee disclosures, add-on product marketing, and staff training protocols before similar issues surface in an investigation of their own.

WASHINGTON, D.C.

The Diesel Price Crisis Has No Easy Fix

By Deborah Lockridge, *Heavy Duty Trucking*

When diesel prices first shot up after the U.S. attacked Iran, many expected the spike to be short-lived. Instead, the war has dragged on, and the fuel market has only gotten more complicated.

Oil may (or may not) be moving through the Strait of Hormuz, but other shipping routes are threatened, tankers are in short supply, refineries are stretched thin, and Russian diesel supplies have been disrupted.

Despite the administration's promises to lower prices, there's no quick fix.

National diesel prices hit a new record of $6.51 on September 21, according to AAA.

The status of U.S.-Iran negotiations seems to change almost

daily. It doesn't help that President Trump often appears to announce major policy developments in social media posts, only for Iran to dispute his version of events.

Even the basic question of whether the Strait of Hormuz is "open" has no simple answer. The United States says it is. Iran says it will not fully reopen the waterway until its conditions are met.

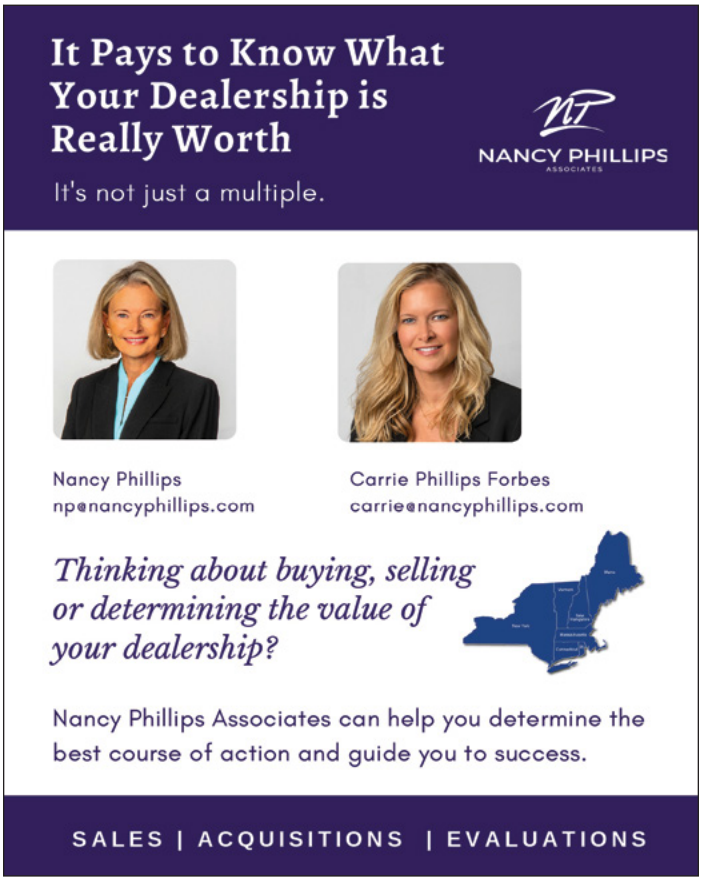
As the Washington Post put it, "In a cacophony of data, claims and assertions, the Trump administration figures vary significantly from those compiled by commercial maritime tracking organizations."

The U.S. military says it has cleared mines, established a protected corridor, and helped move significant oil volumes through the strait. But Reuters estimates that flows remain about one-third below prewar levels. Some vessels are traveling under military protection, during limited transit windows or with their tracking systems turned off. In other words, oil is moving — but hardly under normal conditions.

Meanwhile, attacks on Saudi Arabia's East-West pipeline and growing Houthi influence near the Bab al-Mandab Strait threaten routes designed to bypass Hormuz.

The latest wrinkle is a shortage of the giant ocean tankers that are needed to transport the oil. According to the Wall Street Journal, the shipping cost recently rose to about a quarter of the price of the crude itself. Normally, those costs are a small fraction of the value of a ship full of crude oil.

Washington Has Few Quick Fixes for Diesel Prices



With no clear end to the war in sight, the federal government is looking for other ways to address high fuel prices, but few seem likely to give short-term relief from record diesel prices.

Releases from the U.S. Strategic Petroleum Reserve didn't appear to have much effect on prices. Earlier this month, the reserve was down to 285 million barrels, nearly 30% below its level a year earlier and close to its lowest point since 1983.

The administration temporarily waived the Jones Act, allowing foreign vessels to carry oil and refined fuels between U.S. ports. Trump extended that waiver in August, with the White House saying it had increased domestic deliveries of gasoline, diesel and jet fuel. The measure makes fuel easier and potentially cheaper to move within the country, but analysts expect only a modest effect on pump prices.

The White House negotiated access to Venezuelan oil, including rights to buy part of the production from 17 oil fields at cost. The administration says some of that crude could reach U.S. refineries by the end of 2026, with larger volumes in 2027. But that is not an immediate answer.

Trump has pushed Russia and Ukraine to stop attacking each other's energy infrastructure. The administration hopes that protecting Russian refineries could restore diesel exports and ease the global shortage, but no durable agreement appears to be in place.

It is considering using the Defense Production Act, regulatory changes, faster permitting and federal investment to expand or improve U.S. refineries. No final plan had been announced as of Sept. 11, and building significant new capacity would take time.

President Trump's recent emergency waiver relaxing hours-of-service requirements for drivers delivering fuel won't solve the underlying problem. The 90-day waiver from the Federal Motor Carrier Safety Administration went into effect on September 16 and will expire on December 16. According to the FMCSA, drivers must still take a six-hour break in the sleeper berth at least once during a 24-hour period, or an eight-hour break if they are in a day cab. But this isn't like hurricane relief, where fuel is needed urgently in disaster-devastated areas to run hospital generators and fuel emergency vehicles. Longer driving hours can't suddenly produce more diesel or lower the cost of crude oil, refining and ocean transportation.

More Crude Doesn't Mean More Diesel

Getting crude oil out of the Persian Gulf is only part of the problem. More crude won't do much for diesel prices if refineries can't turn it into fuel fast enough. U.S. refineries have been running near full capacity, leaving little room to quickly increase diesel production.

But while Russia and the Persian Gulf countries have been building refineries in the past 10 years in pursuit of a bigger share of the global diesel market, the last major U.S. refinery was built in the 1970s. The United States had 130 operable refineries at the beginning of 2026. Several smaller facilities have opened in recent years, including a 45,000-barrel-per-day plant in Galveston in 2022. But the newest large, full-service refinery remains Marathon's Garyville, Louisiana, facility, which began operating in 1977.

Refineries are very much a "not in my backyard" kind of development. So most new U.S. capacity has come from expanding existing plants. That is generally faster and less contentious than permitting and building a refinery from scratch, but it also limits how quickly the industry can respond to a global diesel shortage.

Meanwhile, U.S. diesel supplies are getting tighter. EIA expects distillate inventories to fall below 100 million barrels and remain below the five-year low through the end of 2026 and most of 2027. The agency says high exports, lower international refinery production and seasonal refinery maintenance will continue putting pressure on diesel prices.

Should the U.S. Be Exporting Diesel Fuel?

Between the U.S.-Iran conflict and the ongoing war between Ukraine and Russia, global markets are looking to the U.S. for diesel and other refined products. That's why some politicians are calling for a ban on diesel exports. Although this was something the White House initially rejected, it's now considering it.

As WSJ reported, a U.S. ban on diesel exports would likely send prices for the rest of the world soaring. And other big diesel exporters such as China and India might follow suit.

While the U.S. banned crude oil exports from 1975 until 2015, refined products like diesel and gasoline were legal to export. Although diesel was exported for decades, it took the 2006 Clean Diesel Fuel standard, which required sulfur in diesel to be reduced, to make U.S. diesel competitive abroad. Around 2010, the U.S. transitioned into an overall net exporter of petroleum products.

U.S. exports of ultralow-sulfur distillate rose from 32.8 million barrels in January to 47.7 million in May before falling to 36.9 million in June, the latest month available in EIA's data. That does not necessarily mean all of it was on-road diesel, but it illustrates how important U.S. refineries have become to the global distillate market.

And an export ban might not lower prices as much as proponents expect. U.S. refineries are concentrated on the Gulf Coast and set up to serve export markets. Restricting exports could increase domestic supply, but it also could reduce refinery production if plants can't profitably redirect all that fuel to U.S. markets.

Many of the Trump administration's "energy dominance" policies are designed to increase crude-oil production. But today's diesel crunch isn't just about crude. It is also about disrupted refinery output, scarce tankers, high shipping costs, and a global diesel trade thrown out of balance. Producing more U.S. oil alone won't quickly fix any of that.

TORRANCE, CALIFORNIA

Honda Eyes Adding 25 Sun Belt Stores

Urvaksh Karkaria, *Automotive News*

American Honda plans to add as many as 25 open points to its U.S. retail network, targeting fast-growing, underserved markets concentrated in the booming Sun Belt.

Honda intends to chase population shifts and close gaps where

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rivals hold stronger positions — but the plan is stirring concern among dealers who fear new neighbors will siphon volume and margins.

The expansion plan was shared with retailers at a meeting in early September.

Population surges have left Honda underrepresented in states such as Texas and Florida, according to a dealer who attended. The dealer asked not to be identified while discussing the private meeting.

Honda said it regularly reviews market conditions to identify where additional sales and service capacity is needed.



"If you look at the areas that are growing quickly — Florida, Carolinas, Georgia, some of the mountain states — you can see how Honda wants to be able to serve those customers wherever they're moving,"

–Alan Haig, president of buy-sell firm Haig Partners

"Our goal is to give customers convenient access to our outstanding network of Honda dealers, including in new or growing markets, while supporting the long-term strength and success of our overall dealer network," a Honda spokesperson said in an email.

Market studies are complete, and the company is "in the process of finding candidates," the retailer told *Automotive News*. However, potential dealer protests threaten to stretch the timeline.

Plugging gaps

The retail push comes as Honda's U.S. sales have rebounded from pandemic lows, lifted by improved inventory and steady demand for the CR-V and HR-V.

American Honda sold more than 1 million vehicles from January through August — reaching that threshold a month earlier than in 2025 — with the CR-V leading the charge and hybrids setting records.

The Japanese automaker is shooting for more than 9 percent U.S. market share this year.

Sales boss Lance Woelfer is eyeing even bigger gains. "We believe 10 percent is an achievable direction for Honda over the next several years," he told *Automotive News* in May. "We see a clear opportunity to gain share as we move forward."

Honda executives told retailers the expansion is designed to increase market share without harming dealer profitability or heavily cannibalizing existing volume.

They're not adding points like Chrysler and General Motors did in the '70s, where they put a dealer every 4 miles," the retailer said. "This is more strategic. The next [Honda dealership is] 40, 50 miles away, and the area's been getting built up."

Historically, American Honda has taken a measured approach to retail expansion. The automaker began 2026 with 1,346 U.S. franchises across its Honda and Acura brands, after adding only seven stores over the past three years, according to the Automotive News Research & Data Center. The Honda brand has 1,072 stores, compared with 1,236 for Toyota, 1,055 for Nissan and more than 2,800 each for Chevrolet and Ford.

Alan Haig, president of buy-sell firm Haig Partners, said Honda's strong sales and profit per store give it room to add points in these growth pockets without the problems that plague overbuilt networks.

"If you look at the areas that are growing quickly — Florida, Carolinas, Georgia, some of the mountain states — you can see how Honda wants to be able to serve those customers wherever they're moving," Haig said. "As once-empty land fills in, buyers naturally expect a dealership nearby."

Dealer pushback

The network expansion is not without its detractors. Some Honda retailers said they view 25 open points as a "significant number," especially with tightening allocations of some core models.

"I don't think we need more saturation," a second Honda retailer said, citing shortages of the CR-V, HR-V and Civic.

The retailer argued that new points would soak up those limited supplies, intensifying the crunch. "Unless you're willing to increase production, it doesn't make any sense to increase the dealer network," he said. "Supply is under 20 days."

Another dealer said recent fleet deals have pulled vehicles out of the retail pipeline. "If they're looking for more throughput, let's figure out a way to do it through our existing network," the person said.

The friction has surfaced in court. Hagerstown Honda in Maryland sued American Honda over a new point in Martinsburg, W.Va., accusing the factory of wrongly assigning the point, "starving" it of inventory, using unrealistic performance metrics and refusing to approve its family succession plan. A judge denied a request for a temporary restraining order and preliminary injunction.

In its response, American Honda said it identified and evaluated the Martinsburg market "as a potential area of growth and opportunity." The decision, the automaker argued, "reflects the undeniable fact that there is no Honda dealership within 19 miles of Martinsburg to serve the growing number of customers in that community, and without representation the Honda brand is materially underperforming in that market compared to its main competitors."

FTC Issues Dealer Advertising "FAQs"



By Brad Miller

Co-CEO & Chief Legal Officer, ComplyAuto

The Federal Trade Commission's letters to 97 dealer groups earlier this year put dealers on notice about price advertising. While the letters gave clear direction in some respects, they also raised several important unanswered questions for dealers. The FTC has now issued its long-awaited "Frequently Asked Questions" document that it promised would address those open issues for dealers and further clarify what the FTC wants from dealers in their advertisements.

The bottom line remains that the FTC is laser-focused on dealer advertising, and dealers must ensure that price advertising is clear, complete, and not misleading, and that your ads (in whatever medium they appear) are consistent and meet all other federal and state requirements as well.

The FAQs provide some further clarification on several open questions. They, however, unfortunately leave several key questions unanswered, and, in some ways, add new questions that dealers need to address.

The key issues addressed in the FAQs are outlined below.

Clarification #1 – All Non-Mandated Government or Quasi-Governmental Fees Must Be Included in the Price

The FAQs clarify that government-required charges such as state taxes may be excluded from the advertised price. The key in determining if a required amount may be excluded is whether a federal, state, or local government agency requires the consumer to pay that amount directly to the government.

That means that any other fee the dealer requires must be included in the advertised price. This expressly includes dealer-required fees that (a) governments authorize but do not mandate and (b) those that the government requires the dealer to pay but that the dealer passes on to the consumer.

The bottom line is that this means that certain non-tax-related fees paid to the state or quasi-governmental charges, such as electronic titling fees, smog and emissions fees, etc. (depending on the specific state requirements), may NOT be excluded from the advertised price. Note that we will be issuing another document soon that will address the status of these specific charges in greater detail on a state-by-state basis.

Clarification #2 – The Rules Apply to Ads in Any Medium (Including Phone Calls and Text Messages w/ a Price)

It has been clear for some time that the FTC applies the same rules to any advertisement regardless of where or how that advertisement appears. Advertisements that appear in a dealership or third-party website, on social media, in print advertising, or even on a roadside sign must comply with all of the advertising requirements under state and federal law.

The FTC notes for internet advertising specifically that any webpage that states an amount a consumer may pay, including inventory-search pages and individual-vehicle-listing pages, must display the actual price as the most prominent amount.

Notably, the FTC states in the FAQ that even phone calls and text messages from dealership staff are considered to be advertisements. That means dealers must ensure that, if these communications include a price, such price must be truthful and transparent. This was not a prominent focus of the FAQs, but it represents a potentially new and important compliance focus for dealerships.

Clarification #3 – MSRP Can Be Displayed or Referenced

The FAQs clarify that dealers may reference the MSRP or advertise discounts and rebates, but only if the actual price remains the most prominently displayed amount and consumers understand what they would need to pay.

Prominence is not merely a function of font size; placement matters, too. A larger (in font size) actual price can still lose prominence if a smaller MSRP is positioned where it is more likely to draw the eye, and confusing juxtapositions of labels near both numbers can undermine an otherwise compliant ad.

A conditional discount—say, $1,000 off for first responders or $2,000 off for using dealer financing—is permissible so long as the full price that any consumer could pay is displayed most prominently and the terms of the discount are clear.

Clarification #4 – Fee Disclosures Apply to Lease Ads

The 97 letters did not address lease advertisements directly. The FAQs clarify that the prohibition on deception applies equally to sales, financing, and leasing. Specifically, any required processing fees (which presumably include other required dealer fees such as doc fees) due upfront in a lease must be included in a lease advertisement stating the total amount due at signing.

The FAQs also remind dealers that the FTC's ad requirements do not alter dealers' separate obligations under the Consumer Leasing Act (Regulation M), the Truth in Lending Act (Regulation Z), or other federal laws.

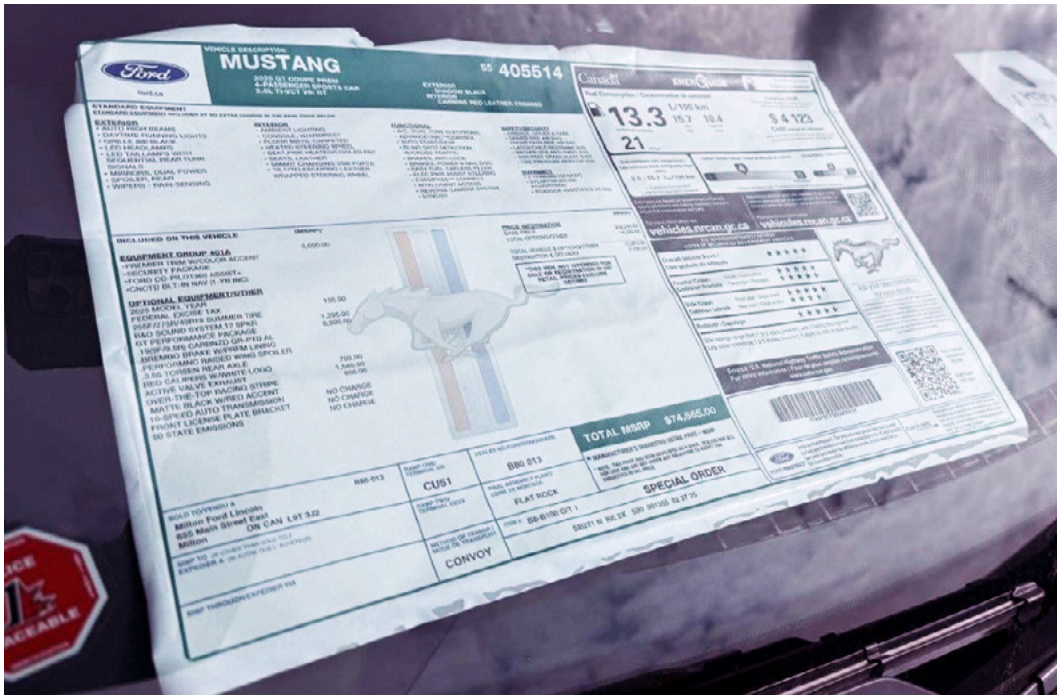
Clarification #5 – In-Transit Vehicles May be Advertised If Clearly Disclosed

The FAQs note that it is not inherently deceptive to advertise a vehicle that is not physically on the lot—in transit from the manufacturer, stored offsite, or available through inventory sharing—but the ad

must plainly state that the vehicle is not on the lot.

Moreover, vehicles advertised as in-transit must actually be available for purchase after arrival and not already allocated to another buyer's paid order. Advertising a vehicle that has already been sold and delivered, in order to lure consumers in and steer them toward higher-priced options, is a prohibited bait-and-switch tactic.

The FAQs do not specifically address whether "in production" vehicles may be advertised, but it implies that could be problematic, stating that "the car must actually be in-transit." While not clearly prohibited, caution should be exercised when advertising an "in production" vehicle for sale, especially if that vehicle is not likely to be available for some time.



Clarification #6 – Vehicle Photos Must Not Be Deceptive

A representative (stock) photo may be used in a vehicle ad only if it truly represents the vehicle offered. In other words, it must be identical in make, model, condition, and other material characteristics, and a reasonable consumer must understand the image to be illustrative. This is more common for new vehicles and cars in transit, where units are largely interchangeable. For used cars, which rarely match one another in condition, consumers reasonably expect the photo to depict the exact vehicle for sale.

Clarification #7 – OEMs Share Accountability for Violations

The FTC assigns responsibility to everyone with control over the advertising. Dealers must ensure the pricing they advertise is accurate, provide third parties with the correct price, take all steps within their control to ensure it is displayed most prominently, and avoid giving contradictory internal instructions.

Third-party advertisers must ensure the accurate price appears most prominently wherever any amount is stated. OEMs must ensure their own policies and practices do not conflict with these requirements. In short, accountability is shared across the advertising chain.

That said, this does not indicate in any way that a dealer will not be responsible for advertising, even if an OEM or other third-party has control over that advertisement. Dealers must ensure that all ads appearing in any medium under their name are compliant and should not expect to be "off the hook" if an ad originated from the OEM.

Practical Takeaways

In summary, based on the FTC's recently issued FAQs, dealers should apply the following parameters to their current advertising practices:

- Advertise the true, all-in price any consumer can pay; exclude only charges the government requires the consumer to pay directly.
- Make the actual price the single most prominent number—accounting for placement, not just font size—across every medium, including listing and search pages.
- Fold mandatory document, processing, and similar dealer-required fees into the advertised figure, using the highest mandatory amount any consumer might owe.
- Treat state-law disclosures as additive to, not a substitute for, the federal prominence requirement.
- Clearly disclose when a vehicle is not physically on the lot and use stock photos only where genuinely representative.
- Recognize that dealers, third-party advertisers, and OEMs each bear responsibility for compliant price advertising – but dealers will still be responsible for all ads appearing under their name.

ComplyAuto Guardian Can Help: *The FAQs are consistent with the guidance that ComplyAuto has been providing to dealers, and we are more than ready to ensure that you can meet the FTC's requirements. ComplyAuto's Guardian is the industry's only software tool that can ensure that your ads meet all federal and state advertising requirements, regardless of the medium in which they appear (even emails or text messages). Contact ComplyAuto today to learn more about how Guardian can help you. Brad Miller can be reached at brad.miller@complyauto.com.*

FTC Releases FAQs on Pricing Transparency

By Tom Vangel, Esq., Jamie Radke, Esq., and Lindsey McComber, Esq., Harris Beach Murtha Cullina PLLC

This month, the Federal Trade Commission released a set of frequently asked questions (FAQs) developed to help the automobile industry comply with the Federal Trade Commission Act regarding vehicle advertising activities.

The FTC has made clear that one of its enforcement priorities is making sure that advertised prices are transparent and truthful, and it has focused on the automotive industry in recent years. The FTC notes that strict enforcement of the Act is necessary to allow consumers to comparison shop and so that auto dealers can compete fairly in the marketplace.

As outlined in the FAQs, the FTC Act requires that an advertisement's impression is not misleading to a consumer. If an advertisement is considered to be misleading, it can also be found to be unfair and deceptive, which could cause "consumers and competition to suffer."

As outlined in Section 5 of the FTC Act, an act is considered unfair where it causes or is likely to cause substantial injury to consumers, cannot be reasonably avoided by consumers, and is not outweighed by countervailing benefits to consumers or to competition. Additionally, an act is considered deceptive where:

- a representation, omission, or practice misleads or is likely to mislead the consumer;
- the consumer's interpretation of the representation, omission, or practice is considered reasonable under the circumstances; and
- the misleading representation, omission, or practice is material.

Whether an advertisement is misleading is considered on a case-by-case basis with the facts presented. The FTC, however, reminds dealers that certain longstanding principles apply and that the FTC Act applies to all forms of advertising, including dealership or third-party advertising, social media, print advertising, and phone calls or text messages. These requirements are not limited to the sale of vehicles; they also apply to leasing and financing, requiring any processing fees to be included.

In all forms of advertising, the actual price of a product must be the most prominently displayed amount that a customer can pay upon the visit to the dealership regardless of payment method. While dealers can exclude government required charges such as taxes, everything else must be included in the advertised price. This includes dealer-required fees that governments authorize but do not require or any other fee that is passed on to consumers.

Discounts or rebates can be included in dealership advertisements, but they cannot be the most prominently displayed amount included. The FTC also warns that prominence is not limited to size, as proximity is also considered in determining whether a certain advertisement is misleading.

The FTC also makes clear that the most prominent advertised price must include documentary preparation fees or "doc fees" even though different states have different approaches to regulating doc fees. Dealers must make sure that the actual price remains the most prominent amount in the advertisement, and, once the FTC Act requirements are satisfied, dealers can provide additional disclosures that state law requires.

Massachusetts requirements concerning advertisements and doc fees are similar. Massachusetts's motor vehicle regulations are outlined in 940 CMR 5.00, and 940 CMR 5.02(3) specifically addresses price advertising:

(3) It is an unfair or deceptive act or practice for a motor vehicle dealer to advertise the price of motor vehicles unless such price includes all charges of any type which are necessary or usual prior to delivery of such vehicles to a retail purchaser, including without limitation any charges for freight, handling, vehicle preparation and documentary preparation, but excluding taxes and optional charges for the dealer's preparation of title and assistance in registering a vehicle.

This long-time regulation requires that doc fees are included in the price itself and not disclosed in a disclaimer. Moreover, under 940 CMR 5.02, dealers are likewise prevented from refusing to sell a motor vehicle in accordance with a price at which the dealer has advertised or otherwise represented previously. It is also considered an unfair or deceptive act to advertise motor vehicles for sale at a specified price when the price does not include certain standard equipment with which such vehicles are ordinarily equipped unless the advertisement clearly and conspicuously discloses that such equipment is not included in the advertised price.

Also, like the FTC, the Massachusetts AG has also made it clear that state law requires all mandatory fees to be included in the advertised price of a vehicle, and that it is "not enough for a dealership to separately list the existence or amount of a doc fee elsewhere in an advertisement, even if it is prominently disclosed."

The FTC goes to great pains to point out that the regulation is not new nor are the FTC's enforcement activities regarding it. In light of the FTC's continued focus on the automotive industry, dealers should view these FAQs as a reminder that the FTC Act requires transparency in all advertisements.

As such, dealers should immediately review price financing, promotions, rebates, and discounts to ensure all fees and eligibility conditions are clearly communicated in dealership advertising and that the "all-in price" is the number most prominently displayed.



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Fourth and Goal: The Discipline to Finish Strong



By Tim Marbut
Ethos Group

There comes a moment in every football game when everything becomes clear.

It is fourth and goal. The field is shortened. The options are limited. The pressure is high. There is no room for distraction, hesitation, or careless execution. Everyone in the stadium understands what is at stake. The team must focus, execute the play, and finish the drive.

For leaders, the fourth quarter of the year feels much the same way.

Every year, the final quarter arrives with energy and urgency. Football season begins, the holidays approach, calendars fill up, employees take time off, and customers become distracted. Budgets are reviewed, forecasts are adjusted, and annual goals are measured against actual results. Leaders begin asking difficult questions:

- Are we ahead?
- Are we behind?
- What must we accomplish before the year ends?

The fourth quarter is not the time to panic. It is the time for focused execution.

At the beginning of the year, organizations are often filled with motivation. New goals are announced, expectations are established, and people are excited about fresh opportunities. There is optimism in the air. Everyone is ready to improve, grow, and achieve something meaningful.

But motivation is an emotion, and emotions change. According to Jaime Elizondo, "Motivation is a feeling. It comes and goes. Discipline is a standard. And in the fourth quarter, when the feeling fades and the pressure rises, your standards determine your performance."

Motivation is powerful, but it is not always dependable. It can be influenced by circumstances, results, fatigue, criticism, or disappointment. When business is strong and goals appear attainable, people feel motivated. When results slow down, obstacles appear, or pressure increases, that motivation can quickly fade.

Discipline is different. Motivation may get you started, but discipline will help you finish strong. Discipline is doing what you know needs to be done even when you do not feel like doing it. It is following the process when the process becomes uncomfortable. It is making the calls, conducting the meetings, coaching employees, reviewing the numbers, and serving the customer with excellence, regardless of your mood or circumstances.

> ACCOUNTABILITY SHOULD NOT BE VIEWED AS PUNISHMENT. PROPER ACCOUNTABILITY CREATES CLARITY.

In football, great teams do not abandon their fundamentals when the game becomes difficult. They become even more committed to them. Players focus on assignments. Coaches communicate clearly. Everyone understands the importance of executing the next play.

The same principle applies to leadership. When the fourth quarter becomes hectic, ineffective leaders often become reactive. They chase every problem, change priorities, and allow urgency to replace strategy. Their teams become confused because expectations constantly shift.

Effective leaders respond differently. They narrow the focus. They identify the few actions that will make the greatest difference and communicate those priorities clearly. They understand that fourth-quarter success is rarely produced by doing more of everything. It is produced by consistently executing the right things.

This is the moment to return to the fundamentals. Review the goals. Identify the gap between current performance and the desired outcome. Determine which activities directly influence that gap. Then establish clear expectations and hold people accountable for executing those activities.

Accountability should not be viewed as punishment. Proper accountability creates clarity. It helps employees understand what is expected, why it matters, and how their performance contributes to the organization's success.

Leaders must also continue coaching. Under pressure, some managers stop developing people and begin simply demanding results. But pressure without coaching rarely produces sustainable improvement. Employees need more than instructions. They need feedback, encouragement, direction, and opportunities to improve.

A strong fourth-quarter leader does not merely ask, "Did you hit the goal?" The leader also asks, "What is preventing you from reaching it? What skill needs to improve? What support do you need? What will you do differently this week?" Those questions turn accountability into development.

Leaders must also guard against distraction. The fourth quarter is filled with activity, but activity is not always productivity. Meetings, emails, celebrations, year-end projects, and operational challenges can consume enormous amounts of time with-



Discipline is a standard. And in the fourth quarter, when the feeling fades and the pressure rises, your standards determine your performance.

out moving the organization closer to its goals.

Focused execution requires leaders to distinguish between what is urgent and what is important. It means protecting time for coaching, customer engagement, performance reviews, and the daily activities that produce results.

It also requires consistency. One extraordinary day cannot compensate for weeks of inconsistent execution. Championships are not won through occasional effort. They are won through disciplined preparation and repeated attention to detail.

Finishing strong does not mean working frantically. It means working intentionally.

As the year enters its final stretch, leaders must communicate confidence. Teams take their emotional cues from their leaders. If the leader appears anxious, distracted, or defeated, the team will feel it. If the leader remains focused, prepared, and optimistic, the team is more likely to respond with confidence and determination.

The fourth quarter is also an opportunity to demonstrate character. Anyone can lead when business is easy and results exceed expectations. Leadership becomes most visible when the outcome is still uncertain, the clock is running, and the team must execute under pressure.

This is fourth and goal.

The time for vague intentions has passed. The time for excuses has passed. Now is the time to focus on the next play, trust the process, coach your people, and execute with discipline.

Throughout history, great leaders have shared three distinct characteristics: They were focused. They were faithful. And they were finishers.

For more information on how Ethos Group can help your dealership develop more leaders in your F&I office, sales management tower, and your sales floor in 2026, contact Drew Spring at dspring@ethosgroup.com or (617) 694-9761.

Pack Accounting – Getting the Balance Right



By Mathew Brand

CPA, Albin Randall & Bennett

Packs are a common tool dealerships use to allocate costs to vehicle inventory and create a consistent approach to measuring vehicle profitability. The concept itself is not inherently problematic, but packs should serve a clear purpose and be applied consistently. When dealerships create too many packs, change them frequently, or fail to monitor how they are reflected in the financial statements, they can distort reported results and make it more difficult for management to evaluate actual dealership performance.

Why Dealerships Use Packs

Packs are generally used to capture costs associated with acquiring, reconditioning, or carrying inventory that management wants reflected in the cost of a vehicle. They provide a standardized way to account for certain costs across units and help management evaluate vehicle-level profitability. Packs may also be used for other items, such as F&I products, but the accounting considerations discussed in this article focus primarily on vehicle packs posted directly to the unit ("hard packs").

In either case, the key is to use packs for a clear purpose and establish a consistent methodology that helps management understand dealership performance.

Avoid Overcomplicating Packs

Dealerships should be careful not to create more packs than necessary, change pack amounts frequently, or set them at amounts that are difficult to support. Once a pack methodology is established, it should generally be applied consistently so that changes in vehicle gross and departmental performance reflect actual operating results rather than changes in accounting methodology.

Multiple packs applied for different purposes can make it harder to understand the true economics of a transaction and obscure sales department performance. Even when pack accounting is properly structured for financial statement purposes, a large or complex structure can distort internal operating reports and affect vehicle gross, department profitability, and other operating metrics.

How Packs Are Recorded and Reported

When a pack is applied, vehicle inventory is debited to increase its recorded balance. Some dealers record the offset on the income statement, generally as other income, while others record it on the balance sheet using either a contra-inventory account or an accrued expense account. The important consideration is whether the pack is accounted for appropriately as inventory is sold and whether management reports continue to provide a meaningful picture of operations.

For year-end financial reporting, pack accounting should result in inventory being properly stated and should not leave a permanent overstatement or understatement of vehicle inventory. When the offset is recorded in a contra-inventory or liability account, the account should be relieved or adjusted as the underlying vehicles are sold. If the offset is recorded through the income statement when the pack is originally applied, financial results can be distorted and a year-end adjustment may be needed for packs attributable to vehicles still in inventory.

This is particularly important when considering LIFO conformity, because pack additions are generally excluded from the LIFO calculation. When the related vehicles are sold, the pack amount should ultimately be reflected through cost of sales.

Where Pack Accounting Can Go Wrong

Accounting issues can arise when packs are viewed solely as an internal reporting tool and the underlying accounting receives insufficient attention, particularly when the CPA or accounting team is unaware of how the packs are recorded.

One area where we have seen issues involves pack offsets being recorded in accrued expenses or another liability account that is not routinely monitored. Over time, if pack amounts are not properly taken to income as units are sold, these balances can accumulate, significantly reducing working capital. Using an account that is mapped to inventory on the financial statement can make the relationship between the pack and related inventory more transparent and may reduce the risk of an unmonitored balance accumulating. Regardless of the accounts used, however, the balances should be reviewed regularly.

Best Practices and the Road Ahead

Dealerships periodically should review their pack structures to ensure each pack serves a clear purpose and is applied consistently. Unnecessary layers of packs and frequent changes can obscure operating results and increase the risk of financial reporting errors.

Pack balances should also be reviewed regularly to confirm amounts are being relieved as vehicles are sold and to identify unusual balances before they create reporting or working capital issues. As dealerships increasingly rely on timely financial information and operating metrics, the goal should be a simple, consistent pack methodology that provides useful information without obscuring actual dealership performance.

This article is intended for general informational purposes only and does not constitute legal or accounting advice.



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AUGUST 2026

NADA MARKET BEAT

Patrick Manzi
NADA Chief Economist

New Light-Vehicle Sales SAAR Hits 16.8 Million Units in August 2026

New light-vehicle sales in August 2026 were solid, recording a SAAR of 16.8 million units, an increase of 1.5% year over year. Raw sales volume in August 2026 was 1.38 million units, an increase of 1.3% compared to July 2026. Year to date through August 2026, new light-vehicle sales are tracking at a 16.1 million-unit SAAR, slightly above our forecast of 16.0 million units for all of 2026.

Last August was one of the final months where consumers could receive the federal EV tax credit, which has made for some interesting year-over-year comparisons. For example, battery electric vehicle (BEV) market share reached 10.1% in August 2025, and just one year later BEV market share has fallen nearly 4 percentage points to just 6.2% of all new-vehicle sales in August 2026. Conventional hybrid vehicles have picked up most of the market share lost in the BEV segment. In August 2026, hybrid vehicle sales accounted for 15.7% of all new vehicles sold, up 3.1 percentage points compared to August 2025. Looking ahead, in the absence of a federal EV tax credit, we expect hybrid sales to grow at a rapid pace, while BEV market share inches up slowly.

Despite the major market shifts we have seen over the past year, one trend remains: new vehicles continue to be more expensive. JD Power estimates that the average new-vehicle monthly payment in August 2026 will reach $812, an increase of 3.7% and the highest monthly payment on record for any August. Borrowing costs were roughly flat year over year in August 2026. JD Power estimates that the average interest rate on a new-vehicle finance contract will be 6.55% in August 2026, down only 6 basis points year over year.

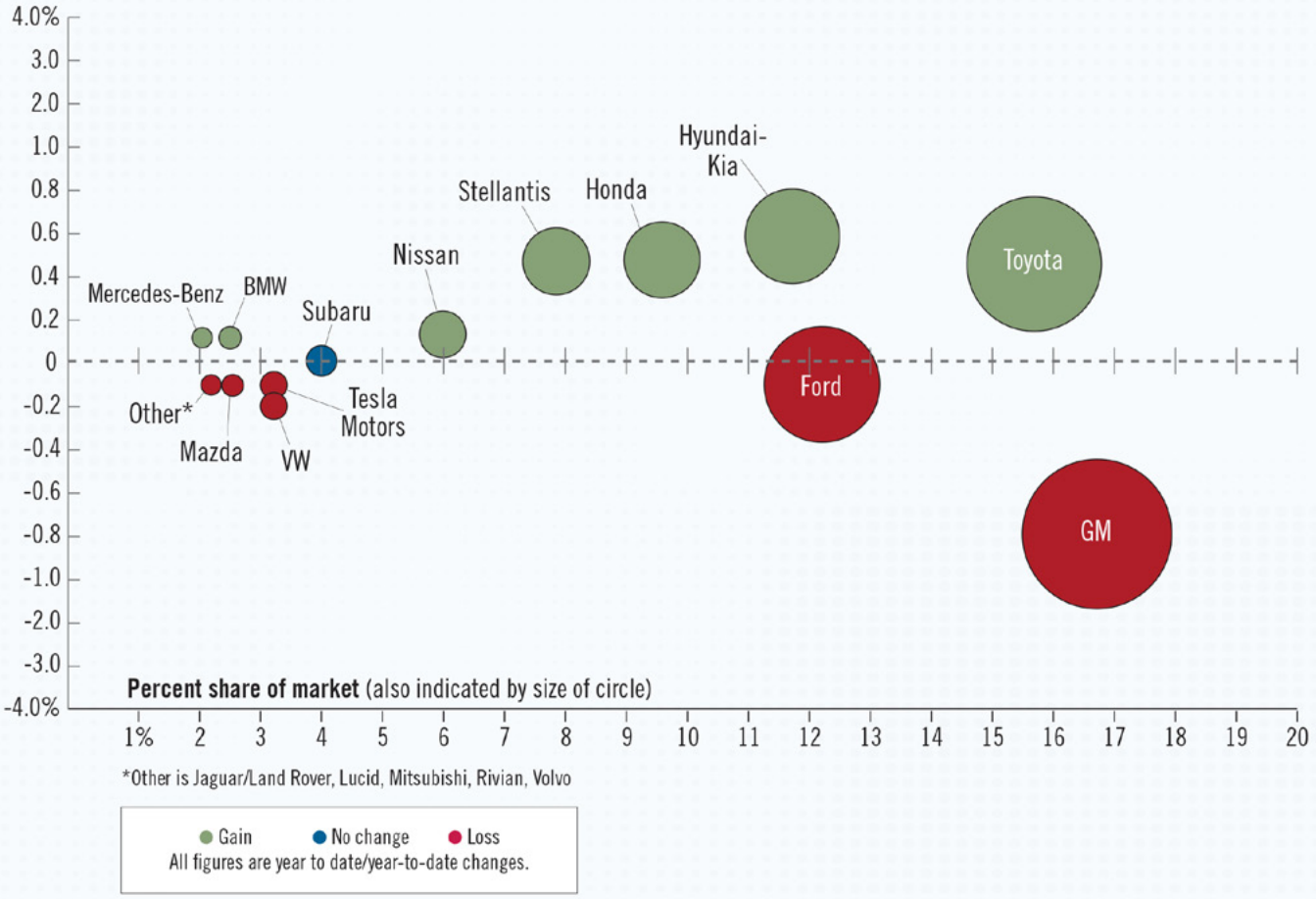
A strong equity market should be a tailwind for sales in the remaining months of 2026. The ongoing war in Iran and its disruptions to global commodity flows, coupled with higher borrowing costs, will be headwinds for the industry. Looking ahead to the rest of the year, we believe vehicle demand will remain solid, and industry sales should total at least 16.0 million units.

U.S. Light-Vehicle Sales

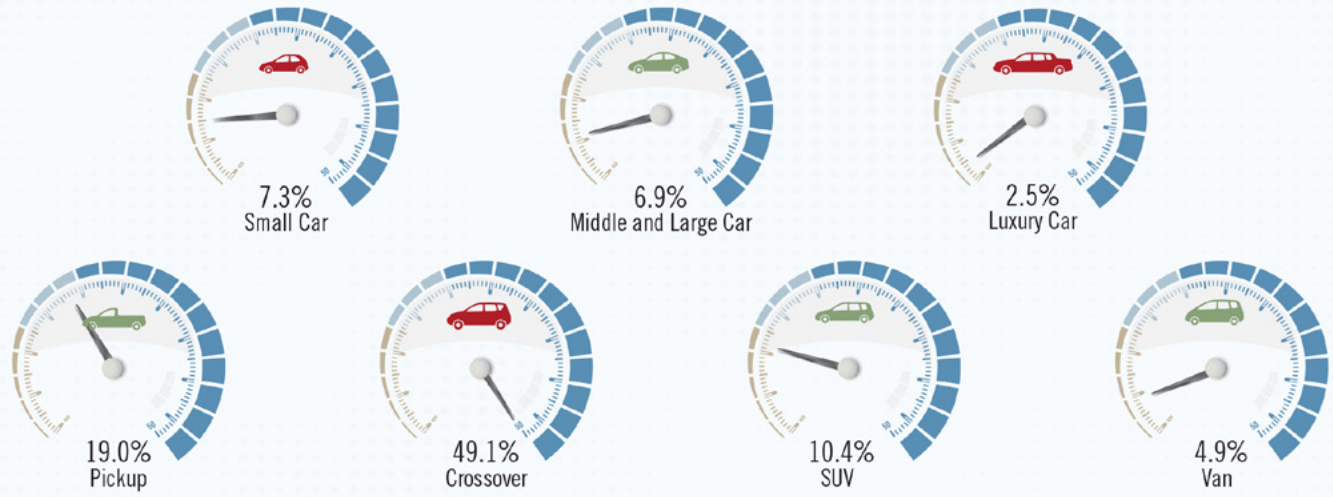
(Seasonally Adjusted at Annual Rates)

	August 2026	Y/Y %	Jan - Aug 2026	YTD/YTD %
Total Car	2.74M	1.1%	2.65M	-5.7%
Total Light Truck	14.03M	1.7%	13.48M	-0.7%
Domestic Light Vehicle	12.75M	-0.6%	12.43M	-1.3%
Import Light Vehicle	4.02M	9.2%	3.70M	-2.9%
Total Light Vehicle SAAR	16.76M	1.5%	16.13M	-1.6%

Market Share, by manufacturer



Market Share, by segment



Congress is Taking Important Steps to Block China Auto Sales



By Cody Lusk

President & CEO, American International Auto Dealers Association



In September, the Alliance for Automotive Innovation, an association representing both foreign and American automakers, sent a letter to Congress asking for a permanent ban on Chinese-made cars in the U.S. Their position mirrors that of our organization, the American International Automobile Dealers Association. Our members are a group, by definition, willing to take big swings in the pursuit of big rewards. So, when they say a business opportunity is too risky, Washington should take notice.

China's auto industry presents a unique challenge to the United States. Chinese vehicle manufacturers have expanded with unprecedented speed thanks to extensive state subsidies, state-directed financing, and industrial and labor policies that have helped create production capacity far beyond domestic demand. The resulting export push is already reshaping auto markets around the world. For the United States, however, the concern goes beyond price or market share. It reaches into the software, communications systems, and data that now sit at the center of a modern vehicle.

The United States has taken an important first step. Commerce Department rules restrict the import and sale of certain connected vehicles and covered software with ties to China and Russia beginning with model year 2027, with additional hardware restrictions taking effect later. But they remain federal regulations issued under existing executive authority, not a stand-alone statutory framework enacted by Congress. A future administration can revisit regulations. Congress can provide greater durability and certainty.

That is why the Connected Vehicle Security Act of 2026 deserves serious attention. Introduced by Sens. Bernie Moreno (R-Ohio) and Elissa Slotkin (D-Michigan), the bipartisan legislation would put restrictions on connected vehicles and related software and hardware associated with foreign adversaries into federal law. The Senate Commerce Committee advanced the bill by voice vote this summer, an encouraging sign that lawmakers in both parties recognize the national security stakes. Companion legislation in the House of Representatives has been introduced by representatives John Moolenaar (R-Michigan) and Debbie Dingell (D-Michigan).

If Congress gets the details right, the final legislation should be carefully targeted at genuine foreign-adversary ownership, control, and technology risks. It should not treat a company as a security threat simply because it is international or has global investors. That distinction matters to our dealers, who represent international brands that have spent decades investing in American factories, workers, and communities. The objective should be to protect the United States from foreign-adversary control without undermining the open, competitive market that has served American consumers well.

The bipartisan momentum is there, and major automakers are now urging Congress to move the bill. Unfortunately, the window for action is closing quickly. House leadership has canceled the final two scheduled weeks of legislative business in September, so members will likely not return to Washington until after the midterm elections. The Senate is scheduled to work through the end of the month. With both chambers facing compressed schedules and a long list of unfinished business, Congress has an increasingly narrow window to advance outstanding legislation, including the Connected Vehicle Security Act, before the end of the year.

Dealers will need to be part of the push to get this legislation serious consideration before the 119th Congress comes to a close and we have to start this legislative process again from scratch. You can do your part by visiting AIADA's website NoChinaAutos.com and clicking the Contact Congress Now button. With your help, we still have a chance to stop China from doing to our industry what they are already doing in other markets.


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nationalgrid



By Kevin Holmes

Chairman, American Truck Dealers

Kevin Holmes is President and CEO of Advantage Truck Group. Headquartered in Shrewsbury, Massachusetts, ATG is the largest Daimler Truck North America dealer group in New England with eight locations and over 400 employees.

Truck Dealers Hit D.C. Again

This month many heavy- and medium-duty truck dealers joined our franchised car dealer colleagues in D.C. for NADA's annual Washington Conference.

Like our ATD Legislative Fly-In in June, this annual event brings auto dealers from every state to Capitol Hill, where they advocate for dealer legislative priorities. In addition to the auto dealers, our state and metro ATAEs and fellow commercial truck dealers engaged in these critical advocacy efforts. We were able to connect with our Congressional legislators and discuss our top issues, including right to repair proposals, the anti-Chinese connected cars legislation, catalytic converter theft legislation, and the repeal of the federal excise tax on trucks.

As dealers, we are the voices of our business and our employees. We also represent our customers and the truck market industry. That is why it is so important that we tell our elected officials about what we are experiencing on the ground in the commercial truck industry – what is working and what is not. Our past efforts enabled us to achieve success, for example, last year on the repeal of the EPA approvals of CARB's ZEV truck mandates under the Advanced Clean Trucks rule and the imposition of stringent heavy-duty truck NOx emissions requirements, the so-called HDO rule.

When in D.C. in June and September, our assignment is to tell our elected officials what is happening on the ground in the truck market. During the other fifty weeks of the year, our assignment for all truck dealers is to show legislators – federal, state, and local – what is happening to our small businesses. How do we do that?

- Invite your elected officials and industry regulators to your dealerships. Most people do not understand our business, including the people regulating it. The best way to educate them is by bringing them to your dealership where they can see the business in action and meet your employees and customers.
- Schedule meetings in your state capitals. If you cannot bring your legislators to you, go to them. Explain to them the needs of your customers and how their business and yours are impacted by state and federal regulations.
- Engage with your Automotive Trade Association Executives (ATAEs). If you are not involved in your state or metro dealer association, reach out to ATD and ask how you can build that relationship and for contact information. If you are already a member of your local dealer association, contact them and tell them you want to support advocacy on these important issues and ask how you can help.

Everyone needs to be aware of the policies that are coming out of Washington and your respective states. Educate yourselves, your team, and then educate your policymakers. During this critical time and given the many issues we are facing, we all must take action.

Registration & Housing Now Open for ATD Show 2027

Put the pedal to the metal: registration and housing are now officially open for ATD Show 2027!

Join us February 17-20, 2027, at the Hyatt Regency, in Orlando, Florida, for expert insights, valuable connections, and solutions to help drive your dealership forward. Register today to connect with fellow truck dealers and managers, OEM representatives, and industry leaders for three dynamic days of education, networking, and business solutions designed to help your dealership achieve success. There is something for everyone at ATD Show 2027.

Visit www.atdshow.org to secure your spot and book your hotel. See you in Orlando in February!

2026 ATD National & Regional Trends Report Now Available

The latest and most comprehensive report on new-truck dealership workforce trends is now available to ATD members only. The report offers insight and analysis into compensation, turnover, retention, benefits, and demographics data compiled from more than 28,000 payroll records. Find the latest hiring trends broken down by generation and gender. Get salary, turnover, and retention information for more than 60 job titles. And you may compare all data by region. ATD members can learn more and purchase the report at www.nada.org/atd.

2027 Truck Dealer of the Year Nominations Now Open

2027 Truck Dealer of the Year nominations are now open! The due date for nominations is Thursday, September 24, 2026. Go to www.truckpartsandservice.com/page/2026-tdoy to nominate a truck dealer. Please feel free to reach out to Kimberly Carey at kcarey@nada.org if you have any questions. The winner will be announced at the ATD Show in Orlando, Florida, on Friday, February 19, 2027.

Class 8 Sales Continue Year-Over-Year Gains in August

Seasonal trends extend streak of increases to three months

By Connor Wolf, *Transport Topics*

U.S. Class 8 retail truck sales extended their year-over-year gains in August, buoyed by seasonal momentum and notching a third consecutive month eclipsing prior-year levels.

Omdia Automotive reported that August sales increased 3.9% to 18,575 units from 17,876 a year earlier, continuing a trend that stretches back to June. However, August sales slipped 3.5% from July's 19,254 units, and year-to-date sales are down 8.9% to 131,865 units from 144,756 at the same point in 2025.

"They pretty much played right into expectations — maybe, interestingly, a tad bit better," ACT Research Vice President Steve Tam said of the August numbers. "We typically see about a 4% sequential decline. We saw a little bit less than that this time around — which is encouraging, at least moderately — and it's good to see the positive year-over-year comp."

ACT Research forecasts 232,000 U.S. Class 8 sales in 2026, and the latest test figures set an annual pace to within about 5,000 units of that projection. Tam said the summertime gains suggest the industry is beginning to gain traction.

"We've had three decent months of sales," Tam said. "It is more trend-like in nature. I think it probably has a lot to do with how fleets budget their capital expenditures and acquire equipment. As we approach the end of the year, they're looking at that December 31 deadline and deciding it's time to pull the trigger. I think that's the type of activity we're starting to see." Tam expects activity to remain solid through year-end, with most months from here on out posting sequential gains.

Omdia data showed four of the seven major truck manufacturers posted year-over-year sales increases in August.

Breakdown by brand

Freightliner, a brand of Daimler Truck North America, captured the largest market share at 35.6%, selling 6,614 trucks, an increase of 4.2% from 6,347 a year earlier. Fellow DTNA brand Western Star saw sales fall 18.1% to 750 units from 916.

Volvo Trucks North America sales rose 18% to 1,815 units from 1,538, while Volvo Trucks stable mate Mack Trucks saw sales increased 2.7% to 1,545 units from 1,505 a year earlier.

"Class 8 retail market in the U.S. and Canada totaled 20,808 units in August, which was the third consecutive month above 20,000," said Magnus Koeck, VTNA vice president of strategy, marketing and brand management. "We expect the retail activity to be significantly stronger the next few months to reflect a market that is gradually strengthening."

Koeck said fleets continue executing replacement plans and investing in equipment upgrades. He added that technologies delivering measurable performance improvements are becoming increasingly important as fleets modernize operations.

"The pace of retails continued to improve year over year, though they slowed from July to August," added Jonathan Randall, president of Mack Trucks North America. "Strong freight rates and signs of improving freight activity are resulting in stronger fleet demand for new trucks."

He added, "Seasonally, July usually sees some month-over-month slowing. However, we expect the retail sales pace to continue to improve year over year as freight demand continues to increase and pre-buy activity picks up."

Traton Group brand International saw sales slip 0.6% to 2,377 units from 2,391. Peterbilt Motors Co. sales increased 2.2% to 2,776 units from 2,716, while Kenworth Truck Co. sales climbed 9.9% to 2,694 units from 2,451.

Class 6 Bolsters Medium-Duty

The U.S. medium-duty truck market continued to benefit from strong Class 6 sales in August. Combined Classes 4-7 retail sales increased 2.3% to 16,743 units from 16,359 a year earlier. Class 6 was the only segment to post a gain, with sales climbing 25.7% to 6,213 units from 4,944.

Tam said he has long suspected much of the Class 6 strength is being driven by fleets seeking to avoid commercial driver's license requirements.

"From a demand perspective, there is this nagging question about whether we're seeing a migration to under-CDL-type equipment in certain instances," Tam said. "It's not going to solve the capacity problem, but the strength there seems to support that hypothesis. The flip side of that, from a supply-side perspective, is that there are competitive dynamics among OEMs that I think are driving some of the out-sized performance we're seeing in the Class 6 market."

The remaining medium-duty segments posted declines in August. Class 7 sales fell 4.7% to 5,099 units from 5,352, Class 5 sales declined 10.6% to 4,378 from 4,896, and Class 4 sales dropped 9.8% to 1,053 from 1,167.

Hydrogen Hopes: Inside the Powertrain Strategy of the World's Largest Heavy-Truck Manufacturers

By Kurt Nagl, *Automotive News*

HANNOVER, Germany — The world's largest heavy commercial truck manufacturers and their suppliers are plowing hundreds of millions of dollars into hydrogen with hopes of turning billions in profit. The snag: There is no market for it — yet.

The clean propulsion technology has shown promise, but regulatory uncertainty, lack of infrastructure, and high costs are among the obstacles that have kept hydrogen-powered trucks from the mainstream globally. To boot, battery electric advancements threaten to make hydrogen propulsion obsolete in the long run, critics say.

Yet the push for hydrogen is intensifying.

It was on impressive display September 15-20 here at IAA Transportation, the world's largest commercial vehicle conference. The biggest players in heavy trucks, from behemoths Daimler Truck and Volvo Group to Dongfeng and other rapidly rising Chinese entrants, showed off next-gen fleets and eye-popping concept vehicles. Hydrogen featured prominently in their future portfolios.

While momentum for clean energy vehicles sputters in the U.S.,

Europe, with its aggressive emissions reduction mandate, is looking at what combination of hydrogen and battery-electric powertrains will dominate the future. Many experts say the U.S. is headed in a similar direction eventually despite an adverse regulatory environment at present. China, the world's largest new-vehicle market, is also home to the largest number of hydrogen trucks, underscoring the global potential of the propulsion option.

"This is not some side project," Daimler Truck CEO Karin Radström said of the company's hydrogen portfolio during an IAA press conference. "This is a very important part of our strategy."

Daimler Truck, which has more than $50 billion in annual revenue, is leaning into hydrogen even as diesel pumps out its profits, especially in North America, where its Detroit Diesel-equipped Freightliner Cascadia commands top market share. At the same time, its electric semis and buses are gaining traction in Europe with the next-gen eActros on the road in more than 15 countries.

There are times when batteries fall short, though. For 600-mile-plus hauls and extra-heavy loads, hydrogen is a clean energy alternative to diesel.

"Whether it's highly efficient diesel technology, battery-electric trucks or hydrogen-powered transportation, innovation must deliver real value for our customers," Achim Puchert, CEO of Mercedes-Benz Trucks, told reporters here.

Two different technologies

There are two main plays in the hydrogen space: fuel cells and the internal combustion engine. It is yet another matter of debate which hydrogen tech will reign.

In fuel cell systems, gaseous or liquid hydrogen is funneled into a fuel cell stack that creates electricity for the powertrain. The power generation largely mirrors full-electric vehicles except the energy is not stored in batteries. Water vapor is the only emission.

Hydrogen combustion more closely resembles traditional diesel engines except the fuel that is burned is hydrogen. Since the element is injected into the engine and ignited to power pistons, it produces a small level of nitrogen oxide in addition to water vapor.

The main advantages of fuel cell systems is that they are more efficient and cleaner. Yet hydrogen combustion powertrains are far more straightforward, cheaper and thus potentially more attractive to customers.

"We are believing in the two tracks for different reasons," Volvo Group CEO Martin Lundstedt said at an IAA press conference. "I think it's too early, so to speak, what will be the winner. I almost think it will be in parallel."

Volvo rolled out its hydrogen combustion truck, the FH Aero, for test drives at the conference. Its competitor Daimler also is involved in the technology, forming a partnership with Keyou in which it supplies diesel trucks to be retrofitted for hydrogen and rebadged by the clean mobility startup.

Hydrogen nerve center

The biggest hydrogen bet is being made on fuel cells. Ground zero for the experiment is a nondescript, gated campus near Stuttgart, the automotive capital of Germany.

Inside a series of R&D labs, industry rivals have teamed to tinker with what could be the future of heavy hauling propulsion. The engine in development is the BZA150 — soon to be beefed up to a more powerful BZA375 in the next generation — produced by Cellcentric, a Daimler-Volvo joint venture launched in 2021.

Since rollout, Cellcentric has put just five of the hydrogen rigs on the road in Europe, but 100 more are coming, and the floodgates could open soon if government and industry align, said Nicholas Loughlan, chief technology officer at Cellcentric. Toyota signed on in July to be an equal shareholder of the venture, and the companies joined suppliers at IAA to announce a plan to accelerate the hydrogen rollout.

"You cannot just put a product out there and expect it to scale," Loughlan said in an interview at Cellcentric's headquarters. "You need the infrastructure and a framework. What we need to happen is a hydrogen ecosystem."

Companies including Daimler and Volvo have called on the European Union and its members for more support to meet aggressive CO2 emission reduction targets. Under revised standards for heavy-duty vehicles, manufacturers must reduce the average carbon emissions of new heavy trucks and large buses by 45 percent come 2030 or face potentially billions of dollars in penalties.

Hydrogen could be instrumental in achieving those targets, as it has proved to be superior to battery-electric trucks for long and heavy-duty hauls given the power and range it offers. But that cannot happen without help from the government to speed the transition by providing infrastructure support and subsidies, said Radström, Daimler Truck's chief. The vehicles are ready, but there is little demand because of cost and practicality.

"We still feel like there is a lack of sense of urgency," she said.

The target is moving in more ways than one. At Cellcentric, the BZA150 barely spread its wings before a superior engine replaced it. The BZA375 boasts more than double the kilowatts, consolidating two units into a single, more efficient system.

Testing and validation are underway, but the change has required new tooling and testing equipment with a hefty price tag, according to Cellcentric officials, who declined to discuss specific investment figures.

While the company has set a goal of just 100 new hydrogen trucks on the road next year, it already has designs on mass manufacturing. Cellcentric recently paid around $17 million to put 150 acres of industrial land near its R&D base under contract through the end of the decade for a potential factory.

Loughlan said the company is preparing for a future where its hydrogen engines are in hot demand but is cautious about plunking more money down without a clearer business case. The messy transition to electric vehicles — and the tens of billions of dollars in resulting losses — was a cautionary lesson.

"We're not investing in a huge facility first, knowing how the transformation of new technology is sometimes difficult to manage," he said.

Suppliers place bets

Suppliers, many of which make parts for both commercial vehicles and passenger cars, have been among the hardest hit by

programs that have failed to materialize. But that has not dashed hopes for hydrogen.

French supplier Forvia has invested more than $400 million in hydrogen storage and fuel cell systems. Despite losing much of that bet when Stellantis scrapped its hydrogen pursuit, the supplier has not abandoned it.

Even if just 20 percent of the 3 million heavy-duty trucks manufactured globally flip to hydrogen, the revenue potential is in the billions of dollars, said Raphael Pourret, strategy and sales lead for the company's hydrogen unit.

"It's about adapting our investment to the reality of the market," he said.

Fuel systems supplier Phinia has invested tens of millions in hydrogen through strategic acquisitions and R&D. Formed in 2023 after a spinoff from BorgWarner, the company's mission is to consolidate combustion engine business as the industry moves toward electrification.

The supplier offers fuel injection and engine control hardware for hydrogen ICE trucks. CEO Brady Ericson said the revenue potential is in the hundreds of millions of dollars, but the company isn't expecting that quickly. It may be the late 2030s or 2040s before a return on investment is realized, but that leaves plenty of runway for profits, as he sees it.

"We still think the combustion engine is going to be around for the rest of the century," Ericson said. "It's just going to change fuel types."

Trailer Orders Surge in August, Fueled by Replacement Demand

By Pamella De Leon, *Commercial Carrier Journal*

FTR data shows a sharp rebound in U.S. heavy-duty trailer orders for August, as net orders reached 24,144 units, a 43% jump from July and a 221% increase compared to August 2025. Meanwhile, ACT Research's preliminary figures put August net orders at roughly 24,200 units, up 55% month over month and 193% higher than the prior year.

However, both firms point to the same caveat: the steep annual gains are largely a reflection of how weak trailer orders were a year ago rather than a sign of strength in the current market.

Motor carriers added more than 8,700 trailers in the second quarter of this year, according to data from RigDig, a company-owned CCJ parent company Fusable.

Still, FTR noted that the improvement reflects stronger replacement demand, supported by healthy freight rates and constrained capacity. With the Class 8 truck pre-buy cycle now wrapped up and the market turning to the 2027 ordering cycle, fleets are expected to focus on capital for replacing trailers, as well as possible modest fleet growth.

For the full 2026 season (September 2025-August 2026), FTR reported that orders totaled 212,116 units, a 13% increase from the previous season. Year-to-date net orders stand at 150,320 units, up 38% from a year ago, while YTD build reached 130,922 units, down slightly 1% year over year. Production itself was steady, rising 5% from July to 16,953 units, flat compared to the same month last year.

While the order growth is a positive sign, Dan Moyer, senior analyst of commercial vehicles at FTR, noted that the recovery isn't consistent across all segments. Fleets seem more focused on replacing equipment, but high equipment costs and competing capital requirements are keeping spending cautious.

WHILE THE ORDER GROWTH IS A POSITIVE SIGN, DAN MOYER, SENIOR ANALYST OF COMMERCIAL VEHICLES AT FTR, NOTED THAT THE RECOVERY ISN'T CONSISTENT ACROSS ALL SEGMENTS.

Trade policy is also a growing cost factor for manufacturers and OEMs, Moyer noted, listing the following issues:

- April's revised steel and aluminum tariffs;
- Ongoing antidumping and countervailing duty proceedings tied to van trailers; and
- New retaliatory tariffs from Canada affecting trailers.

"These trade measures are adding to an already high-cost trailer environment," Moyer said.

ACT Research Director of CV Market Research & Publications Jennifer McNealy echoed similar sentiments on the year-over-year comparison, reiterating that the 193% year-over-year jump reflects how weak 2025's market was rather than an extraordinary current market. While a seasonal uptick from July was expected, McNealy noted that the scale of it was unusual because July is typically the weakest net order month as fleets finalize current-year plans and OEMs work through backlogs.

This year's cycle diverted from the norm, McNealy said, noting that the order cycle that would typically have begun around this time last year was pushed back due to soft freight rates and policy uncertainty.

"With freight rates and carrier profits on the mend, August orders are on track to be the best since last December and the second best in the past 30 months," McNealy said.

Although OEMs typically open 2027 order books later, McNealy said the uptick aligns with anecdotal reports that order boards opened ahead of schedule due to limited remaining build slots this year.

Some buyers remain cautious. "Rates have risen in 2026, but the past few years have been hard for carriers, and now the challenges of growing pent-up demand and higher maintenance costs and downtime remain as counter-weights to their new equipment purchase decision-making process," McNealy said.

ACT attributes the spike to three factors: fleets ordering ahead of anticipated tariff-driven price hikes, improving long-term industry conditions, and pent-up replacement demand.

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Washington Conference Concludes as Prep Continues for 2027 Show



By Scott Dube

Scott Dube, Partner at McGovern Hyundai Rt. 93, represents NADA's Massachusetts members on the NADA Board of Directors. He can be reached at sdube@mcgovernauto.com.

This month, NADA held another successful Washington Conference – the 51st edition of our annual event – where your MSADA representatives and your fellow dealers' footsteps echoed in the halls of our Nation's capital. Over 300 dealers, their key managers, and auto dealer association executives attended and participated in over 200 Congressional visits during the conference. By coming together and building relationships, dealers are actively influencing the policies that affect auto retailers and their customers.

You can find more details of the conference below.

I want to give a heartfelt "thank you" to our hardworking MSADA and NADA staffs and all the dealers from across the country who took the time to make the trip to D.C. Our collective voice is that much stronger when we band together. In particular, I thank Chad Bouchard, Ruddy Brito, and Adam Silverleib for being part of Team Massachusetts in the Capitol Hill visits with our Bay State Members of Congress and their staffs.

Finally, our NADA Show 2027 in Orlando, Florida, is coming up on February 17-20. It is not too late to register. The exhibition floor space is sold out, and hotel rooms are going fast. You can find all the necessary registration information below and on www.nada.org.

NADA's 51st Washington Conference: Continuing a Tradition of Dealer Advocacy

By Enrique Gutierrez, NADA Director, Public Affairs

Hundreds of America's franchised dealers convened at the Capital Hilton in Washington, D.C., on Tuesday, September 15, for NADA's 51st Washington Conference, continuing a half-century tradition of advocating for Main Street dealers. The two-day conference brings dealers together with lawmakers, regulators, and association leaders to discuss policies affecting the auto retail industry.

The day kicked off with NADA's NextGen program, giving young dealers, managers, and successors a closer look at federal advocacy and the importance of having a seat at the table. NADA President and CEO Mike Stanton emphasized the impact of direct dealer engagement here in Washington and at home, while Rep. Erin Houchin (R-Indiana) shared what she and her colleagues want to hear from dealers.

"I'm so pleased you're a part of the NextGen program because you are the next generation of people who will be making Hill visits to your members of Congress to talk to us about these issues that impact you," Houchin said. "I rely on you to tell us what we need to know."

Rep. Debbie Dingell (D-Michigan) kicked off the Inside Washington Luncheon and Briefing with a candid address. The 30-year General Motors executive and automotive industry advocate who grew up with — and still has — family in the auto dealership business, is cosponsoring bipartisan legislation to keep Chinese vehicles out of the U.S. market.

"I want America to be first, to compete on a level playing field, to be the leader in safety, and to create good-paying jobs right here at home. I will never give up our leadership to China or any other country in the world," Dingell said, which garnered a rousing applause. "There's perhaps no greater threat to those goals right now than the rise of China in its attempt to infiltrate our auto industry, which poses a very serious threat to our economy and our national security."

Before heading to Capitol Hill, dealers were briefed by NADA's Public Policy team — Paul Metrey, Ivette Rivera, and Michael Harrington — on the association's top legislative priorities of the day:

- The Connected Vehicle Security Act to keep Chinese vehicles out of the U.S. market.
- The so-called "Right to Repair" Act bill would primarily benefit insurers and aftermarket manufacturers and raise significant privacy concerns.
- The PART Act addressing catalytic converter theft.

Each issue's complexities, arguments, and established common ground was spelled out so dealers could most effectively discuss the matters with their lawmakers over the next two days.

After canvassing the halls of both the House and Senate office buildings Tuesday afternoon and educating their elected representatives on the major policy issues of the day, Washington Conference attendees gathered for a reception in the Library of Congress' Thomas Jefferson Building, hailed by many as the most beautiful building in Washington.

By Wednesday morning, dealers were back to the business at hand. Building on the momentum of day one, day two opened with a message from NADA Chairman Rob Cochran, who underscored why dealer advocacy matters and why showing up in Washington makes a difference.



"For more than half a century, this conference has demonstrated the power of dealers coming together in Washington," Cochran said. "There is simply no substitute for policymakers hearing directly from you – the men and women who run dealerships, employ people in your communities and serve customers every day."

This message was reinforced during a fireside chat-style conversation between Sen. Bernie Moreno (R-Ohio) and Cochran. Moreno updated attendees on key legislation, including the bipartisan Connected Vehicle Security Act he introduced. He also shared his insights on current events in Washington and shared his perspective on what lies ahead. Sen. Moreno offered advice to the dealers ahead of their prospective congressional meetings, telling attendees to "make [your] arguments simple, crisp and digestible."

On the regulatory front, dealers heard from Chris Mufarrige, director of the FTC's Bureau of Consumer Protection, who updated them on the agency's renewed focus on transparency in advertising. Mufarrige's speech came on the heels of the FTC's release of their long-awaited price transparency FAQs the day before.

NADA released the following statement in response: "The FTC's FAQs are an important step toward providing dealers with clear guidance about the agency's advertising compliance expectations. NADA worked closely with dealers and the FTC to address questions raised following the warning letters, and we appreciate the agency's effort to further educate the industry on this important topic."



Of course, no trip to Washington would be complete without a little political discussion. Dealers got an exclusive preview of the 2026 midterm elections from political analyst David Wasserman of the Cook Political Report, who offered an inside look at the current political landscape and what the results could mean for dealers and their issues. Attendees took advantage of his expertise and asked several astute questions regarding upcoming races and the reliability of polling.

The conference wrapped up with another round of Capitol Hill meetings on Wednesday afternoon, giving dealers another window of opportunity to engage directly with their elected representatives. In total, this year's attendees scheduled more than 200 meetings, emphasizing dealers' commitment to making their voice heard in Washington.

NADA Show 2027 Is Going to Be Epic. Do Not Wait to Register.

By Maryann Malesardi, NADA Senior Manager, Event Marketing

The momentum is building for NADA Show 2027, February 17-20, in Orlando, Florida. If you have been waiting to make your plans, now is the time.

The Expo is sold out. Official NADA hotels are filling. An incredible Main Stage lineup is set. Education is taking shape around the biggest issues facing dealerships. And we are kicking it all off with exclusive access to Universal Epic Universe.

Here is what is waiting for you in Orlando.

A Sold-Out Expo. NADA Show Expo is officially sold out, with exhibitors ready to bring the latest products, technologies, and solutions to Orlando. Explore what is new, see what is next, and find solutions to help your dealership operate smarter, compete stronger, and prepare for the future.

Hotels Are Filling Fast. Dealers and their teams, along with thousands of other industry leaders, are already making plans for Orlando. Availability at official NADA hotels is getting tighter. Register now to secure your preferred hotel at exclusive NADA rates while rooms are still available.

One Epic Opening Night. We are starting NADA Show 2027 in a big way. On Wednesday, February 17, NADA Show attendees and their guests will take over Universal Epic Universe for an unforgettable Welcome Reception. One night. Exclusive access. Endless connections. Experience incredible entertainment, reconnect with industry friends, and make new connections — all while enjoying exclusive access to one of Orlando's newest destinations.

Education Built Around What Matters Now. AI. Fraud. Inventory. Workforce. Marketing. Fixed ops. Funding. Customer trust. NADA Show education is taking shape around the issues dealers and managers are navigating right now and the opportunities that could change how you do business next. Across Workshops, Super Sessions, the Spotlight Series, The Exchange, and Dealer Learning Lab, you will find practical ideas, new perspectives, and strategies you can bring back to your dealership.

And Yes, There's Magic. The NADA Show 2027 Main Stage lineup is complete, bringing three dynamic voices to Orlando to challenge your thinking, strengthen your leadership, and inspire what comes next. Big ideas. Powerful stories. Leaders who know what it takes to succeed.

EXPERIENCE INCREDIBLE ENTERTAINMENT, RECONNECT WITH INDUSTRY FRIENDS, AND MAKE NEW CONNECTIONS — ALL WHILE ENJOYING EXCLUSIVE ACCESS TO ONE OF ORLANDO'S NEWEST DESTINATIONS.

- **Thursday, February 18: Ryan Estis, Sales and Leadership Expert and Best-Selling Author.** How do you stand out when customers have more choices than ever? Ryan Estis brings a fresh perspective on creating exceptional customer experiences and building lasting loyalty. Explore how putting customers at the center of your growth strategy can build trust, strengthen teams and create exceptional experiences that earn customers for life.
- **Friday, February 19: Patrick Lencioni, Founder of The Table Group and Bestselling Author on Teamwork and Organizational Health.** What if people spent more time doing the work that energizes them? Patrick Lencioni explores how understanding your team's natural strengths can improve collaboration, reduce burnout, and help people perform at their best. Lencioni brings practical insights into building stronger teams and healthier organizations. Discover how understanding your team's natural strengths can improve collaboration, reduce burnout and help people perform at their best.
- **Saturday, February 20: Magic Johnson, Legendary Athlete, Entrepreneur, and Activist.** Magic Johnson takes the Main Stage, bringing lessons from his extraordinary career as a legendary athlete, entrepreneur, and activist. He became a legend on the basketball court and then built an extraordinary career beyond it.

Three powerful voices. Three different perspectives. One Main Stage built to challenge and inspire.

Be early. Be registered. Be there. Register now at www.nada.org to save, secure your preferred hotel, and get ready for The Auto Industry Event of the Year, February 17-20 in Orlando.

Now Available: 2026 NADA National & Regional Trends in Compensation, Benefits, and Retention Report

NADA knows that dealers today face numerous challenges, including high employee turnover, difficulties in recruitment, and the constant pressure to remain competitive in a rapidly evolving market. These demands deplete valuable resources and significantly impact overall dealership performance and profitability. Understanding workforce trends and leveraging data-driven insights are crucial steps in effectively addressing these issues.

NADA has prepared the "2026 National & Regional Trends in Compensation, Benefits & Retention Report" for its members to stay current on the latest workforce trends happening in the new car auto retail industry across both the country and regionally.

This report is the latest and most comprehensive examination of auto dealership workforce trends. It includes a review of compensation, turnover, retention, benefits, hiring, and demographics trends. Use this report to:

- Get a full picture of who auto dealerships are hiring by generation and gender.
- Understand what benefits dealerships are offering to retain and attract talent.
- Find out what happened to turnover and retention by position and department.
- View data on key positions in your region.
- Salary, turnover, and retention information for over 60 job titles and see data broken out by region and luxury vs. non-luxury brands.
- And much more!

Thanks to our 2026 Dealership Workforce Study participants, we collected and analyzed over 253,000 payroll records from the 2025 calendar year which provided us with salary, demographics and turnover data along with responses to a benefits questionnaire. The questionnaire allowed us to analyze health plan benefits offered, retirement plans, paid time off, hiring trends, and more.

NADA members who could not participate in the 2026 NADA Dealership Workforce Study may purchase this National and Regional Trends in Compensation Benefits and Retention report. This is 2025 calendar year data. Price of the report: $795. You must be a NADA member and login at www.nada.org to purchase.

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