



NATIONAL INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION

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February 29, 2016

Via Electronic Submission

Federal Trade Commission
Office of the Secretary
Suite CC-5610 (Annex B)
600 Pennsylvania Avenue
Washington, DC 20580

Re: Comments to Public Workshop Examining the U.S. Auto Distribution
System, Project No. P131202

Dear Secretary,

The Federal Trade Commission (“FTC” or “Commission”) held a public workshop on January 19, 2016, the purpose of which was to consider the distribution system for automobiles in the United States. The National Independent Automobile Dealers Association (“NIADA”) submits the following comments to the Commission regarding the workshop.

NIADA is among the nation's largest trade associations representing the used motor vehicle industry comprised of more than 38,000 licensed used car dealers. For 70 years, NIADA has engineered programs and leveraged technology to fulfill its mission to advance, educate, and promote the independent, used car dealer. NIADA's members include dealers that sell used vehicles wholesale, retail, and buy here pay here.

The majority of NIADA’s dealer members own and operate small businesses as defined by the Small Business Administration with almost 50 percent of those members employing five or fewer employees. More than 40 percent of these dealers have been in business longer than 20 years.

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NIADA notes that the Commission's intent to foster a neutral, robust discussion of the automotive distribution system in the United States may have been worthy. However, the scope of the workshop failed to accomplish that goal. Unfortunately, the panels did not adequately consider all perspectives of the automotive distribution system. Rather, the panelists the Commission invited, particularly those with academic and economic backgrounds, were decidedly biased against the current system. The FTC should actively seek participation, comment and data from scholars and economists that support the system as presently constituted to provide a counterpoint to those panelists presentations.

Furthermore, the Commission failed to consider the used car market as part of this workshop. Every new car produced by a manufacturer becomes a used car the minute a consumer takes title to it. Any thorough analysis of the automotive distribution system in the United States must involve discussion of the used car segment of the industry.

NIADA encourages the FTC to incorporate these aspects into its study of the distribution system to ensure it is a complete and balanced analysis. NIADA stands ready to assist the Commission achieve that end.

Thank you for the opportunity to comment.

Sincerely,

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Senior Vice President
Legal and Government Affairs