



MEMO

**To : GOVERNMENT AND INDUSTRY AFFAIRS COMMITTEE
TOM FLESH, CHAIR
DAVID WILSON, MEMBER**

Date: May 1, 2012

**From : WILLIAM G. BRENNAN
ROBIN PARKER**

Subject: STATUS REPORT ON PARTICIPANT AND AUDIENCE RESPONSES TO THE SURVEY CONCERNING THE BOARD’S INDUSTRY ROUNDTABLE

On March 21, 2012, the New Motor Vehicle Board (“Board”) held its 9th Industry Roundtable in Sacramento. Surveys were provided in the packet of materials. However, only a couple of surveys were returned. After the event, attendees were e-mailed the attached survey. Unlike questionnaires in the past, the survey only sought feedback on the topics presented and did not solicit feedback on future speakers or topics. The Board received 22 surveys. The general consensus was that the information presented by the six topics was useful and of interest. Of the 22 surveys returned, the following reflects the number of attendees that found the topics to be “useful and of interest” and to not be “useful and of interest”:

TOPIC	“USEFUL AND OF INTEREST”	NOT “USEFUL AND OF INTEREST”
1	19	2
2	20	2
3	11	9
4	18	2
5	15	6
6	18	2

The following summarizes comments provided by those responding to the survey:

TOPIC 1: Department of Motor Vehicles Business Partner Automation and Electronic Liens and Titles

- “Would like to see the distributor representative licensing automated so we can pay via credit card for renewals. Process still feels very bureaucratic.”
- “Good presentation with practical information, especially for finance companies.”
- “Always interested in how agencies improve efficiencies [something I can take back to Colorado!] and was particularly interested in the 'title cleansing' fraud discussed.”
- “Interesting subject for the dealer's present, but [sic] applicable to the NMVB role under California statute.”

- “Interesting - could have been condensed.”
- “Interesting and concise.”
- “Minimally useful to me, but might be for dealers and others.”
- “Very useful information on new scams in the marketplace.”
- “Liked the way the speaker introduced demographics and policy into his interesting presentation. Interesting comments about fraud prevention and possible role of dealerships in registration process.”
- “Not involving issues coming before the NMVB but mildly interesting as a reflection of technical progress and also policy.”
- “New material for me; useful in my new role.”

TOPIC 2: Review and Analysis of Facilities Upgrade Report Commissioned by N.A.D.A.

- “Interesting debate and an important topic for the industry. Facility requirements and retailer relations vary widely by manufacturer. A luxury dealership must have a facility that meets the expectations of their clientele. The Mercer Study seemed to take a very one-sided approach. A newer facility means higher employee and customer satisfaction which in turn results in higher owner loyalty and increased repeat purchases for the retailer.”
- “This was interesting, but not very helpful. The report was not very credible.”
- “Good, balanced discussion. They got the audience involved which made for a more interesting debate.”
- “This is an issue that manufacturers and dealers will never completely agree upon, but it was interesting to hear the dealers/dealer counsel's position, particularly given the inherent bias and unscientific nature of the Mercer study that prompted this discussion.”
- “Interesting comments, but no real data for analysis. An academic discussion.”
- “A spirited discussion.”
- “I thought the presenters were well balanced and fairly represented both sides of the issue.”
- “Very helpful.”
- “The panel was heavily sided towards dealers.”
- “Very interesting and timely topic. Discussion, however, went on way too long. (Maybe should have been only 2 presenters, one from manufacturer perspective, one from dealer point of view.)”
- “Hard to back out issues from other factors in NMVB cases. Instances not as part of NMVB cases could be possibly isolated.”
- “I expect this issue to surface in my future work with NMVB.”

TOPIC 3: Energy Commission’s Investment Plan for New Fuels and How it Determines Priorities

- “I thought the presentation was too general for the scope of the gathering. I would have been interested in a presentation focused on the auto industry.”
- “Very informative presentation. The expected projections and the discussion about what it will take to get there was very interesting.”
- “CA Energy Commission doesn’t appear to be realistic based on consumer needs and demands. The demand and infrastructure needs to be addressed first.”
- “I found this interesting, although not relevant for my practice. The manufacturer

representatives probably found it more relevant.”

- “The statistical/data driven basis of the analysis was particularly interesting.”
- “Interesting from an infrastructure and informational perspective. Somewhat of a disconnect from the conclusions (EV for light vehicles) vs. the technology and cost forecasts for NGV.”
- “Dreadful - too long, incomprehensible, confusing charts that didn't match the speech.”
- “This was interesting, not so sure of the relevance to dealers but interesting none the less.”
- “Interesting, but not terribly useful.”
- “Always enjoy alternative fuel presentations.”
- “I'm leery of 'projections' and DOE 'planning data' – seems as though Dept. loves to make charts and graphs (not readable from the audience). The topic, however, was a good introduction to the next topic.”
- “Of interest, yes. Of value, no. Mostly a lot of PC B-S – very different from [other] topic in last couple of years...”
- “Reflects changing environment.”

TOPIC 4: EV Charging Stations – Creating an Infrastructure for the Future

- “Mildly interesting but not relevant to my practice before the Board.”
- “We are all going in this direction as a nation and it was interesting to hear how private companies are trying to move us in that direction [as a consumer, not necessarily as an industry person.]”
- “Interesting discussion but how does this impact the board or its constituents?”
- “Interesting insights into 'hidden' challenges of EVs.”
- “Again, this was interesting, not so sure of the relevance to dealers but interesting none the less.”
- “Very interesting presentation.”
- “Good follow-up to last year's Roundtable discussion.”
- “Interesting enough topic. I guess history will tell whether these companies are (1) legitimate, or (2) have no hope of succeeding absent infusions of taxpayer money.”
- “Reflects changing environment.”

TOPIC 5: Impact on Minority Dealers in Light of Economic Climate

- “Would have liked more discussion from the perspective of financiers as to why minorities have so much difficulty getting funding.”
- “Although anecdotal information was interesting, I would liked to have seen any available data. Unfortunately, the presenters incorrectly represented that GM has discontinued its minority dealer program.”
- “While a very relevant topic and something that should definitely be brought to the attention of those in attendance, the presentation seemed to fall short of its goals. I'm not sure the presentation reached a final conclusion and there was no discussion about how to mitigate the impacts that have occurred.”
- “Excellent presentation and discussion!”
- “Important for existing, successful minority dealers to mentor and hire minority managers. It takes years of experience to have a thorough knowledge of the entire dealership operation.”
- “This would have been better without the Univision presenter and the addition of a couple of

manufacturers' reps about what they are doing to increase minority ownership. The Univision person was interesting, but I am not sure that her message was that useful for the attorneys."

- "Very interesting information, and relevant to various issues that could come before the Board."
- "Unfortunate that minority dealers have been impacted, but I don't sense any more than the general dealer population, or at least not significantly. It would have been helpful to have manufacturer representation on the panel to give insights into current and upcoming efforts they are making to get more minority dealers in their dealer networks. Factory owned stores are not the way to go any longer to get minorities into the ownership of stores, at least not for the near future given the same economic issues, so more creative solutions are necessary, such as minority candidate partnerships with existing and successful private cap dealers, where the manufacturer might subsidize the training or other similar assistance to the private cap dealer - there are any number of ways to do that, and it would be interesting to have a group discussion on those alternatives, rather than just giving these very worthy and capable dealers the ability to vent about their situations [maybe a topic for next year???]."
- "No reason for this discussion or review unless actions to support this constituency is contemplated under statute."
- "Sara Hasson's presentation was great - I hope every car dealer in the room was listening. Minority dealer panelists didn't know GM continues to operate a minority dealer program, which I found surprising."
- "Excellent panel, might have been interesting to get some of the manufacturers perspective on this issue. I think that there is a lot more going on out there than was portrayed. Not that the dealers misrepresented anything at all, just maybe the Mfg's are more involved than it appeared."
- "We were/are already keenly aware of the California economic climate and its relative affect on our car dealerships."
- "Interesting statistics. Not sure where the dealer panelists were going."
- "Good but seemed out of place."
- "Some gems of information, but presentation too long. Sara Hasson's PR video promoting her company could certainly be cut – it detracted from the dealer's presentations. There was an African American dealer?"
- "Interesting and eye-opening. No more melting pot?"
- "May be helpful in establishment and termination cases."

TOPIC 6: Retroactive Application of Franchise Laws and Enforceability of Prior Agreements

- Disappointed -- discussion was rambling and not very useful.
- "I believe there has been at least one arbitration that found the statute to NOT be retroactive."
- "The subject matter was relevant but the presentation was superficial and did not dig into the meat of the issue. The presenters read numerous rhetorical questions without presenting any substantive information or getting the audience involved. There is a lot of case law on this topic that could have been presented and discussed with the audience, which would have improved the presentation."
- "This is an issue I have litigated several times, so the legal issues were not informative, but it was interesting to hear the dealers' side of the potential issues with the relatively recent

facilities regulation under the Vehicle Code.”

- “These are exactly the types of discussion I expect from the roundtables. I also believe the roundtable should engage the board in review of their recent decisions and how they interpreted California statute.”
- “Sorry, this one fell flat-flat-flat. Mental gymnastics of the worst possible lawyerly sort.”
- “In my biased opinion [the information was useful and of interest].”
- “Excellent presentation, personally helpful.”
- “Lots of possibilities, some of concepts can be very interesting.”
- “May be directly pertinent to cases I may decide.”

This matter is being agendized for informational purposes only. No Board action is required at the May 22, 2012, General meeting.

If you have any questions or require additional information, please do not hesitate to call me at (916) 324-6197 or Robin at (916) 323-1536.