

THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

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Franchise System Under Fire: Automakers Call for Rollback of State Protections, NADA Responds Forcefully

In recent comments to the U.S. Department of Justice's Anticompetitive Regulations Task Force, the Alliance for Automotive Innovation (The Alliance)—representing most major automakers—argued that state franchise laws are anti-competitive, inflate vehicle and warranty repair costs, and restrict consumer choice. This marks an aggressive escalation in the ongoing battle over the future of auto retailing and poses a direct threat to the franchise system that has served consumers and communities for generations.



In response, the National Automobile Dealers Association (NADA) submitted a robust defense of the franchise model, asserting that the dealer network is not only the most cost-effective method of selling and servicing vehicles at scale, but also a critical safeguard for consumer protection and economic stability. NADA pointed to a 2024 Oliver Wyman study that found the traditional dealership model is actually more cost-effective than direct-to-consumer or agency

models when operating at scale—dispelling the myth that dealers are simply expensive “middlemen.”

The Alliance’s comments criticized state laws that limit manufacturers’ ability to unilaterally open new dealerships and that require dealers to be fairly reimbursed for warranty work. They argued these laws hinder competition and inflate service costs. NADA countered with evidence that such protections ensure consumer access to reliable, safe, and affordable service, especially in cases of warranty repairs and recalls—work that manufacturers often see as a cost rather than a public safety obligation.

Importantly for Washington area dealers, this public battle highlights a dangerous precedent: OEMs are now openly lobbying federal regulators to undermine state franchise laws that provide vital balance to an otherwise lopsided relationship. Should these efforts succeed, manufacturers could bypass existing dealer protections, vertically integrate distribution and service operations, and erode local accountability.

The franchise system works because it aligns the interests of the customer, the community, and the dealer. It ensures that even if a manufacturer falters, consumers still have a place to go for parts, service, and warranty fulfillment. Removing those safeguards would not only weaken consumer protection—it would destabilize thousands of small businesses across the country, including right here in the Washington area.

What Can Dealers Do?

1. **Stay Engaged:** Follow NADA and WANADA updates closely and be prepared to speak out. The manufacturers’ comments to DOJ are a call to action.
2. **Educate Lawmakers:** Connect with your state and local elected officials. Make sure they understand the franchise system’s economic and consumer value—and that weakening it helps Wall Street, not Main Street.

This is not a theoretical policy debate. It’s an existential question about who controls the retail car business—local entrepreneurs or multinational manufacturers.

President Trump Signs CARB CRA Resolutions into Law

In a major win for the nation’s franchised auto and truck dealers, President Trump has signed into law three Congressional Review Act (CRA) resolutions that nullify the Biden-era Environmental Protection Agency’s (EPA) waivers allowing California to impose its own, more aggressive vehicle emissions and zero-emission vehicle (ZEV) mandates.

The CRA resolutions—championed by NADA and the American Truck Dealers (ATD) division—represent a forceful defense of national uniformity in vehicle regulation. California’s authority under the Clean Air Act had allowed it to establish separate emissions rules and compel an accelerated transition to electric vehicles, which other states could voluntarily adopt. In practice, this patchwork regulatory framework created confusion for manufacturers, compliance headaches for dealers, and reduced consumer choice.

“This is a historic moment for America’s franchised dealers,” said NADA President and CEO Mike Stanton. “It sends a strong message that emissions and fuel economy standards should be set at the federal level, not dictated by one state.”

For Washington area dealers, the legislation reaffirms the principle that vehicle policy must strike a balance between environmental goals, affordability, and consumer demand—rather than imposing top-down mandates that strain supply chains and limit what customers can buy.



WANADA applauds NADA’s leadership in this fight and thanks all dealer advocates who helped make their voices heard on Capitol Hill. This outcome reinforces the need for continued vigilance and engagement as future regulatory battles unfold.

Updates from Maryland MVA

The following reminders and updates appeared in the most recent newsletter from Maryland MVA and have been included in full below in case you missed them:

- **Business Portal Notifications and Letters**
 - It is important to monitor the business portal daily as there are numerous types of notifications and letters that are issued by the MVA.
 - Many of these letters request additional action on behalf of the dealership.
 - For example, salesman applications/renewals, interchange plate requests, business license renewals, etc.
- **Temporary Closure of MVA warehouse**
 - The annual warehouse inventory will be conducted from June 23, 2025, to June 27, 2025. During this time the warehouse will be closed but will reopen on June 30th.
 - Orders received prior to the cutoff date of June 18th will be fulfilled if **stock is available**. Orders received after the 18th **will be held** until the reopening.
 - **The temporary closing of the MVA warehouse does not affect placing orders through the ERT support network, however shipments will not be released until the warehouse is reopened on June 30th.**
 - <https://mva.maryland.gov/businesses/Documents/bulletins/2025/Bulletin-warehouse-annual-closure-2025.pdf>
- **E-titling Town halls**
 - The MVA hosted two town halls recently on e-titling. If you are interested in learning more about electronic titling, please watch a recording of our town halls available online. You are welcome to watch both recordings, but we recommend watching the recording from May 15th, 2025. The bulletin with links to both recordings is posted below.

https://mva.maryland.gov/businesses/Documents/bulletins/2025/Bulletin_Town%20Halls_05152025_Meeting%20Link%2005152025.pdf

- **Pickup Notifications**

- MVA is aware that difficulties exist with the automatic notifications generated when a transaction submitted through the dealer portal has been completed, but the products are not yet available for pickup. The Dealer Services team has modified our internal process to ensure there is no delay in issuing products for same-day pick-up.
- If you would like to confirm work is ready for pickup, please contact the Dealer Services team at mddtts@mdot.maryland.gov.

If you have a topic, you'd like us to cover in a future newsletter, please send it to Kristin Orlando-Dillahunt at korlando@mdot.maryland.gov.

Updates from Virginia Motor Vehicle Dealer Board on Approved Background Check Vendors

The MVDB has been in communication with Hireology and Accurate as it relates to the requirements to be formally reinstated as an approved provider of background screening services. They have received an extension of authorization while we confirm that their products and services meet the standards of the MVDB. Therefore, you may continue to use Hireology and Accurate for your background screening needs for Salespersons.

Hireology and Accurate have built out new packages that meet the MVDB requirements and have made them available to all Virginia dealerships, who are Hireology customers. In order for your Sales personnel to get licensed, they must be screened using one of the following packages that are available in the Hireology system. Your configuration in your Hireology instance may have one or all of these packages available.

Virginia MVDB
Virginia MVDB + MVR
Virginia MVDB + MVR + 4 Panel Drug Screen
Virginia MVDB + MVR + 5 Panel Drug Screen

At your dealerships, you may have other packages with different names available that you use for other non-Salesperson roles. The application for Salesperson License will be denied if any package other than the ones named above is used for the Salesperson employee on the application.

If you have any questions about your Hireology account and the packages in question, please contact your customer success manager or email support@hireology.com.

Save the Date: 2025 WANADA Annual Meeting

Mark your calendars now! The 2025 WANADA Annual Meeting will take place on the evening of **Thursday, November 13**, at the **Smithsonian Museum of American History** in Washington, DC.

This year's event promises an inspiring program and an elegant setting in one of the nation's most iconic museums. More details, including keynote speakers and registration information, will be shared in the coming months.



We look forward to seeing you there for an evening of reflection, networking, and celebration of the industry's successes.

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