

SAN DIEGO

SPRING 2021

# dealer



## WHY DEALERS LOVE AUTO SHOWS

OFFICIAL PUBLICATION OF THE NEW CAR DEALERS ASSOCIATION SAN DIEGO COUNTY

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## CHAIRMAN'S LETTER



**Jasen Powell**


One year ago, we couldn't have imagined how the looming global pandemic would impact our lives and businesses. From a business perspective, we all had to implement significant operational changes and make difficult decisions over the past 12 months. Thankfully, throughout the pandemic, our New Car Dealers Association (NCDCA) has provided San Diego County new car dealers with timely and important guidance to help us remain compliant with ever-changing rules and standards. Although life likely won't return to a pre-pandemic normal any time soon, there is light at the end of the tunnel as COVID-19 cases decline throughout California and vaccines achieve widespread distribution.

Throughout the year, the NCDCA, in cooperation with the California New Car Dealers Association (CNCDA), has continued to represent new car dealers' interests in Sacramento by monitoring and influencing legislation that may impact dealer business, including challenges to franchise laws. As part of the process, we as dealers may be called upon to voice our concerns and thoughts directly with legislators to provide the most effective results. One of the best opportunities to do this is the upcoming CNCDA Dealer Day, a virtual event on Apr. 21. Included in the program are a policy briefing, guest legislators, and an opportunity to meet with your representatives to urge their support on key dealer issues.

One significant casualty of the Coronavirus pandemic was the 2021 San Diego International Auto Show. The NCDCA canceled after careful and extensive consideration of the health risks and logistical challenges posed by COVID-19. However, the auto show team is already hard at work planning the 2022 edition of the auto show, scheduled for Dec. 30, 2021-Jan. 2, 2022.

The auto show remains the most effective tool we have to create a lift in dealership traffic, generate valuable sales leads, influence new vehicle purchase decisions and dominate local media.

As you'll read in this issue, the auto show remains the most effective tool we have to create a lift in dealership traffic, generate valuable sales leads, influence new vehicle purchase decisions and dominate local media with news stories about the latest and greatest new cars, trucks and SUVs available to consumers. In addition to this direct benefit to dealers, the auto show also provides the NCDCA with the resources necessary to offer dealers the valuable benefits we all enjoy all year long. Consequently, it is vital that all San Diego County new car dealers support the auto show to ensure our collective success moving forward.

As we enter the second quarter of 2021, I continue to be excited to work with my fellow board members to revitalize our economy, strengthen franchise protections and prosper together. I am honored to be of service to my dealer counterparts and welcome your feedback or questions any time. 


# CHRISTOPHER M. WARD

Assemblymember, 78th District

Assemblymember Ward was elected in 2020 to serve the 78th Assembly District. Before his service in the Assembly, he served on the San Diego City Council, focusing his efforts on housing, homelessness, economic development and the environment, and authored San Diego's landmark Equal Pay Ordinance, as well as enacted a local ordinance to make San Diego the largest city in California to ban Styrofoam and reduce single-use plastics. Assemblymember Ward also chaired the San Diego County Regional Task Force on the Homeless, transforming outdated strategies to align with national best practices while making meaningful gains to address and respond to homelessness; chaired the Land Use and Housing Committee, updating restrictive housing codes and incentivizing affordable development; and chaired the Economic Development and Intergovernmental Relations Committee, supporting local business.

Before becoming an elected official, Assemblymember Ward was the Chief of Staff to Senator Marty Block, coordinating constituent services, engaging public participation in the legislative process and addressing the needs of schools and neighborhoods, and an environmental planner at the firm EDAW, working with local government to update land-use policies and law, and conduct CEQA environmental reviews.

Assemblymember Ward has long been a community volunteer, serving on the San Diego Community College District's Citizens Oversight Committee, serving as a board member of the San Diego Human Dignity Foundation and San Diego LGBT Center, and serving as a member of the Truman National Security Project

Assemblymember Ward earned his Bachelor of Arts degree at Johns Hopkins University and a Masters in Public Policy and Urban Planning at Harvard's John F. Kennedy School of Government. He and his partner, Thom, reside in University Heights with their two children and their cairn terrier. 





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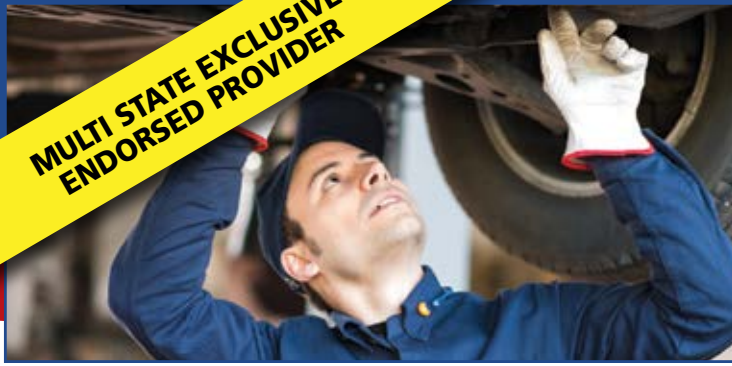
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# WHAT OUR CALIFORNIA DEALER CLIENTS SAY:

- ▶ Bellavia Blatt was incredibly helpful with the Warranty and Labor Increase process. They have assisted McKenna with 8 Warranty Labor Rate increases and 5 Warranty Parts increases. Each time they amaze me with how simple the process is and the substantial increase they are able to obtain for our Parts and Service Departments. The flat rate fee is reasonable, and the Team at Bellavia Blatt are professional and easy to work with!! Thank you from the Team at McKenna.

**CINDY PIRTLE**

McKenna Auto Group  
Fixed Operations Director  
Norwalk, South Bay, and Huntington Beach, California

- ▶ Ken did a great job. We are pleased with the results.

**GEORGE HAY**

Jim Burke Ford Lincoln  
VP General Manager at the Automall  
Bakersfield, California

- ▶ Bellavia Blatt and team did a great job assisting our dealership group in obtaining an increase in our warranty labor rate and parts mark up. They were professional and thorough in helping us navigate through the process and working with the manufacturer should any discrepancies arise! I highly recommend Bellavia Blatt for your warranty and parts analysis and submission!

**ERNIE CAMPORA**

Stead Automotive Group  
Walnut Creek Ford  
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- ▶ We are very pleased with the work performed by Bellavia Blatt. We received the maximum parts and labor rate possible and the fees were very reasonable (substantially less than Armatus).

**DARREN ANDERSON**

Lehmer's Concord Buick GMC  
Concord, California

- ▶ Once again Bellavia Blatt has gone above and beyond to help us increase our Warranty gross profit. "We are so happy that we chose Bellavia Blatt to submit for our California AB179 increase. Gary did an amazing job and got us approved in less than a day with a huge increase in our rate!" Thanks again for all the help!

**MATT CLANCY**

Team Nissan  
Parts & Service Director  
Oxnard, California



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**THE PIONEERS IN RETAIL WARRANTY REIMBURSEMENT**



# WHY DEALERS LOVE AUTO SHOWS

By Sheryll Poe, NADA Contributor

**W**hen it comes to building brand awareness and excitement, driving consumer traffic into dealerships and increasing vehicle sales, nothing beats an auto show, say dealers across the country.

According to NADA's recent Dealer Attitude Survey, eight out of 10 dealers say their local auto show is important for driving customer traffic into their dealerships. "Auto shows sell cars. They help sell the product, and that's the value of auto shows," says Richard A. Baker, show manager of the Miami International Auto Show and incoming chairman of the Automotive Trade Association Executives (ATAE).

When auto show attendees get to the dealership showroom, the numbers indicate they're more likely to buy: 54% of buyers made a purchase decision based on what they saw at an auto show, and 18% bought a brand they had not been considering before they saw it at the show, says Foresight Research.

## Discovering New Brands, Rediscovering Favorites

In Charlotte, N.C., the brand conversion numbers were even higher — a whopping 62% of the Charlotte Auto Show attendees this year left considering a brand they may not have considered before attending the show, says Jenn Jackson, executive director, Greater Charlotte Auto Dealers Association. The Charlotte Auto Show, now in its 29th year, is supported by more than 100 auto dealers from 11 surrounding counties. "For the OEMs and dealers who battle with the brand shift, auto shows are an outstanding opportunity to either continue to lock them into your brand or catch their attention and sway them away."

Tindol Automotive has participated in the Charlotte Auto Show as a Ford dealer for over 25 years and more recently as a manufacturer representing Roush Performance vehicles. "Seeing the show from both perspectives, we highly support the show because we have seen firsthand the number of people that love to shop, inquire, touch and feel the vehicles without sales pressure or obligation," says owner and dealer principal Natalie





“One thing has certainly not changed: Having a consumer experience a vehicle is still the No. 1 factor when it comes down to persuasion and choice. There is nothing like feeling the seat, holding the steering wheel, checking out the technology, counting the cup holders, lifting the hood — that new-car smell.”

Tindol. “It opens a window for the customer to experience makes and models they may not have considered before.”

### The Auto Show Bounce

Whether auto show attendance solidifies brand loyalty or creates new excitement behind brands that perhaps a consumer had not explored, local dealers will experience what’s known as the “auto show bounce” in the days and months following an auto show. “For anywhere from 30 to 60 days, dealers will have people coming in from the show and shopping,” says Scott Lambert, president of the Minnesota Automobile Dealers Association (MADA), which represents 371 franchised new-car and -truck dealers. “Sometimes they come right from the show to the showroom. Half the people who come to the show are shoppers intending to buy and are actively looking and researching.”

To take advantage of that bounce, many local dealers, including MADA members, plan their major marketing push to coincide with the Twin Cities Auto Show, held each year at the Minneapolis Convention Center, Lambert says. “There’s a lot of marketing around the show — groups and factories will have special show promotions that run before and after. Our show is in early March, and we’re just coming out of winter, so it’s a chance for everyone to shake off the ice and get marketing again.”

The biggest lift is with website visits and digital inquiries, says Tindol, “which are equivalent to walk-ins in our world. The lift continues for months and we continue to hear, ‘When I saw that car at the auto show,’ when we ask where they heard about us or got their interest in the particular unit they are looking at.”

### Message to OEMs: You Can’t Afford to Miss Out

But if a manufacturer chooses not to participate in an auto show, local dealers are the ones who feel the pain. Over 75% of dealers say automaker absence has a negative impact on customers’ brand awareness, and over 66% report that it has a negative effect on customer traffic and retail sales, according to the Dealer Attitude Survey.

While some manufacturers, particularly European OEMs, are reassessing their auto show participation, others — including Toyota, Volkswagen and Honda — are committing to what has proven to be a worthwhile investment. “From a consumer standpoint, auto shows are stable and growing in importance,” Sage Marie, assistant vice president for public relations at American Honda, told Automotive News. “From a media standpoint, the dynamic is definitely changing. The way automakers leverage auto shows to deploy news is changing.”

“For us, it’s probably one of the most efficient ways to get in front of as many consumers as we possibly can,” Derrick Hatami, executive vice president for sales and marketing with Volkswagen Group of America, told journalists at the Chicago Auto Show in February.


“For us, to be able to get access to 11 million people last year with our products, and have them sit in it, touch and feel, and in some instances drive them, it’s a huge benefit for us. We always do well when people actually drive the product.”

Continued on page 12



Continued from page 11

Dealers and auto show organizers point out that auto shows' expectations need to shift from the glitz and glam of the media coverage to the nuts and bolts of reaching consumers and selling cars. "For the EU OEMs, auto shows are more of a showcase for media, but in the U.S., we sell cars through shows," says MADA's Lambert. "The domestic marketing departments understand: This is how people shop for cars. They come in and kick the tires."

"We all recognize consumer shopping habits have drastically changed in the last decade. The automotive business is no exception," says Jackson. "One thing has certainly not changed: Having a consumer experience a vehicle is still the No. 1 factor when it comes down to persuasion and choice. There is nothing like feeling the seat, holding the steering wheel, checking out the technology, counting the cup holders, lifting the hood — that new-car smell." 







“We find the San Diego Auto Show to be the gift that keeps on giving all year long. We see immediate traffic at the store during the show and for months after. Being able to see ALL makes and models under one roof with no sales pressure is really an advantage that folks take seriously.”

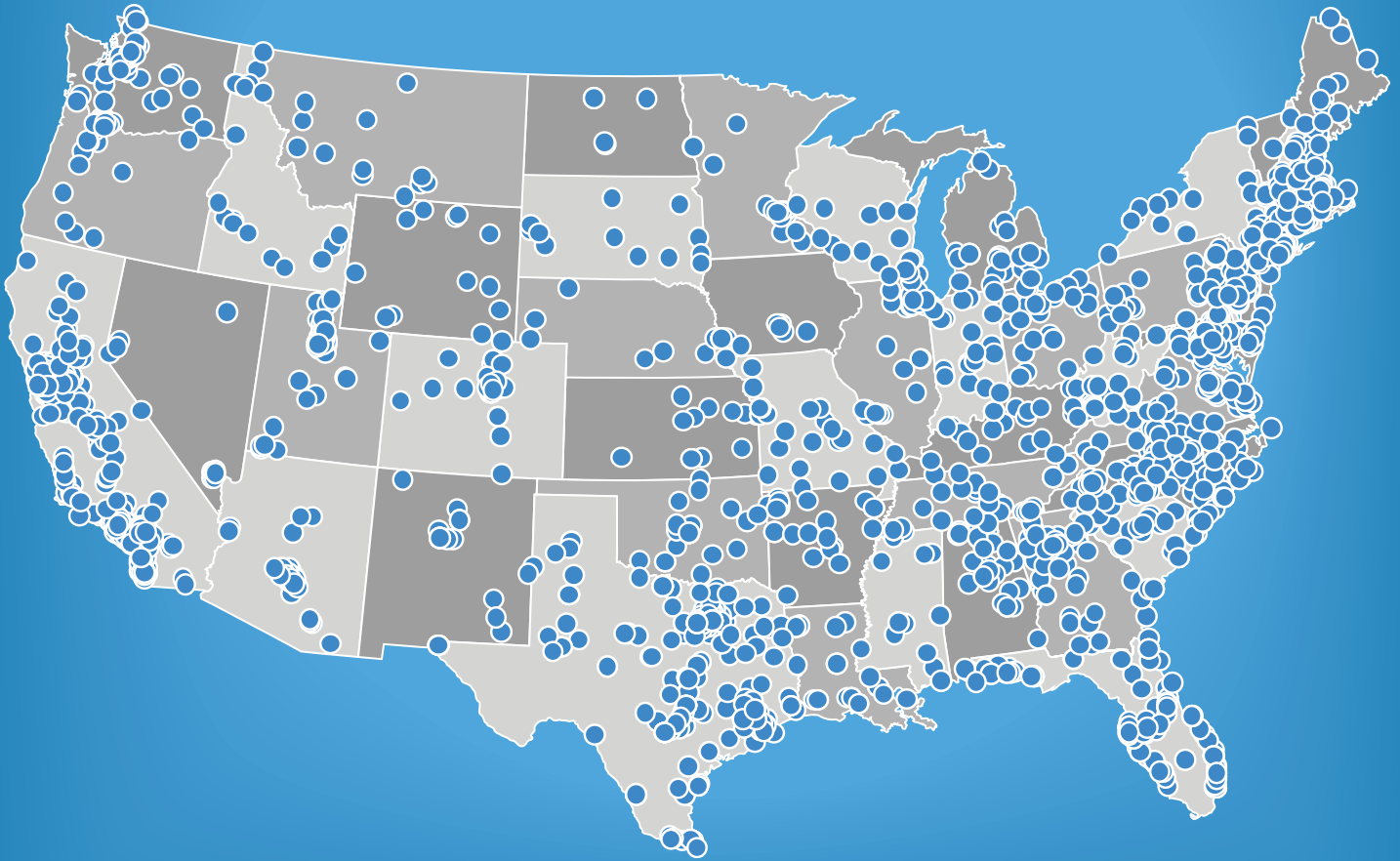
— Ed Witt, Witt Lincoln

“As Chairman of the Auto Show, I spent a great deal of time on the exhibit floor. I can tell you one thing ... the people there were car buyers. It’s an incredible opportunity to reach a 100% qualified and interested audience who are there for one reason – to pick their next car.”

— Richard Newendyke, Sunroad Automotive Group



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## Foot Protection Requirements

**R**ecently, an automobile dealer was cited for failure to provide safety shoes. Cal/OSHA assessed a penalty of \$5,850 for this serious violation. California Court of Appeals has also upheld a citation against employers not providing proper safety footwear. See *Home Depot U.S.A., Inc. v. Cal. Occupational Safety & Health Appeals Bd.*, E070417 (Cal. Ct. App. Oct. 17, 2019). After this California Court of Appeals decision, we believe that citation for failure to have safety shoes is low-hanging fruit for OSHA inspectors. Dealerships would now be a frequent target for citations for failure to provide safety shoes for employees.

Safety inspections of the shop and parts department have revealed that many employees are not wearing appropriate footwear to adequately protect them from foot injuries caused by crushing or falling objects, such as a rotor or a battery. Sharp objects left on the shop floor can also penetrate the shoe and injure the foot. Footwear in the shop area must be slip-resistant to protect employees should they encounter slippery surfaces (slip hazards are common due to accidental spills of lubricants in the shop). The porters are subject to abnormally wet locations (car wash), and as such, their shoes must provide traction.

### WHAT DO THE CALIFORNIA REGULATIONS SAY:

The Cal/OSHA regulation (T8CCR3385) is stated as follows:

- (a) Appropriate foot protection shall be required for employees who are exposed to foot injuries from electrical hazards, hot, corrosive, poisonous substances, falling objects, crushing, or penetrating

actions, which may cause injuries or who are required to work in abnormally wet locations.

- (b) Footwear which is defective or inappropriate to the extent that its ordinary use creates the possibility of foot injuries shall not be worn.
- (c) (1) Protective footwear for employees purchased after January 26, 2007, shall meet the requirements and specifications in American Society for Testing and Materials (ASTM) F 2412-05, Standard Test Methods for Foot Protection and ASTM F 2413-05, Standard Specification for Performance Requirements for Foot Protection which are hereby incorporated by reference. The ASTM standard as quoted in the OSHA standard has been updated. See note below.

Note 1: ASTM F2412-18a and ASTM F2413-18 are the most current standards in the industry. ASTM F2413-18 contains basic requirements to evaluate footwear, which include: Impact resistance (I), Compression resistance (C), Metatarsal protection (M.T.), and Conductive properties (CD) to limit static electricity buildup. In addition to these requirements, this standard requires labeling on the safety footwear to identify specific protections.

Note 2: Cal/OSHA regulations, as mentioned above, state that footwear that creates the possibility of foot injuries shall not be worn and hence, any shoes that may cause injuries from ordinary use in the shop area should not be used.

**BEST PROTECTION:** Shoes for staff must meet ASTM standard as listed in Note(s) above. The shoe must have metatarsal protection with a skid



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Safety inspections of the shop and parts department have revealed that many employees are not wearing appropriate footwear to adequately protect them from foot injuries caused by crushing or falling objects, such as a rotor or a battery.

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resistance sole. Metatarsal protectors consist of a guard that fits over the instep protecting the top of the foot from heavy items, and are normally manufactured from aluminum, steel, or lightweight composites. The car wash staff and any staff that encounter slippery surfaces must also wear shoes with soles that provide slip resistance and good traction.

**HAZARD ASSESSMENT:** OSHA regulations require that the employer conduct a workplace hazard assessment and provide P.P.E. protection from physical and health hazards present at the workplace. If the hazard assessment of parts and service employees indicates the possibility of a foot hazard injury from falling objects, P.P.E. should be provided. See Title 8 California Code of Regulations Section 3380.

**WHO PAYS-CA:** The California Labor Code requires employers to “furnish and use safety devices and safeguards ...” (Labor Code § 6401). The term “safety device” includes “any practicable method of mitigating or preventing” danger. Protective footwear is covered as a safety device. The Labor Code also requires employers to “provide and use safety devices and safeguards reasonably adequate to render the employment and place of employment safe.” (Labor Code § 6403). Legal opinion on this matter has been made clear by the California Supreme Court. The Court has ruled that the words “provide” and “furnish” mean that the employer both supplies and pays for the personal protective gear. (See *Bendix Forest Products Corp. v. Division of Occupational Safety & Health* (1979) 25 Cal. 3rd 465, 471-473).

**PROTECTIVE SHOE POLICY & ENFORCEMENT:** The employer must provide shoes to each employee subject to foot injury hazards. Since shoes must

be fitted for size and comfort, it is practical to seek help from a professional shoe supply company. Replacement upon wear and tear of the P.P.E. is also the employer’s responsibility, along with instructions on proper usage, care, cleanliness, and maintenance. A written protective footwear policy should be adopted and distributed to all employees, and employee acknowledgment should be retained in files. Enforcement of policy and disciplinary action against employees violating the policy must also be put into effect.

**SUMMARY:** Proper footwear for certain employees is not an option but is a requirement under the law. Employees with their feet protected are less likely to be injured from falling objects. Shoes with good traction help mitigate slip and fall hazards. Fewer injuries translate to fewer workers’ compensation claims and a reduction in related premiums. Improved productivity, better employee morale, and increased shop efficiency are also a given. 

*DISCLAIMER: This newsletter’s contents are merely for informational purposes only and are not to be considered legal advice. Employers must consult their lawyer for legal matters and EPA/OSHA consultants for Environmental, Health & Safety matters. The article was authored by Sam Celly of Celly Services, Inc., who has helped automobile dealers comply with E.P.A. and OSHA regulations since 1987. Sam received his B.E. (1984) and MS (1986) in Chemical Engineering, followed by a J.D. from Southwestern University School of Law (1997). Our newsletters can be accessed at [epaoshablog.com](http://epaoshablog.com). Your comments/questions are always welcome. Please send them to [sam@cellyservices.com](mailto:sam@cellyservices.com).*

**CSI CELLY SERVICES, INC.**  
ENVIRONMENTAL, HEALTH & SAFETY SERVICES

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# THE CLEAN VEHICLE REBATE PROJECT

California leads the nation with the highest number of electric vehicles (EVs) on its roads, due to the State’s promotion and protection of public health, welfare and the environment. The State’s encouragement of EV adoption through incentive programs confirm California’s commitment to improving access to clean air throughout our communities and has led to the shift away from gasoline and diesel vehicles.

Since 2009, the California Air Resources Board has implemented the Clean Vehicle Rebate Project (CVRP), a program administered by the Center for Sustainable Energy, to promote statewide adoption of clean vehicles. CVRP benefits EV shoppers with a financial incentive rebate of up to \$7,000 for the purchase or lease of a new, eligible EV dependent on applicant income eligibility.

### CVRP Program Overview:

CVRP has frequent updates to funding and program changes, which helps expand accessibility of EV adoption to California residents. CVRP current eligibility requirements include:



### CVRP Rebate Amounts

Vehicle Type	Standard Rebate	Increased Rebate
Fuel Cell Electric Vehicle (FCEV)	\$4,500	\$7,000
Battery Electric Vehicle (BEV)	\$2,000	\$4,500
Plug-in Hybrid Electric Vehicle (PHEV)	\$1,000	\$3,500
Zero-Emission Motorcycle	\$750	\$750



## Income Eligibility



## Program Eligibility



## Vehicle Eligibility



Consumers are ineligible for a rebate if their gross annual income exceeds the following thresholds.

- \$150,000 for single filers
- \$204,000 for head-of-household filers
- \$300,000 for joint filers

The caps do not apply to FCEV's.

### Applicants must fulfill the following requirements for eligibility.

- Must be a California resident.
- **Vehicle must be new** at time of lease of purchase.
- One rebate per person. FCEV's may qualify for second rebate.
- Must apply within three months after purchase.

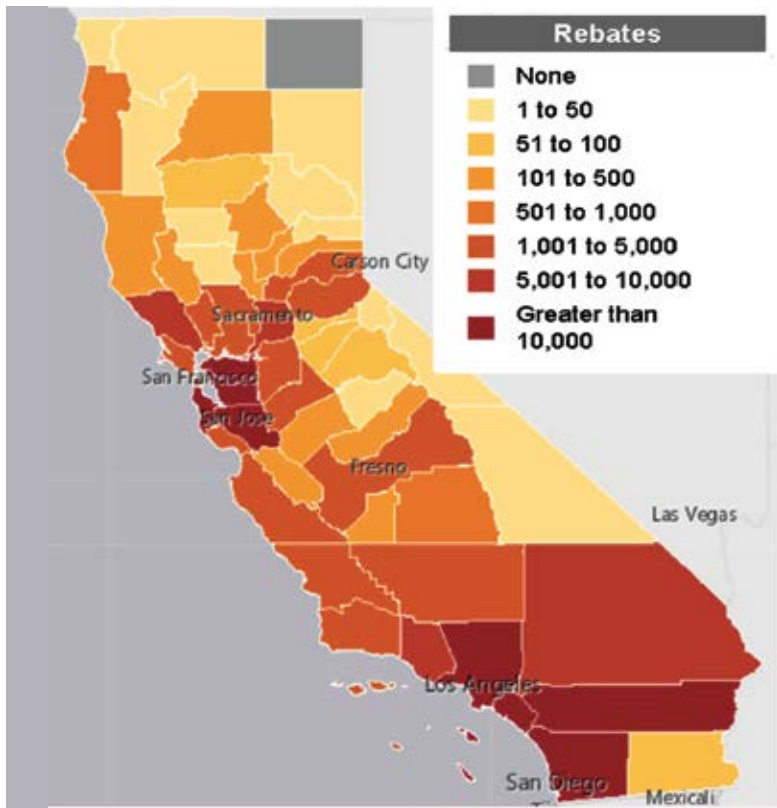
• Rebates have a cap of \$60,000 base MSRP (except FCEVs).

- Eligible PHEVs must have a minimum all-electric range of 35 miles in compliance with the Urban Dynamometer Driving Schedule (UDDS) test standards.
- Vehicle must be owned, operated and registered in California for a minimum of 30 months.
- Previously registered unwinds, rollbacks and demo vehicles are not eligible.

### Statewide Dealership Influence of EV Adoption:

There are 1,277 new car dealerships eligible for CVRP in the state of California, which has amounted to over 371,500 rebates administered and over \$851 million in incentives received.

### Statewide Rebates



Vehicle Type	Total Vehicle Rebates	Funding
PHEV	132,315	\$213,670,246
BEV	231,105	\$600,102,483
FCEV	7,014	\$ 35,973,168
ZEM	1,073	\$1,939,350
<b>TOTAL</b>	<b>371,507</b>	<b>\$851,685,247</b>

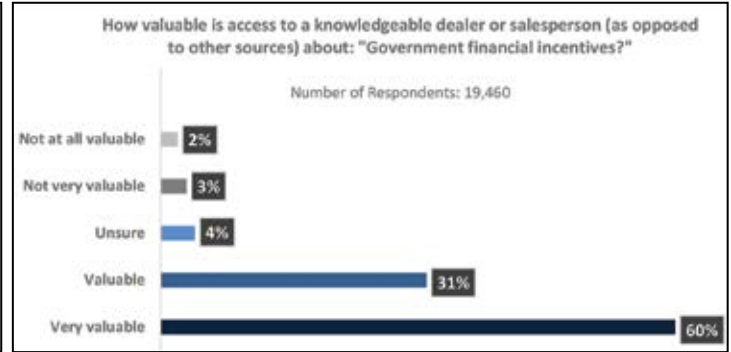
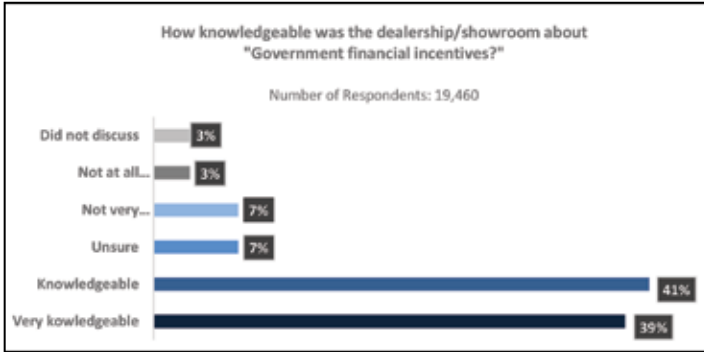
Continued on page 20

## EV Customers' Dealership Experience

Dealerships sales staff help EV customers find the vehicle that best suits their needs and provide valuable information for a variety of EVs. Based on CSE's Electric Vehicle Customer Survey, consumers who received a rebate,

said dealerships are very knowledgeable about government financial incentives and contribute to the EV customer's purchasing experience. The chart below provides more detailed information.

## Dealer Hub & Outreach Efforts



CVRP Dealer Hub webpage provides dealer-specific resources in supporting EV sales. Please visit the Dealer Hub at [cleanvehiclerebate.org/eng/dealer](http://cleanvehiclerebate.org/eng/dealer).

<p><b>Auto Dealers' Guide to EVs</b> Dealership-facing overview of EV technology, features, benefits and incentives</p>	<p><b>Program Overview</b> Basics of the Clean Vehicle Rebate Project and Preapproved rebates</p>	<p><b>Dealer Resources</b> Download flyers and get essential electric vehicle information</p>
<p><b>Savings Calculator</b> Use our calculator to find electric vehicle incentives in your area</p>	<p><b>CVRP Rebate Now Resources</b> Learn about a preapproved rebate process in San Diego County</p>	<p><b>Dealer Outreach Map</b> The CVRP Dealership team has continuously visited these dealerships since 2017</p>

The CVRP Dealership Outreach Team offers online information sessions, webinars, marketing materials and other resources to ensure dealership sales staff are equipped to sell EVs and provide EV car shoppers a comprehensive and positive buying experience. CVRP Dealership Coordinators are always available to answer any questions and concerns regarding the program. Please feel free to contact us at [dealership@energycenter.org](mailto:dealership@energycenter.org).

*Center for Sustainable Energy (2019). California Air Resources Board Clean Vehicle Rebate Project, Rebate Statistics. Data last updated [October 23, 2019]. Retrieved [November 4, 2019] from <https://cleanvehiclerebate.org/eng/rebate-statistics>*





# THE BEGINNING OF THE END?

## WHAT SAN DIEGO DEALERS NEED TO KNOW FOR COVID-19 COMPLIANCE

The federal government, State of California and local jurisdictions have all adopted and modified laws relating to COVID-19 in the last several months to respond to the spike in COVID-19 cases in late 2020 and the availability of effective vaccinations. Now that the infection rate is dropping across the state and country and vaccines are available to a wider segment of the public, businesses and consumers are asking whether this is the beginning of the end of the pandemic. From a legal perspective, the answer is clear: not quite. There is a light at the end of the tunnel, though, and to push through to the hoped-for future, dealers in San Diego should be aware of current and pending laws that will continue to impose COVID-related duties on them.

### COVID-Related Leave

Congress passed, and President Trump eventually signed a new spending bill, the Consolidated Appropriations Act of 2021 ("Spending Bill"), at the beginning of January 2021. The most important provision for California businesses is the modification of the Families First Coronavirus Relief Act (FFCRA). To give some background, this past spring, Congress passed the FFCRA, which applies to employers with fewer than 500 employees. The

law includes two main provisions: Emergency Paid Sick Leave (EPSL) and Emergency Family Medical Leave (EFML). The EPSL provision mandates that qualified employers provide up to two weeks of paid sick leave (in addition to any state/local/other sick leave you provide) to qualified employees. The EFML provision expands FMLA job-protected leave to employees who have been employed for at least 30 days if they are unable to work (or telework) due to a need for leave to care for a child of such employee if the school or place of care has been closed, or the child care provider of the employee's child is unavailable, due to a public health emergency.

The Spending Bill modifies certain provisions of the FFCRA but did not extend EPSL mandated leave. Therefore, mandated leave under the FFCRA ended on Dec. 31, 2020. Instead, starting on Jan. 1, 2021, qualifying employers could voluntarily provide paid sick leave, relying on the same criteria established in the EPSLA. In return for providing emergency paid sick leave or emergency paid FMLA leave, employers will receive a tax credit. However, that tax credit is currently only applicable for leave through March 31, 2021.

Continued on page 22

## Continued from page 21

This deadline may change, though, and employers may see a reinstatement and expansion of the mandate. As of Feb. 22, 2021, the nearly \$2 trillion “American Rescue Plan” working its way through Congress would reinstate the EFML and EPSL leave for employers who qualified under the FFCRA. The law would also impose this same leave mandate on employers with more than 500 employees. Under this plan, only employers with fewer than 500 employees could be reimbursed for this leave’s full cost.

While the FFCRA leave mandate did not apply to employers with over 500 employees, California enacted Assembly Bill 1867 (“AB 1867”) in September, which effectively extended the paid leave provisions of the FFCRA to large employers in California. The California legislature included a caveat in AB 1867 that also extended the bill beyond 2020 if the FFCRA was amended. Therefore, because Congress extended the FFCRA in the Spending Bill, qualifying employers with 500 or more employees must continue to offer up to 80 hours of paid leave if an employee qualifies.

In September of 2020, San Diego County adopted an ordinance also requiring that employers with 500 or more employees offer up to 80 hours of paid sick leave to employees. This temporary ordinance expired on Jan. 1, 2021, and has not been extended.

## Cal/OSHA Emergency Regulations

Cal/OSHA finalized new temporary emergency standards for employers to prevent the spread of COVID-19 on Nov. 30, 2020. These regulations largely reinforce the requirements of the Governor’s Blueprint for a Safer Economy guidance. This guidance remains crucial for San Diego dealers because the current San Diego County health order last issued Feb. 6, 2021, requires compliance with these rules for any essential business to remain open. That means that dealerships that are not compliant with the guidance could face enforcement from the state or county and liability under the Cal/OSHA regulations. The basic requirements are as follows:

- Establish, implement, and maintain an effective written COVID-19 Prevention Program that includes:
  - Identifying and evaluating employee exposures to COVID-19 health hazards.
  - Implementing effective policies and procedures to correct unsafe and unhealthy conditions (such as safe physical distancing, modifying the workplace and staggering work schedules).
  - Providing and ensuring workers wear face coverings to prevent exposure in the workplace.
  - Provide effective training and instruction to employees on how COVID-19 is spread, infection prevention techniques and information regarding COVID-19-related benefits that affected employees may be entitled to under applicable federal, state or local laws.
- If there are three or more cases of COVID-19 within 14 days at a workplace, offer COVID-19 testing to potentially exposed employees at no cost to the employees during their working hours and provide them with information on COVID-19 related benefits.
- Contact the local health department no later than 48 hours after learning of three or more COVID-19 cases within 14-days to obtain guidance on preventing the further spread of COVID-19 within their workplace.
- Maintain a record of and track all COVID-19 cases among employees while ensuring medical information remains confidential. These

records must be made available to employees, authorized employee representatives or otherwise required by law, with personal identifying information removed.

The regulation also sets out specific standards for determining if an “exposure” to COVID-19 has occurred at a workplace. The regulation defines exposure to COVID-19 as any time an employee was within six feet of a positive COVID-19 case for a cumulative total of 15 minutes within any 24-hour period during the COVID-19 case’s “high-risk exposure period.” The high-risk exposure period is:

- If COVID-19 symptoms present: from two days before symptoms first developed symptoms until 10 days after symptoms first appeared, and 24 hours have passed with no fever without the use of fever-reducing medications, and symptoms have improved.
- If COVID-19 symptoms not present: from two days before until 10 days after the specimen for the first positive test for COVID-19 was collected.

These specific rules should provide businesses with greater certainty in determining which employees should quarantine due to exposure to COVID-19. They also highlight the importance of instructing employees not to come to work when they have symptoms of COVID-19 or suspect they have been exposed to COVID-19. The less time a potentially ill person spends at the dealership, the less likely the employee will cause additional exposures.

## SB 1159: COVID-19 and Workers’ Compensation

California passed SB 1159 in the fall, and it went into immediate effect. The law formalizes the State’s approach to COVID-19 and workers’ compensation. First, it creates a rebuttable presumption that an employee contracted COVID-19 at work if all of the following apply:

- The employee works for the employer with five or more employees;
- The employee tests positive for COVID-19 within 14 days after reporting to his or her place of employment; and
- This occurs during a COVID-19 “outbreak” at the employee’s specific workplace.

For most dealers, an outbreak occurs when, over a 14 day period, four or more employees test positive for COVID-19 at a single dealership facility. Specifically, if a workplace has 100 or fewer employees, the threshold for an outbreak is four employees; if the workplace has more than 100 employees, the threshold is 4%.

A workplace is defined as a “building, store, facility or agricultural field” and does not include an employee’s home. For dealerships with a single facility, we recommend treating that as a single workplace. If it has two or more facilities on the same lot, we recommend treating them as two separate facilities unless employees regularly use space in both facilities. Facilities that are on different lots should be treated as separate workplaces. Individual employees who work at multiple workplaces should be counted as a positive case at each facility they work at.

If the local or state health department shuts the workplace down due to the risk of COVID-19 infection, the workplace is deemed to be experiencing an outbreak. San Diego County has not shutdown a dealership in at least the last 60 days, but it retains the authority to do so.



If an employer or representative of the employer is notified of the number of cases that meet the definition of a COVID-19 outbreak, as defined by the State department of public health, within 48 hours, the employer shall notify the local public health agency in the jurisdiction of the worksite of the names, number, occupation, and worksite of employees who tested positive.

The second major change due to the law is clarification regarding requirements to report COVID-19 cases to workers' compensation claims administrators. When an employer knows or reasonably should know that an employee has tested positive for COVID-19, the employer must report this to their workers' compensation claims administrator. This report must be made within three business days and in writing by email or fax. Your claims administrator may have created a form for this purpose. Employers may be subject to civil penalties of up to \$10,000 for violating these reporting requirements.

### **AB 685: Notices Regarding Positive COVID-19 Cases or Exposure**

Starting Jan. 1, 2021, if an employer learns that an employee has tested positive for COVID-19, the employer must provide employees, their union representatives, and the employer of any subcontracted employees with notice of the positive case and provide special notice to those who have been exposed to COVID-19. This notice must go out to employees within one business day. Please note that the privacy of the positive employee must be protected during this process. Also, if three or more people within 14 days test positive, the employer must do the following:

#### **For all employees at the workplace:**


- Provide a written notice that they may have been exposed to COVID-19.
- Provide information regarding the disinfection and safety plan that the employer plans to implement and complete per the federal Centers for Disease Control guidelines.
- Provide all employees who may have been exposed and the exclusive representative, if any, with information regarding COVID-19-related benefits. The employee may be entitled to applicable federal, state or local laws. These may include, but are not limited to, workers' compensation and options for exposed employees, including COVID-19-related leave, company sick leave, state-mandated leave, supplemental sick leave or negotiated leave provisions, as well as anti-retaliation and anti-discrimination protections for the employee.
- Notify all employees and the employers of subcontracted employees and the exclusive representative, if any, on the disinfection and safety plan that the employer plans to implement and complete per the federal Centers for Disease Control guidelines.

- If an employer or representative of the employer is notified of the number of cases that meet the definition of a COVID-19 outbreak, as defined by the State department of public health, within 48 hours, the employer shall notify the local public health agency in the jurisdiction of the worksite of the names, number, occupation, and worksite of employees who tested positive.

Notably, though, San Diego County requires that essential open businesses report all positive, lab-confirmed cases of COVID-19 to the County department of public health in a prompt fashion. The report must include the name, date of birth, and contact information of the employee. The business must also cooperate with the Department to notify any exposed employees at the workplace.

### **San Diego Health Order**

Local governments may still issue rules that are more restrictive than state or local guidelines and laws. For example, San Diego County's Feb. 6, 2021 health order still requires that non-essential businesses remain closed for in-person services. It prohibits travel by residents except attending work at our shop at essential businesses or other authorized sectors. However, for dealers classified as essential businesses, the local health order largely tracks state guidance, except where noted in this article (note the discussion regarding reporting positive cases of COVID above).

With luck, San Diego dealers will see a loosening of COVID restrictions as positive cases continue to decline and the number of vaccinated residents increases. In the meantime, it remains important to comply with federal, state and local rules. 

*Contributed by Scali Rasmussen | Scalirasmussen.com*

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# San Diego Outlook

Released by:  
New Car  
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San Diego County

Covering the San Diego County automotive market

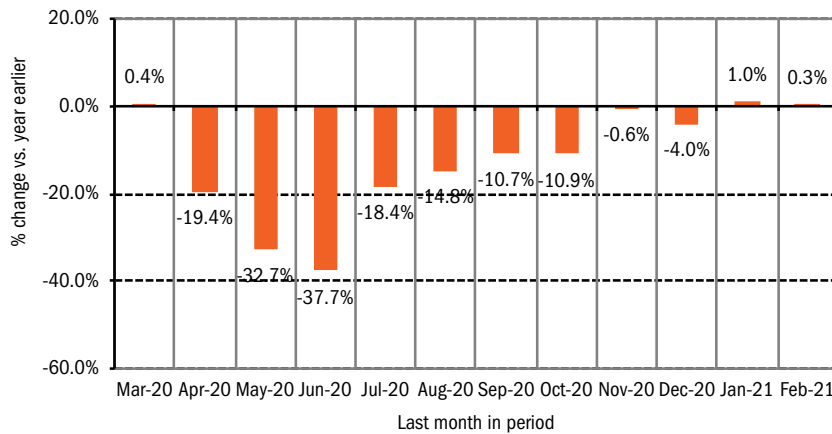
Data thru February 2021

## San Diego County New Retail Car and Light Truck Registrations

	YTD thru Feb.			YTD Market Share		
	2020	2021	% change	2020	2021	change
Industry Total	21,495	21,646	0.7%			
Cars	8,117	6,530	-19.6%	37.8	30.2	-7.6
Light Trucks	13,378	15,116	13.0%	62.2	69.8	7.6

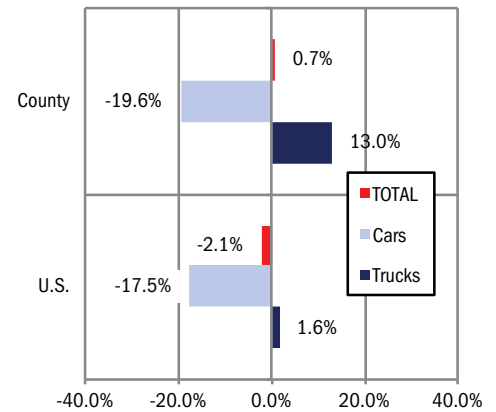
Data Source: AutoCount data from Experian.

### Percent Change in Three Month Moving Average of New Retail Registrations versus Same Period Year Earlier



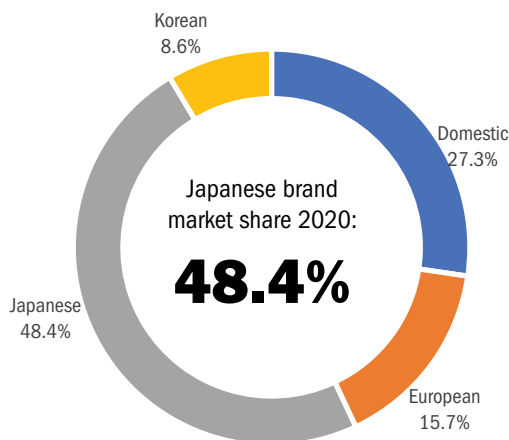
The graph above provides a clear picture of the trending direction of the county market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather and title processing delays by governmental agencies. Data Source: AutoCount data from Experian.

### Percent Change in County and U.S. New Retail Light Vehicle Markets YTD '21 thru Feb. vs. Year Earlier

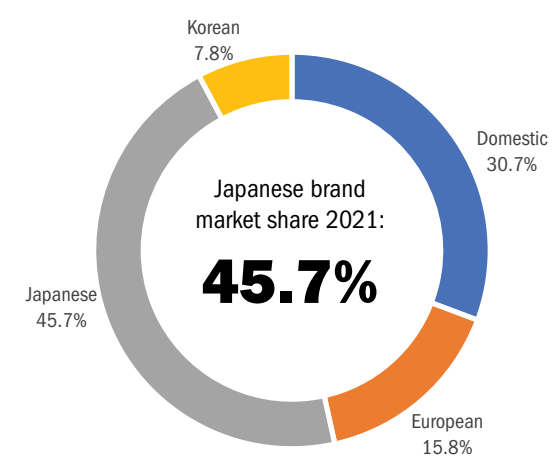


The graph above compares the change in new retail car and light truck registrations in both the county and U.S. markets. U.S. figures were estimated by Auto Outlook. Data Source: AutoCount data from Experian.

### Japanese, Domestic, European, and Korean Brand Market Shares - YTD '20 thru Feb.



### Japanese, Domestic, European, and Korean Brand Market Shares - YTD '21 thru Feb.



Data Source: AutoCount data from Experian.

## Data Information

Data presented in Auto Outlook measures new retail vehicle registrations in San Diego County. 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 Data Source: AutoCount data from Experian.



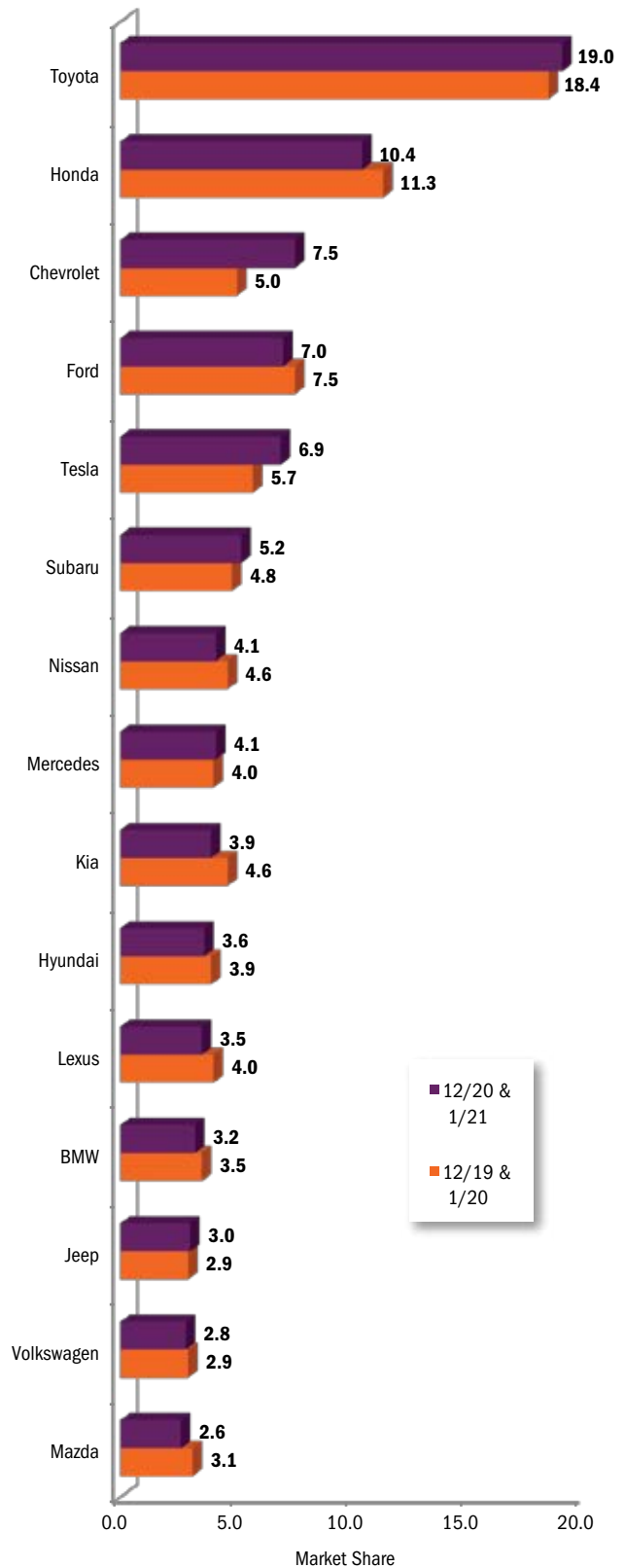
San Diego County New Retail Light Vehicle Registrations					
	Registrations - 2 months combined			Market share	
	12/19 & 1/20	12/20 & 1/21	% change	12/19 & 1/20	12/20 & 1/21
Acura	303	211	-30%	1.3%	0.9%
Alfa Romeo	63	39	-38%	0.3%	0.2%
Audi	541	443	-18%	2.3%	1.9%
BMW	840	772	-8%	3.5%	3.2%
Buick	63	48	-24%	0.3%	0.2%
Cadillac	104	107	3%	0.4%	0.4%
Chevrolet	1,186	1,788	51%	5.0%	7.5%
Chrysler	64	88	38%	0.3%	0.4%
Dodge	205	168	-18%	0.9%	0.7%
FIAT	13	0	-100%	0.1%	0.0%
Ford	1,790	1,670	-7%	7.5%	7.0%
Genesis	45	36	-20%	0.2%	0.2%
GMC	241	323	34%	1.0%	1.4%
Honda	2,703	2,491	-8%	11.3%	10.4%
Hyundai	935	860	-8%	3.9%	3.6%
Infiniti	226	121	-46%	0.9%	0.5%
Jaguar	60	27	-55%	0.3%	0.1%
Jeep	695	714	3%	2.9%	3.0%
Kia	1,091	929	-15%	4.6%	3.9%
Land Rover	254	326	28%	1.1%	1.4%
Lexus	957	840	-12%	4.0%	3.5%
Lincoln	123	74	-40%	0.5%	0.3%
Maserati	26	15	-42%	0.1%	0.1%
Mazda	741	609	-18%	3.1%	2.6%
Mercedes	949	990	4%	4.0%	4.1%
MINI	70	67	-4%	0.3%	0.3%
Mitsubishi	56	18	-68%	0.2%	0.1%
Nissan	1,100	969	-12%	4.6%	4.1%
Other	48	45	-6%	0.2%	0.2%
Porsche	187	198	6%	0.8%	0.8%
Ram	433	496	15%	1.8%	2.1%
Subaru	1,137	1,233	8%	4.8%	5.2%
Tesla	1,372	1,655	21%	5.7%	6.9%
Toyota	4,403	4,543	3%	18.4%	19.0%
Volkswagen	693	680	-2%	2.9%	2.8%
Volvo	200	277	39%	0.8%	1.2%

Top ten ranked brands in each percent change category are shaded gray.  
Data Source: AutoCount data from Experian.

This report is sponsored by the New Car Dealers Association San Diego County (858-550-0080) and produced by Auto Outlook (610-640-1233). Any material quoted must be attributed to San Diego Auto Outlook, published by Auto Outlook, Inc. on behalf of NCDA San Diego County. Data source must also be shown as "Data Source: AutoCount Data from Experian." Please contact the Association with any questions or comments regarding the publication.

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County Market Share for Top 15 Selling Brands  
Dec. '20 & Jan. '21 vs. Year Earlier



Data Source: AutoCount data from Experian.



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ARMATUS HAS COMPLETED

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SUBMISSIONS IN CA

ON AVERAGE, CA DEALERS ADD

**\$264,264**

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