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Sign up today for the 2011 WAS **Automobile Business Seminar Series**

Thought for the week ...

WANADA members urged to register for Carroll Shelby dinner at The 2011 Washington Auto Show

Keith Crain to present AN Lifetime Achievement Award at the Sneak Peek Preview, Jan. 27

WANADA members are urged to register early for a special reception and dinner on Jan. 27, 2011, following the Sneak Peek Preview at the upcoming Washington Auto Show where legendary auto designer Carroll Shelby will be honored.

Shelby, the creator of the Shelby Cobra and inspiration for many of the great American sports and high performance vehicles over the past several decades, will be recognized at the sit-down dinner event with the 2011 *Automotive News* Lifetime Achievement Award. AN editor-in-chief Keith Crain will make the presentation.



Carroll Shelby

The AN award recognizes individuals in the public and private sector who have made profound contributions to the advancement of the automotive industry. The presentation to Shelby will capstone the Sneak Peek Preview activities at the WAS, where members of Congress, high level federal officials, diplomats and industry leaders will be hosted by industry stakeholder organizations and provided an exclusive viewing of The 2011 Washington Auto Show exhibits. Sneak Peek Preview hosts include: the Auto Alliance, AIAM, NADA, EDTA, MEMA, Novozymes, Scuder Engine, and Hargrove.

Prior to the dinner there will be a private reception for Shelby with WANADA members, hosted by Comcast Spotlight. Tickets for the private reception and dinner are \$250 per person and \$2,500 per table. Ticket sales go to benefit the Automobile Dealer Education Institute (ADEI)

and all but \$100 of each ticket is tax deductible. WANADA members are encouraged to register at www.Regisys.com/auto11pre.

You can also download the registration form at <http://wanada.org/userfiles/pdf/2011WAS/CarrollShelby.pdf> and mail it in, if you wish to pay by check.

Volkswagen of America CEO Browning joins lineup on Public Policy Day at The 2011 Washington Auto Show, Jan 27



VWoA CEO
Jonathan
Browning

Recently named CEO of Volkswagen of America, Jonathan Browning, is joining the lineup of distinguished presenters on Public Policy Days at The Washington Auto Show.

Browning will make a special presentation at a luncheon on Public Policy Day at the Auto Show, Jan. 27. The lunch will be hosted by VWoA for the media and industry representatives attending Public Policy Day *On Site*. Later in the afternoon, National Highway Traffic Safety Administration (NHTSA), deputy administrator Ronald Medford, will speak to the Society of Automotive Engineers (SAE) at the Plenary Session of its annual Government/Industry Washington Auto Show Conference.

The day before, The Washington Auto Show Green Car Summit will roll out on Capitol Hill at the Cannon House Office Bldg., with a blue-ribbon symposium panel led by BMW/NA CEO Jim O'Donnell.

Public Policy Day *On Site* at The Washington Auto Show, Jan. 27, will culminate with the annual "Sneak Peek Preview" for members of Congress, senior congressional staff, high level federal executives and diplomats who will interact with OEM operatives and dealer leaders. Capping off the Preview evening will be a dinner, by invitation, honoring American vehicle designer icon Carroll Shelby, who will be presented with the *Automotive News* Lifetime Achievement Award by AN editor-in-chief, Keith Crain.

WANADA members can register for the Sneak Peek by clicking on this registration link www.regisys.com/auto11c and register for the Carroll Shelby Reception and Dinner by clicking here www.regisys.com/auto11pre.

Regulatory relief on auto regulations may be coming

As the new Republican majority took their seats in the House of Representatives last week, it became quickly apparent that a significant review of government regulations that unnecessarily impinge on commerce would be high on their list of priorities and that auto business regulations, in particular, would be among the first considerations.

California Representative Darrell Issa (R), the new chairman of the House Committee on Oversight and Government Reform, made it publicly plain that he wants to cut through the layers of government oversight that inhibit business growth and asked auto companies and trade associations,



Rep. Darrell Issa (R-CA)

including Toyota, Ford, the Alliance of Auto Manufacturers and the International Automobile Manufacturers to suggest which regulations make it difficult to turn a profit and add jobs.

The automakers and the National Automobile Dealers Association (NADA) immediately pointed to the Obama administration's proposal to boost fuel economy standards, set to phase in between 2012 and 2016, as overly expensive to implement and likely to lead to a loss of both jobs and profits. Not only will these regulations cut profits and jobs, they will likely add as much as \$1,000 to the price of the average automobile, NADA said.

Rep. Issa said he would begin holding hearings on the regulations shortly, which likely means that the pending fuel economy rules may be delayed, or alternatively, proposals for new regulations on the auto industry would be curbed.

Congress says no to "Stop Sale" authority for NHTSA

In a little noticed matter in the closing days of the lame duck session, Congress failed to pass new legislation that would have given the National Highway Traffic Safety Administration (NHTSA) authority to order an *immediate* "Stop Sale" of vehicles it determined would pose "an imminent hazard where death or serious injury could result."

The measure, put forward by Sen. Jay Rockefeller, (D-WV), chairman of the Senate Commerce Committee, was high on the "bucket list" of the vehicle safety advocacy lobby in the waning days of the 111th Congress.

The measure would also have allowed federal safety regulators to *fine* auto executives who submit false reports \$5,000 per day, up to \$5 million for a single recall. It also increased maximum fines against automakers from \$16.4 million to \$200 million per recall.

The bills were sparked by Toyota's recall of more than 8.5 million vehicles worldwide for sudden acceleration issues. The measures also would have required rules on the placement of vehicles' pedals to avoid obstructions within 18 months.

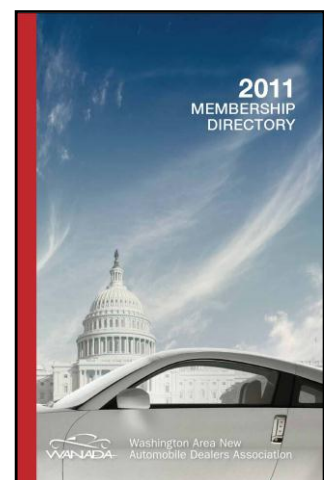
2011 WANADA Membership Directory in the mail

WANADA members will want to keep an eye on their mail over the next few days as the *official* 2011 WANADA Membership Directory should be arriving shortly. Copies were sent to all members on Thursday of last week.

The Directory is newly designed this year and in full color, making it both easier to use and pleasing to the eye. As always, it is packed with contact information for all WANADA dealer and kindred-line members, as well as all the key legislative, regulatory and associated industry executives important to the automobile business in and around the Capital Beltway.

In short, the 2011 WANADA Membership Directory is your key to all the people and information you need to help run your business successfully.

WANADA wishes to thank all the Directory advertisers who joined the publication and urges members to consider their products and services.



GM dealers cautioned on new franchise requirements

WANADA Kindred-line attorney Mike Charapp is cautioning GM dealers to carefully review the Area of Prime Responsibility (APR) and Area of Geographic Sales and Service Advantage (AGSSA) designations they received in December to ensure they are properly set forth and that the dealership is not responsible for *market effectiveness* in areas it cannot serve.

The APR and the AGSSA are made up of census tracts as defined by the U.S. Census Bureau in the 2000 census for which the dealership will be responsible. Charapp notes that if the dealership(s) is not assigned census tracts where it may have an advantage, it may impact its access to leads from GM and the dealership's ability to do effective marketing, such as off-site promotions (where permitted by state law). More importantly, he says, the definition of the market for which the dealership is deemed responsible is a critical factor in GM's statistical calculation of sales effectiveness.

“If you are made responsible to sell to consumers in census tracts where another dealer may have an equal or better advantage, it can lower GM's calculation of your sales effectiveness since another dealer will be deemed to be selling into your area,” Charapp says. He notes, additionally, that dealers labeled “sales ineffective” by GM are subject to franchisor warnings about performance, demands for performance improvement plans, and even termination actions under state law.

Charapp notes that GM dealers have thirty (30) days within which to respond to a change in APR or AGSSA. He suggests that dealers contact GM with a “reasoned argument” if they believe they have been incorrectly designated.

Beijing and Paris join cities limiting cars downtown BMW and Mercedes Benz look at car sharing programs

Environmental officials in Paris, France think the center of town is no place for large fuel-guzzling vehicles and they've taken the first steps toward an outright banning of them.

Paris is not the only French city to implement these changes: Lyon, Grenoble, Aix-en-Provence are joining in this movement also. Elsewhere in Europe, London and Berlin already have such restrictions in place in the form of *Low Emission Zones* with varying levels of success. Now Beijing, China is getting in on the act as the city is experiencing the environmental “fallout” of a booming auto market.

It's not clear yet what types of restrictions will be set in place by Paris and Beijing officials, but indications are there will be limitations on vehicle type by neighborhood and time of day. In the U.S., only New York has attempted to limit vehicle traffic in Manhattan, though no official ban on vehicles has been implemented.

Meanwhile, BMW and Mercedes-Benz are diving into the car-sharing world with programs designed to allow users to experience a slice of luxury without having to buy or lease the vehicle. In Europe, *BMW on Demand* will provide drivers with a 1 Series for as little as €16 per hour (around \$21 US), while those wanting a little more room can opt for a 5 Series for the low price of €23/hr (\$30/hr), including servicing and cleaning.

Mercedes Benz, meanwhile, is working on programs in both Austin, Texas and Ulm, Germany, where consumers can rent Smart cars for as long as they like and drop them off in convenient car-sharing parking spaces. Users can reserve trim levels and colors on line or by phone and their rental fee is automatically calculated and bank account automatically debited.

The companies say they are delving into car-sharing to confront a growing lack of interest in ownership from the younger generation and increased traffic in urban settings, even though some research has shown that the use of a single shared vehicle can contribute to the loss of as many as nine to 15 personal car sales.

Sign-up today!

The 2011 Washington Auto Show

Automobile Business Seminar Series

WANADA dealer members who want a fast start to the New Year are encouraged to sign up their key personnel for the automobile business seminars set to run *on site* at this year's Washington Auto Show. The line-up for 2011 is better than ever and includes the following seminars:

1. Increasing Profitability in Parts and Service

with Robert Atwood of NADA's Dealer Candidate Academy

2. The Secrets to Credit Approval in Today's Market

with Tony Dupaquier of American Financial & Automotive Services

3. Consumer Protection, Financial Privacy and the Risk-Based Pricing Rule: A Look Ahead

with Todd Quentin Clarke, Deputy General Counsel, JM&A

4. Regional Tag & Title Seminar

with representatives from the DC DMV, MD MVA, and Virginia DMV

To sign up for any or all of these seminars, go to www.regisys.com/auto11sem

Thought the week ...

"Kill more than you eat, and when you don't, eat less."

--Rep. Mike Kelly (R-PA)

Freshman class, 112th Congress

Coining an analogy for getting the budget deficit under control