

# THE WANADA BULLETIN

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

WANADA Bulletin # 10-06

March 8, 2006

**MD DEALERS: SAVE THE DATES!**

## WANADA, MADA Announce F&I Professional Certification Program *Three Dates, Sites Offered to Maryland Dealers*

To ensure that dealership finance and insurance operations deliver customer value and are compliant with the various laws which affect them, WANADA and MADA are teaming up to offer Maryland dealers an F&I Professionals Certification program to be conducted by specialist trainers from JM&A. The full day program will be offered on March 28, 29, 30, 2006 at locations in Greenbelt, Baltimore and Frederick, respectively.

In a letter to Maryland dealers this week, WANADA Past Chairman Dennis Rippeon and MADA Chairman Paul Richie, who were both involved in developing this program, acknowledged bad publicity F&I has received, but noted that "the overwhelming majority of dealership F&I professionals do right by the customer and work within the parameters of the law." The specter of consumer problems and the myriad of laws related to F&I made a

certification program warranted, according to the joint letter from the associations.

The program is straightforward and ensures that everyone is up-to-date on what is needed in today's F&I department. It covers various federal and state finance disclosures and consumer laws, along with privacy and best practices. At the end of

the training, a test is administered, which will be the basis of the certification. The cost per F&I professional - which includes breakfast and lunch- is \$199. *Note that the training is designed for people already in the field.*

Consult the enclosed announcement letter and RSVP

*(Continued on page 4)*

### STATE LEGISLATIVE UPDATE

#### Fitzgerald Testifies on MD Franchise Bill



SB 634 sponsor Sen. Jennie Forehand and WANADA Chairman Jack Fitzgerald (center) flanked by WANADA CEO Gerard Murphy (far left), Harold Redden, Fitzgerald Auto Malls, George Rose, Fitzgerald Auto Malls, and MADA CEO Peter Kitzmiller following hearing in Annapolis.

WANADA Chairman Jack Fitzgerald testified last week before the Maryland Senate Judicial Proceedings Committee in Annapolis in support of SB 634, legislation which strengthens dealer franchise protections in a number of important ways, including dealer succession.

*(Continued on page 2)*

### Inside...

**NADA Testifies on Total-Loss Vehicle Disclosure.....p.2**  
**2001-2005 WANADA Area Sales Report.....p.3**  
**St. Patrick's Day SoberRide..p.4**  
**Position Wanted.....p.4**

## CONGRESSIONAL TESTIMONY

## NADA Testifies on Total-Loss Vehicle Disclosure

Congress should create a federal database to track the estimated 600,000 vehicles damaged by Hurricane Katrina to prevent them from being sold to unsuspecting consumers David Regan, NADA vice president of legislative affairs, told a U.S. House of Representatives subcommittee last week.

Regan called on insurance companies and state titling agencies to provide consumers access to VIN-based data before they buy used cars.

Congress already has granted the Department of Justice the authority to make insurance companies disclose total-loss data and salvage auction data, and Congress should press the DOJ to act because "an accurate and publicly accessible total-loss database would curb fraudulent activity dramatically," Regan said.

NADA also called for:

- *Greater transparency*: "All states should carry forward prior brands when issuing new titles. States should brand registrations as well as titles."

- *More timeliness*: "The insurance companies should disclose total-loss data at the time the total-loss payout occurs. Also, state DMVs should work with the private sector to push title data into the public domain faster."

- *Better use of technology*: "DMVs should make title data commercially available on a daily basis to the information industry, [which] has the technology to dramatically enhance public disclosure of insurance company information about total-loss vehicles and salvage auction sales data."

Regan said the combination of electronic access to total-loss data and faster access to DMV data will enable consumers and dealers to fight motor vehicle fraud.

With an estimated 600,000 vehicles damaged by Katrina and thousands already refurbished and sold to consumers in recent months, Rachel Weintraub, director of product safety and senior counsel for the Consumer Federation of America, testified that "Consumers have



**NADA GR counsel  
David Regan testifies**

no reliable way to know the true history of these cars."

But the problem is not limited to Katrina vehicles, said Regan, who pointed out that an estimated 5 million vehicles were deemed "totaled" by insurance companies last year.

Legislation dealing with car thefts in 1992 created a national online motor vehicle title history system, but only about 28 states participate because of financing issues, said Glenn D. Turner, Florida Division of Motor Vehicles.

WANADA and VADA are represented on an NADA Title Fraud Committee which Regan coordinates.

### STATE LEGISLATIVE UPDATE

## Hearing on MD Franchise Bill *(Continued from page 1)*

The bill, sponsored by Sen. Jennie Forehand (D-Mont.), and Fitzgerald's testimony were well received by the committee. If the Senate committee acts favorably on the bill, which is expected, it will be reviewed by the Senate at large.

SB 634 also grants dealers equal rights to certain sales in-

centives, while taking into account the demographic and geographic characteristics that may impact a dealer's market area. The bill also provides for a dealer to appoint a person who is responsible for dealing with the manufacturer who the manufacturer may not refuse to recognize unless the individual

is "unfit." On terminations, the burden of proof falls on the manufacturer to make the case. Finally, SB 634 broadens the concept of dealership business entities beyond "corporations only."

## 2001 - 2005 WANADA Area Sales Report

Vehicles	'01 Sales	'02 Sales	'03 Sales	'04 Sales	'05 Sales
	(% Change From Previous Year)				
Domestic Cars	61,813 (-16.7%)	57,540 (-6.9%)	44,490 (-22.7%)	44,355 (-0.3%)	42,188 (-4.9%)
Import Cars	119,612 (1.2%)	123,180 (3.0%)	119,548 (-2.9%)	116,161 (-2.8%)	114,453 (-1.5%)
Total Cars	181,425 (-5.7%)	180,720 (-0.4%)	164,038 (-9.2%)	160,516 (-2.1%)	156,641 (-2.4%)
Domestic Trucks	77,777 (-2.9%)	75,896 (-2.4%)	86,618 (14.1%)	83,580 (-3.5%)	75,900 (-9.2%)
Import Trucks	49,542 (10.2%)	54,009 (9.0%)	64,613 (19.7%)	69,600 (+7.7%)	69,491 (-0.2%)
Total Trucks	127,319 (1.8%)	129,905 (2.0%)	151,231 (16.4%)	153,180 (+1.3%)	145,391 (-5.1%)
Total Cars & Trucks	308,744 (-2.7%)	310,625 (0.6%)	315,269 (1.5%)	313,696 (-0.5%)	302,032 (-3.7%)

Source: R.L. Polk Company, by contract with WANADA

## Washington's Five-Year Sales Trend Holds Steady

### 2005 Sales Again Top 300,000

Despite a slight dip in sales last year, the Washington area new vehicle market continued to demonstrate strength and stability with a strong five-year trend at near record levels. According to figures WANADA compiled from R.L. Polk, total new vehicle sales for 2005 came in at 302,032, a slip of just 3.7% over sales of 313,696 in 2004. This rounds out ten consecutive years where Washington area new car sales eclipsed 300,000 units.

Highlights of 2005 sales include:

- **Import light trucks** showed continued strength with 69,491 sales, an insignificant 0.2% drop from sales of 69,600 in 2004, and a major gain from 49,542 units sold in 2001.
- **Import car** sales were off about 1.5% percent last year at 114,453 (from 116,161 in 2004), but remained relatively stable over the past five years.
- **Domestic car** sales were off 4.9% last year with sales of 42,188 compared to sales of 44,355 in 2004. There were 61,813 domestic cars sold here in 2001.
- **Domestic light-duty truck** sales took the worst hit at -9.2% on sales (i.e. 75,900 in 2005, compared to sales of 83,580 in 2004). The decline is likely attributable to rising gas prices and tougher competition from import light truck brands.
- **The percentage of import cars** sold in the Washington rose to 73.1% in 2005, up from 72.4% in 2004, and 65.9% in 2001 — still far ahead of the 2005 national market share of 56.8% for import brands, according to *Automotive News*.
- **Car versus truck sales** in the Washington area still favored cars in 2005. But the gap continues to narrow: 156,641 car sales vs. 145,391 truck sales, for a 52/48% split, respectively. The Washington area bucks the national trend, which saw light trucks outsell cars by more than a million units last year.
- **The best unit sales months** in 2005 were July (thanks to employee discounts), June and August, with sales of 31,150, 30,361 and 28,451, respectively. November and February were the lowest sales months at 20,169 and 20,405, respectively.

The 2005 WANADA Area Report from R.L. Polk is enclosed with this issue of *The WANADA Bulletin* and is available to WANADA members online at [wanada.org](http://wanada.org). Log into the member section and click on "General Information," then Marketing Sales Data.

**SAVE THE DATES****St Patrick's Day SoberRide, March 17**

The Washington Regional Alcohol Program's 2006 St Patrick's Day SoberRide Campaign will operate on Friday March 17, 2006, from 4:00 pm to 4:00 am. The campaign will kickoff at 10 am with a SoberRide News Conference at Murphy's Grand Irish Pub, 713 King St., Alexandria, VA 22314.

One of the most notorious "drinking holidays" of the year (real Irishmen refer to it as "amateurs' night"), the WANADA-sponsored program will offer free taxi rides up to \$50 for would-be impaired drivers 21 years of age or older. Sorry: users of the service cannot reserve a SoberRide or schedule a pickup in advance. To receive a ride, call 1-800-200-TAXI or #TAXI on Cingular telephone. St. Patrick's Day SoberRide posters are enclosed with this WANADA Bulletin.

**F&I Certification Program** *(Continued from page 1)*

form for the date and location best for you and have your people sign up *today!*. Space is limited and on a first come first served basis. Anyone with questions can call Trish Frisbee at WANADA (202) 237-7200 or Ethel Biensach at MADA (301) 261-1717.

**Position Wanted: Business Manager/Controller**

An accomplished, senior level professional with a proven record in sales, consulting, customer service and vendor management desires a position as business manager or controller. He describes himself as, "Customer-oriented with demonstrated ability to develop rapport and build lasting relationships with prospective and existing clientele. The applicant says he also has the ability to analyze problems, present options, and coordinate solutions." For more information and resume, contact Tom Mann at WANADA, (202) 237-7200.

**Staying Ahead...**

*I write down everything I want to remember. That way, instead of spending a lot of time trying to remember what it is I wrote down, I spend the time looking for the paper I wrote it down on.*

**-- Beryl Pfizer**

**Enclosures:**

- MD F&I Professionals Certification program announcement and RSVP
- 2005 WANADA Area Report from R.L. Polk
- St. Patrick's Day SoberRide posters