



THE WANADA BULLETIN

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

WANADA Bulletin # 11-06

March 15, 2006

STATE LEGISLATIVE UPDATE

VA Legislature On Hold, MD Grinds On *WANADA Dealers Urged to Contact Lawmakers on Issues*

Virginia

With no resolution in sight at the end of its regular 60-day session, Gov. Timothy Kaine ordered the Virginia General Assembly adjourned last Saturday with hopes that the impasse over budget and transportation issues can be resolved when the legislature reconvenes in two weeks.

That leaves the primary issue for dealers – an increase in the vehicle titling tax from 3% to 5% – on hold until legislators can hammer out a compromise. As it now stands, the measure was defeated in the House, with the Senate passed a substitute bill increasing the rate 1/4% a year for three years until it reaches 3-3/4%.

Gov. Kaine is still pushing for 5%. Reportedly, the gover-

nor isn't pleased with the dealer opposition to a title tax increase, which some in the media have described as "obstructionist." Once the budget is sorted out, however, things are expected to return to "business as usual" with no ill will going forward. More particularly, the governor isn't expected to hold a grudge

and veto the legislation just passed by the General Assembly that will be helpful to dealers.

During this interim period, VADA is urging dealers to contact lawmakers in their home offices on the title tax issue.

(Continued on page 2)

SIGN UP TODAY... TRAINING CLASSES FILLING UP!

Strong Member Response to MD F&I Professionals Certification *March 28, 29, 30*

Dealers across the region and the state of Maryland have been *responsive* to participating in the upcoming F&I Certification Program announced concertedly last week by MADA and WANADA. As presented, the program is designed to ensure that F&I operations deliver customer value and are compliant with the various laws that affect them. The F&I Professionals Certification training will be conducted by specialists from JM&A. The full day program will be offered on March 28, 29, 30, 2006 at locations in Greenbelt, Baltimore and Frederick, respectively.

The program will take care 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.

Another copy of the announcement letter and RSVP are enclosed. Pick the date and location best for you and have your people sign up *today!* Space is available "first come first served. Any questions, can call Trish Frisbee at WANADA (202) 237-7200 or Ethel Biensach at MADA (301) 261-1717.

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REGULATORY UPDATE

NADA Testifies on EPA Fuel-Economy Labeling Proposal

Oregon dealer and NADA Regulatory Affairs Committee Chairman Ed Tonkin recently testified before the Environmental Protection Agency on behalf of the association on the EPA's fuel-economy labeling proposal. Tonkin said that NADA generally supports proposed changes designed to make the agency's fuel-economy numbers better approximate what drivers will achieve in-use, on average.

He emphasized that car shoppers must still be reminded that, depending on individual driving conditions, real-life fuel economy may be higher or lower than what EPA states on its fuel economy labels.

EPA also will propose several new options for the format and content of its fuel economy label, and NADA will file comments on which option is likely to work best.

At the hearing, EPA expressed interest in the results of an NADA dealer survey on this issue.

New Fed. Limit Set on "Hex Chrome" Exposure

The Occupational Health and Safety Administration has just published a final rule for worker exposure to *hexavalent chromium*. The rule lowers the hex-chrome exposure limit from 52 micrograms/cubic meter (mg/m³) to five. Hex chrome is in

various automotive products and materials, including certain chrome-plated metals, primers and paints. Auto body shop workers may be exposed to hex chrome during painting, sanding, and welding operations.

While the new limit is very low, it is significantly above the 1mg/m³ limit that OSHA originally proposed. NADA strongly objected to the initial limit, arguing that it would be prohibitively expensive but provide

virtually no incremental health benefits.

Facilities must essentially comply with the ruling by August 29, 2006. NADA is currently evaluating the degree to which changes to body shop facilities, work practices or the use of personal protective equipment will be necessary. Questions? E-mail regulatoryaffairs@nada.org or call (703) 821-7040.

STATE LEGISLATIVE UPDATE

MD Grinds On *(continued from page 1)*

Maryland

The Maryland General Assembly, which is in session until April 10, is still a work in progress, but dealers have had some early gains. Perhaps the best news, as reported earlier, is that Annapolis lawmakers will not take up any proposals for "California Car" environmental legislation in this session.

And thanks to negotiations spearheaded by MADA, dealers were able to gain favorable amendments to **SB 246, spot delivery legislation**, which was passed by the Senate Finance Committee. If passed as amended, the bill will veritably legalize spot delivery in Maryland.

Manufacturers and dealers teamed up, and were successful in helping to kill **SB 452**, relative to consumer access to ignition key information. Despite strong advocacy by AAA in several states, the bill received an "unfavorable" report by the Senate Judicial Proceedings

Committee.

SB 634, to improve franchise protection for dealers, is expected to be voted on by the Senate Judicial Proceedings Committee this week. This bill includes helpful and important clarification on dealer succession, among other things. Compelling testimony before the Senate committee was delivered by WANADA Chairman Jack Fitzgerald, which got the bill off on strong footing. ***Dealers are encouraged to contact their representatives in support of passage!***

A committee hearing on **SB 879, Motor Vehicle Excise Tax, Trade Difference Allowance**, which calls for a three year phase-in of the excise tax trade-in difference, is scheduled for March 21.

The latest updates and alerts on Maryland legislation are available on the "Maryland Legislative Action" site on MADA's website, mdauto.org.

NADA Advice on Federal Election Laws, to Include the logistics of Supporting DEAC

In response to several questions received recently regarding federal election laws, and how PAC solicitations are governed under that law, NADA, in cooperation with the Dealers Election Action Committee (DEAC), has issued compliance guidelines to state and metropolitan dealer associations. They are also requesting that each member dealer sign a current year Federal Compliance Form for DEAC.

Pursuant to federal election law, a trade association must make a written request to any member corporation for permission to solicit that member's restricted class (i.e. dealers and dealership management personnel). This request for approval must inform the member corporation that:

- Corporate approval is necessary before the trade association or its PAC may conduct a solicitation;
- The corporation may not approve solicitations by another trade association for the same calendar year; and
- The corporate member must designate the calendar year for which the solicitations are authorized.

There is no limit on the number of companies from which a trade association can obtain solicitation approvals. In a particular calendar year, however, a corporation may authorize *only one* trade association to solicit its restricted class.

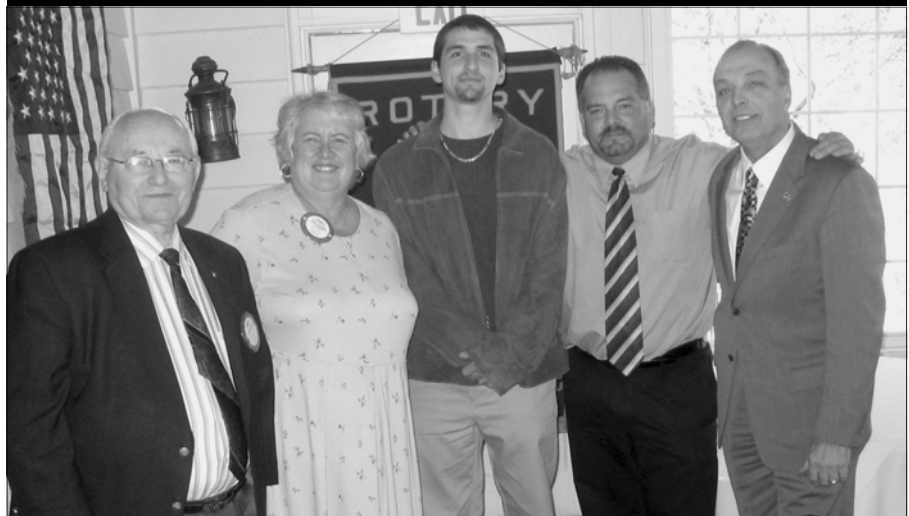
NADA is requesting that its

member dealers sign up for the current year for its political action committee, DEAC. A copy of the Federal Compliance Form for DEAC is enclosed with this *Bulletin*. Signing the form does not obligate a dealer or anyone else at the dealership to make a future donation, but simply enables DEAC to add

your dealership to their mailing list.

If you have any questions regarding the Federal Compliance Form, or if you have any general questions about DEAC, call its director, Scott Spurgeon, locally at (703)821-7110.

WANADA APPRENTICE TRAINING UPDATE



Silver Spring Rotary Donates to Apprentice Program

"It was very heartwarming to meet the recipient and know that through our small contribution we were able to help someone fulfill an important career goal," said Paula Matuskey, the former president of the Silver Spring Rotary who serves on the Rotary Auto Tech Program Committee for Rotary District 7620. The Silver Spring Rotary recently donated \$1,000 towards the tools presented to WANADA Apprentice Training Program student Rob Gimmi, who thanked the club. Rob, a trainee at Ourisman Rockmont Chevrolet, also won the 50/50 cash drawing at the luncheon which made his trip doubly profitable. Pictured, from left, are Bert B. Beach, current president of the Silver Spring Rotary, Paula Matuskey, Rob Gimmi, Ourisman Rockmont Chevrolet Service Manager Paul Gerardi, and WANADA's Wil Desjardins.

SAVE THE DATE!

WANADA Apprentice Training Program Spring Meeting will be on April 27, 9:30 to 11a.m. at Kenwood Country Club in Bethesda, MD. More information to follow, but dealers interested in securing top-notch apprentice trainees should mark their calendars for this important event.

FOOTNOTES

Scam Alert: Solicitations Disguised as “Invoices” Get Bolder

The New Jersey Coalition of Auto Retailers (NJ CAR) is reporting that some of its member dealerships have recently received an “invoice” for a one-year subscription to a monthly “Worldwide IT Research Report.” Because invoice scams have a way of traveling, WANADA dealers should be on alert to this *whopping* \$4,995 invoice which is addressed to the accounts payable department of the dealership, references the dealer principal as the “customer,” and is assigned an order number. In the description of the report, it states “Don’t miss a single issue. You will not receive your next issue unless you order now,” which makes it sound like there is an existing subscription.

The London-based company that sent this “invoice” states on the bottom of the document that, “this is not a bill. This is a solicitation. You are under no obligation to pay the amount stated above unless you accept this offer.” It also provides the recipient with the opportunity to be removed from future mailing lists by writing “remove” on the form and returning it to the company. Because it has those warnings, this big-dollar “invoice” is not as blatant as other invoice scams that give no indication that the service or product has not been previously ordered. It does, however, show why it is important to read any invoice you receive in its entirety.

WANADA joins with NJ CAR in encouraging dealers to use purchase order numbers that can be matched with services or products ordered. If the number assigned by the dealership does not match or does not appear on an invoice, it can serve as a “red flag” that the issue needs to be investigated further.

Position Wanted: Auto Body & Painting Technician

WANADA has received a referral from the Veterans Administration for a recently discharged veteran who is seeking immediate employment as an auto body and painting technician, which is what he did in the military. For more information and a resume, contact Archie Avedesian at WANADA, (202) 237-7200.

Thought for the Week...

May the curse of Mary Malone and her nine blind, illegitimate children chase you so far into the hills of damnation that the Lord himself can't find you with a telescope!

(An Irish Curse)

ASE Certification Tests

**Automotive Professionals,
Don't miss the opportunity
to take ASE's
Certification Tests!**



Register by
March 31, 2006
Testing on
May 9, 11, and 16, 2006
Over 750 Sites throughout
U.S. and Canada

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at 703-669-6600
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Leesburg, VA 20175
Toll-free recorded information:
1-888-ASE-TEST (273-8378)
Register online at www.ase.com

Enclosures:

- MD F&I Professional Certification program registration form and brochure
- DEAC Solicitation Compliance Form