

WANADA Bulletin # 2-09

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INSIDE THE BELTWAY

NADA Presses Congress, Obama to Include Tax Break for Auto Purchasers in Stimulus Plan

Dealers Urged to Push Tax Break Legislation With Elected Officials

With auto sales at a 16-year low, NADA is pressing the new Congress and the incoming Obama administration to temporarily restore the tax deductibility of auto loan interest to help stimulate the economy. This concept was first put forth at the end of last year by Sen. Barbara Mikulski (D-Md.) who introduced legislation at NADA's behest. Now, NADA wants tax break legislation included in the larger economic stimulus package being considered by Congress.

"Since the stimulus plan is being written in the coming days, it is critical that dealers phone their members of Congress immediately to ensure that they press their House and Senate leaders to include auto interest deductibility in the overall economic stimulus plan," said David Regan, vice president of legislative affairs at NADA.

The tax break measure introduced by Sen. Mikulski in the Senate was introduced in the House by Rep. Bill Pascrell (D-N.J.), and has gained broad bipartisan support. The proposal would stimulate con-

sumer spending by making auto loan interest and title tax deductible for any new car purchase under \$49,500 from the date of enactment through Dec. 31, 2009. These incentives could save an average family more than \$1,500 on a \$25,000 vehicle purchase. (Only individuals with income under \$125,000 or families with income under \$250,000 would be eligible.) Rep. Pascrell has already reintroduced the bill in the House (H.R. 159) and Sen. Mikulski is expected to follow suit in the Senate.

Members of Congress need to hear directly from dealers on this *without delay!* Such a tax break can only help provide the impetus

needed to bring customers back to the showroom *and* provide much needed title tax revenue to state governments. WANADA members can phone their members of Congress locally through the Capitol Switchboard at (202) 224-3121: in the House, Reps. Gerald Connolly (D-Va.), Donna Edwards (D-Md.), Steny Hoyer (D-Md.), Jim Moran (D-Va.), Frank Wolf (R-Va.), and Chris Van Hollen (D-Md.); in the Senate, Sens. Ben Cardin (D-Md.), Jim Webb (D-Va.) and Mark Warner (D-Va.). There is no need to contact Sen. Mikulski, but a "thank you" message is appropriate. For more information, contact NADA's Legislative Office (800) 563-1556.

MD, VA Legislatures To Focus on Recession-Strapped Budgets State Dealers To Revisit Franchise Laws

Facing their worst financial setbacks in decades, the Maryland and Virginia General Assemblies convened this week with one overriding goal: to reduce severe budget shortfalls during a persistent recession. Both legislatures are expected to "be dominated by deep spending cuts and searches for creative ways to ease the pain, and will feature virtually no discussion of initiatives that come with a price tag," according to The Washington Post.

In Maryland, the General Assembly started its annual 90-day session facing a budget shortfall of almost \$1.9 billion for the fiscal year that starts in July. In Virginia, lawmakers returned for a 45-day session largely focused upon cutting \$2.9 billion from the two-year budget that took effect last July.

Topping the dealer legislative priorities this session in both states will

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2009 WASHINGTON AUTO SHOW PREVIEW

AutoTrader.com's Match-It Game Returns to WAS

Popular Game Show Features Brand New Look and Trivia



Launched at The Washington Auto Show in 2007, AutoTrader.com's popular Match-It game will return to D.C. with a brand new look, new questions and the same great fun. Since its launch, the thrilling live game show has delighted audiences at auto shows around the country.

"We can't wait to bring the AutoTrader.com Match-It game back to The Washington Auto Show," said AutoTrader.com Director of Sponsorships and Promotions Don Dixon. "We've got a great new look and all new questions designed to challenge participants and entertain the literally thousands of attendees who watch during the games."

During the AutoTrader.com Match-It game, three contestants chosen from Washington Auto Show attendees go head-to-head testing their knowledge about cars and popular culture. Contestants play a "Jeopardy"-style round, taking turns choosing from four categories: cars and movies; cars and television; environmentally friendly (green) cars and new cars. The game show host plays video clips and contestants answer questions based on the footage. The winner of this round moves on to play a "Concentration"-style game, matching logos from different car manufacturers.

Prizes for the winner and other

players include movies and television DVDs and AutoTrader.com branded merchandise. During the show, both auto show attendees and people at home have the opportunity to win \$50,000 toward the purchase of a car. Show attendees can register every day of the show at the AutoTrader.com booth. People not attending the show can enter at home by visiting www.autotrader.com/win.

This year, some lucky show attendees will have the chance to play the Match-It game with former Washington Redskins All Pro Defensive Back Darrell Green, who delighted game participants and spectators alike in 2008. He'll return to the AutoTrader.com booth on Friday, February 6 from 6:30 p.m. to 8:30 p.m. to play the Match-It game and sign autographs for fans.

Friday the 6th is also AutoTrader.com day at the Washington

Auto Show. Show attendees who print a designated page off of AutoTrader.com, the Internet's leading auto classifieds marketplace and consumer information website, will receive \$4 off that day's show admission.

Since launching at the Washington Auto Show in 2007, the Match-It game has been a hit at auto shows in New York City, San Francisco, Los Angeles, Seattle and Cleveland.

The 67th staging of The Washington Auto Show: "The Automotive Seat of Power," will bring more than 700 new cars, trucks, mini-vans and sport utility vehicles from over 42 domestic and import automakers to the Walter E. Washington Convention Center, Feb. 4 – 8, 2009. For more information, visit The Washington Auto Show online at www.washingtonautoshow.com.

WANADA/MADA Reception at NADA

Latrobe's in the French Quarter

Sun. Jan. 25, 2009, 6:00-8:00 pm

Dealer members headed to the NADA Convention in New Orleans will not want to miss the WANADA/MADA joint reception at Latrobe's On Royal, an elegant historic building located in the heart of the French Quarter. The building, which is listed in the National Register of Historic Places, was the original home of the Louisiana State Bank, designed in 1822 by famed architect, Benjamin Latrobe, described as the "father of American architecture." Latrobe designed the Rotunda of the U.S. Capitol, sections of the mansion that later became known as The White House, and influenced Thomas Jefferson's building plans at the University of Virginia. The 7,000 square foot reception area promises a grand time in the New Orleans tradition!

More information and photos are available at www.latrobesonroyal.com. Invitations for this great event have been mailed to all WANADA & MADA members and are enclosed with this WANADA Bulletin. No RSVP is necessary. Just show up and enjoy an elegant venue and free-flowing camaraderie with your dealer peers. If you have any questions, contact Kristina Henry at WANADA, (202) 237-7200, kh@wanada.org.

WANADA and MADA appreciate the generous support of our sponsors, SunTrust Bank and Rifkin, Livingston, Levitan & Silver, for this event.

IMPORTANT REGULATORY REMINDER

New FTC Restrictions on Automated Telemarketing Calls

An "Existing Business Relationship" Will Not Be Enough

NADA is reminding dealers that in 2008, the FTC adopted an amendment to the Telemarketing Sales Rule ("TSR") that, among other things, prohibits prerecorded telemarketing calls without a consumer's express written agreement to receive such calls.

As of Dec. 1, 2008, sellers and telemarketers (including dealers that make such calls) are required to provide a keypress or voice-activated opt-out mechanism promptly at the outset of any prerecorded message call. This requirement applies to calls delivering prerecorded messages, whether answered by the recipient in person, or answered by an answering machine or voicemail service, and requires that any prerecorded message call promptly disclose at the outset a toll-free number that a

consumer may use to assert a request not to receive such calls. The rule also requires that automated calls allow the telephone to ring for at least fifteen seconds or four rings before disconnecting an unanswered call.

Under the new rule, sellers and telemarketers may, for the time being, continue to place calls that deliver prerecorded messages to consumers based on an existing business relationship ("EBR") with that customer -- provided they do so in compliance with the new requirement that prerecorded message calls include an automated interactive keypress or voice-activated opt-out mechanism.

However, as of Sept. 1, 2009, sellers and telemarketers may not make such prerecorded calls unless they have a prior written agree-

ment from the recipient to receive such calls. That written agreement: (1) cannot be required of customers as a condition of purchasing any good or service; (2) must "evidence the willingness" of the recipient to receive such calls; and (3) must include the recipient's telephone number and signature (although such signature may be electronic in compliance with E-SIGN).

Note that this amendment differs in some respects from current FCC restrictions regarding prerecorded telemarketing calls. If you have any questions about the FCC restrictions, consult nada.org or contact John O'Donnell at (202) 237-7200, jod@wanada.org. The amendment to the TSR is available at <http://www.ftc.gov/os/2008/08/R411001tsfrn.pdf>.

2009 STATE LEGISLATIVE SEASON

State Budgets & Franchise Relations Concern Dealers

(Continued from page 1)

be to extend franchise laws to prevent problems that dealers continue to experience with factory incentives and facility requirements.

In Annapolis, the Maryland Automobile Dealer Association (MADA) is urging its members to attend the association's Annual Meeting and Legislative Reception on Jan. 21, 2009 "to emphasize to legislators that we can't afford any new taxes or fees or anything associated with increasing the cost of purchasing a vehicle," said Peter Kitzmiller of MADA.

"From now until the end of March, when manufacturers come back to Congress with their funding and restructuring plans, we will be hearing many say there are too many dealers," Kitzmiller added.

"We need to explain to everyone that dealers are not part of the problem, but rather are part of the solution," he said. "Dealers externalize cost, they don't create it. If automakers cut 100 dealers in Maryland, it's not going to save them a dime," Kitzmiller said.

MADA also will be updating Maryland dealers on Sen. Barbara Mikulski's bill to provide tax relief for new car buyers. A downloadable registration form for the meeting is available on MADA's website, www.mdauto.org, or call MADA at (800) 526-7423.

In Richmond, the Virginia Automobile Dealers Association (VADA) also is calling on dealers around the state to rally in the Virginia Capital on Jan. 28 for their "Assault the Hill," Dealer Day.

Like Maryland, VADA's top

legislative priority this year is squaring dealers away in franchise relations. "We have seen manufacturers delaying payments, taking money from dealer accounts and denying them incentives, and things like this need to be addressed," said VADA.

Additionally, VADA has proposed amendments to the Virginia franchise law designed to address such issues as the evidentiary standard for establishment of an additional franchise, dealer termination, dualing, and export requirements. To register for VADA's "Assault the Hill" day, go to www.vada.com/2009ATH and sign up today.

DEALER OPS. SEMINARS @ THE 2009 WASHINGTON AUTO SHOW**2009 WANADA/NADA Seminar Program**

WANADA and NADA have again designed a first-class NADA Educational Seminar Program at the Washington Auto Show that includes NADA speaker professionals and vital topics in the industry. For the low price of \$125 (per person, per seminar), you will receive the state-of-the-art NADA Management Education information and handout material and earn CEU credits. There is also an NADA Certificate of Participation at the end. One lunch coupon and a ticket to The Washington Auto Show will be provided to each precipitant.

- **Wednesday, February 4, 2009, 8:00 a.m. – 9:00 a.m., *State of the Economy/Industry*. Paul Taylor, NADA Industry Analysis** (followed by *General Managers Roadmap for the Financial Statement*, below)
- **Wednesday, February 4, 2009, 9:00 a.m. – 4:00 p.m., *General Managers Roadmap for the Financial Statement*. Brad Lawson, NADA Dealership Operations**
- **Thursday, February 5, 2009, 9:00 a.m. – 4:00 p.m., *(Variable) New & Used Vehicle Sales*. Steve Emery, NADA Dealership Operations**
- **Friday, February 6, 2009, 8:00 a.m. – 4:00 p.m., *Putting the Wheels Back on the Service and Parts Departments*. Brad Lawson, NADA Dealership Operations**

For seminar details and registration, see the information sheet enclosed with this WANADA Bulletin, or contact Kristina Henry at WANADA, (202) 237-7200, kh@wanada.org.

F&I Professional Recertification for MD & VA Dealers
Wednesday, Feb. 4, 9:00 am - 5:00 pm

This program will be conducted by instructor specialists from JM&A to ensure that F&I staff and dealer operations deliver consistent customer value and are compliant with the various laws that affect them. The registration fee is \$199 per person, which includes continental breakfast, lunch voucher & breaks, seminar materials and a ticket to The 2009 Washington Auto Show. Sign-up forms are enclosed with this WANADA Bulletin, or register online at www.washingtonautoshow.com. Contact Kristina Henry at WANADA for more information: (202) 237-7200, ext 18, kh@wanada.org.

Annual WANADA Regional Tag & Title Seminar, Thursday, Feb. 5, 10 am -12 Noon

Get the latest motor vehicle rules and regs for your market! This Titling Seminar will cover the entire Washington Region. The program targets tag and title coordinators, and all dealership staff involved in motor vehicle agency relations. Registration fee is \$80, which includes light breakfast; lunch coupon; seminar materials and a ticket to The 2009 Washington Auto Show. A registration form is enclosed, or online at www.washingtonautoshow.com. For more information, contact Kristina Henry at WANADA: (202) 237-7200, ext 18, kh@wanada.org.

Boost Profits in Your Service Department

An ADEI Technician – One of the best investments you will make this year!

Looking for more \$\$\$\$ out of your service operation? A well-balanced mix of senior and entry-level technicians is the key. WANADA's NATEF-Certified Technician Training through the Automobile Dealer Education Institute has several, well-qualified candidates available and ready to work. And for 2009, *we've cut the cost for participating by 50%*. For more information, contact Bill Belew at 202-237-7200 or bb@wanada.org.

Man, That's Cold!

So how cold is it? So cold that dogs are stuck to the fire hydrants

Enclosures

- Dealer Operations Seminars at The Washington Auto Show (various registration forms enclosed)
- Invitation to the WANADA/MADA Reception at NADA in New Orleans, Jan, 25
- WAS Preview Reception, Feb 3—Member Letter & RSVP