

HALL OF FAME UPDATE

Record Number of Sports Greats Sign Up for Bobby Mitchell Classic *Great Fellowship, Great Cause, July 8-9*

Chicago Bears' Gale Sayers, Harlem Globetrotters' Meadowlark Lemon, Los Angeles Rams' Deacon Jones and Milwaukee Bucks' Oscar Robertson are among the superstars gearing up for the "Sweet 16" celebration of the nation's largest annual Hall of Fame reunion, the *Bobby Mitchell/Toyota Hall of Fame Classic* sponsored by Washington Area Auto Dealers, at Lansdowne Resort on July 8 & 9.

More than 40 pro football and basketball Hall of Famers will be on hand for golf and fellowship to benefit leukemia & lymphoma research. A who's who of Sports Hall of Famers attending include: Bobby Mitchell, Lem

Barney, Elvin Bethea, Mel Blount, Bob Brown, Joe DeLamielleure, Bill Dudley, Carl Eller, Wayne Embry, Marques Haynes, Ted Hendricks, Sam Huff, Ken Houston, Charlie Joiner, Deacon Jones, Sam Jones, Sonny Jurgensen, Leroy Kelly, Paul Krause, Willie Lanier, Steve Largent, Yale Lary, Dante Lavelli, Meadowlark Lemon, Larry Little, Tom Mack, Mike McCormack, Tommy McDonald, Hugh McElhenny, Lenny Moore, Anthony Munoz,

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INDUSTRY NEWS

GM's LaNeve Debunks Myths To DC Media



GM Vice President Mark LaNeve

In the straightforward manner for which he is known, Mark LaNeve, General Motors North American vice president of vehicle sales, service and marketing, systematically debunked five myths circulating about the US auto industry and GM in particular at the Washington Automotive Press Association's monthly luncheon last week.

"I want to lay out for you as clearly and directly as I can my view that as we correct misperceptions with actions, the future of the automobile

industry is as bright as ever. I maintain as strongly as I can that change is happening at GM, and a corporate turnaround is seriously underway," said LaNeve.

Myth #1 – Having a strong domestic auto industry isn't important anymore. "The surprising truth is that over 6 million American jobs are dependent on the auto industry. Domestic manufacturers employ almost 90% of American autoworkers...including about 369,000 direct employees in the US," LaNeve pointed out.

"And don't let anyone tell you that it doesn't matter if GM or Ford close plants because those workers will get jobs in Toyota or Nissan plants," he added. "It's not true: For every 100 units the domestics lose,

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SAVE THE DATE!

June 22, 2006

F&I Professional Certification Program

Based on the interest and success of our first F&I Professional Certification programs held in March, MADA and WANADA are again teaming up for another program on June 22, 2006 at the BWI Airport Marriott in Baltimore, Maryland.

For more information and registration see the letter, syllabus and registration form enclosed with this WANADA Bulletin, or call Ruby Gerald at WANADA, (202) 237-7200.

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11 American jobs are lost.

Myth #2 – We are not moving fast enough to cut costs and improve our competitiveness. In less than a year, according to LaNeve, GM has worked with the UAW to cut healthcare costs by one billion a year, restructured manufacturing operations, shifted GM's purchasing footprint "to achieve world-class quality and costs," reworked global engineering and product development capability "to get better and more products for each brand at a lower cost," and made reductions in salaried pensions, healthcare and other obligations.

"All told, these moves, combined with a hundred other smaller ones, will lower our structural costs by \$7 billion on an average running rate basis. That's a big number by any measure," LaNeve stressed.

He also noted the sale of a controlling interest in GMAC, which "gave us access to the low-cost funding we need to grow the business." But he was quick to add: "GM has no intention of 'saving' its way to glory. Our future success, like success for all automakers, will be driven by strong brands enabled by great cars and trucks."

Myth #3 – Detroit doesn't make cars Americans want to buy. "Domestic manufacturers sold about ten million cars and trucks in the US last year – or nearly 60 percent of the 17 million vehicles registered in the US in 2005," said LaNeve. "GM alone sold 4.5 million vehicles in the US last year – more than any automaker – and we were the world's #1 selling automaker again for the 74th year in a row. How did this happen if nobody likes our cars, trucks and SUVs?"

LaNeve pointed to the success of the many GM models launched in the last two years and said,

"Nobody is forcing these customers to buy one of our products. They did so because they loved the design and they fit their emotional and physical needs – plain and simple."

As for lost market share over the last several decades from a post-World War II high of over 50%, LaNeve asked, "How many companies in any free market, competitive industry today control more than half of their market? Or are able to withstand a barrage of new, low cost competitors without surrendering share? Increased competition and increased customer choices are facts of life today in every consumer product category, and this is clearly evident in the US."

Myth #4 – Domestic quality doesn't measure up to the imports. "We brought this one on ourselves because for a period of time in the 70s and 80s domestic quality slipped," said LaNeve. Although GM has dramatically improved quality "to the point where our products are now as good or better than the foreign competition," he admitted, "that customer perception lags behind reality."

LaNeve pointed out that the average dependability of all GM and Ford models combined is greater than the average dependability for all the Japanese models combined, based on the 2005 J.D. Power Dependability Rankings. According to that same survey, Buick and Cadillac finished



"We can and will compete," Mark LaNeve told the DC media.

in the top 5, and are in the top 5 for Initial Quality. GM also earned more J.D. Power and Associates Vehicle Dependability awards than any other company, taking top honors in eight segments in the latest study.

"Changing perceptions is going to take time, but the good news is customers are realizing that the myth of foreign quality being better is truly a misperception," said LaNeve.

Myth #5 – Domestic automakers only want to sell gas guzzlers and don't care about fuel economy or the environment. LaNeve, attributed this myth to the strong public demand for utility vehicles of all sizes, which were led by domestics and quickly followed by import brands. He also pointed out that US manufacturers lead the industry today in fuel economy for nearly every vehicle segment.

"GM alone offers more segment-leading, fuel-efficient vehicles now than any other manufacturer, including the most models that get 30 MPG or better. And Toyota and Nissan's fuel economy isn't even close to our trucks, which lead every truck segment," he said.

Along with Ford and DCX, LaNeve said GM leads the industry in producing vehicles that "utilize renewable fuels to reduce America's dependence on petroleum," primarily cleaner-running E85 ethanol. "And we're planning to build

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an average of 400,000 more Flex-Fuel vehicles every year for the foreseeable future," he added.

LaNeve had a negative view of tougher CAFE requirements, which he said "have never been proven "to save fuel." Every economist in the world will tell you that given good fuel economy and affordable gas, Americans will just drive more," he said.

"Statistics prove that per capita fuel consumption is identical to 1978 when CAFE was enacted. We need support for an alternative fuel platform and infrastructure in the US, and GM is leading this effort."

As for being late to develop hybrids, LaNeve said GM believes its advanced two-mode hybrid systems "will become gold standard." He said GM's plans call for 12 different hybrid models in the high volume car and truck lines."

GM scientists and engineers also are working to make hydrogen-powered vehicles a zero-emission reality. "We already have hydrogen fleets up and running in cities around the world," LeNeve said.

He also had praise for GM's 7,400 dealers, calling them "our competitive edge. They score higher than Honda and Toyota dealers in customer satisfaction surveys," he said.

In conclusion, LaNeve said GM is in the middle of the "biggest, most important business turnaround in its history and we're doing 'what it takes to win over customers' in America and around the world. "We can and will compete," he said.



DC Media Take a Virtual Test Drive at RFK With Clean Diesels

A Washington Automotive Press Association (WAPA) Media Focus Group at RFK Stadium recently got a twin treat -- Continental's launch of its new *Safely There* mobile exhibit (top) and a chance to hear about the latest in diesel technology and test drive (above) a wide variety of new clean diesel models around a track at the stadium.

The traveling Continental exhibit is the latest in its multi-million dollar decade-long commitment to educate consumers about the new technology-based motor vehicle safety equipment. The new Disney-like simulator ride and interactive multimedia displays will help consumers understand the importance of crash avoidance technology like ESC systems, lane departure warnings and anti-rollover technology. The truck also has a "reality theater" and interactive exhibits where visitors can learn about such topics as staying in their lane, safely changing lanes, and detecting blind spots.

During lunch, speakers from Robert Bosch Corp., Mercedes Benz, BMW Group, Volkswagen AG, and Honeywell International spoke on a panel outlining their companies' approach to increasing the penetration of light diesels in the US market. The Diesel Technology Forum released research that showed diesel engines are 20 to 40 percent more fuel-efficient than comparable gasoline-powered engines.

HALL OF FAME UPDATE



Hall of Fame greats and WANADA leadership at last year's Classic.

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Joe Perry, Mel Renfro, Oscar Robertson, Gale Sayers, Billy Shaw, Bob St. Clair, Charley Taylor, Paul Warfield, Dave Wilcox, and Kellen Winslow. More names will be added closer to the tournament.

With last year's \$680,000 fundraising success for The Leukemia & Lymphoma Society, there are big plans to reach new heights. Under the leadership of Event Co-Chairs Tamara Darvish of DAR-CARS, and Todd Heavner of Enterprise Rent-a-Car, the organizers announced they're "on the road to raising a million dollars" at this year's tournament.

The Bobby Mitchell/Toyota Hall of Fame Classic, sponsored by the Washington Area Auto

Dealers (WANADA), has become a signature event for the automotive community. Among those who are participating this year, besides Toyota, DARCARS and Enterprise Rent-A-Car are: Washington Area Chrysler-Jeep-Dodge Dealers and Easterns Automotive. In addition to serving as the title sponsor, Toyota has generously donated a 2006 RAV-4 to be raffled off at the event. Other top sponsors include Costco, M&T Bank, Pricewaterhouse-Coopers, Wachovia Dealer Services and Pepsi Cola Inc.

Sponsorship Opportunities Available, Auction Items Needed!

"As a sponsor, WANADA has opened the door for Washington area dealers and dealer community supporters to be involved in the tournament weekend in a big way through a variety of special opportunities to personally interface with the NFL/NBA Hall of Famers," said Darvish.

A range of sponsorships at various levels is available and will be awarded on a first-come, first-serve basis. Also requested are auction items, ranging from gift certificates and tickets to sports events /concerts to electronic and computer equipment. For more information on sponsorships or to donate auction items, contact Tamara Darvish at (301) 622-0300.

Scam Alert: Counterfeit Check

A Montgomery County dealer reports that "a customer who identified and presented himself as Raheim Jackson, a CFO of LA Associates or Production Solutions" offered a \$5,500 counterfeit check as down payment on a leased vehicle.

"The customer presented a valid drivers license and proof of income," said the dealership. "With the lease approved from the lender, we accepted a check from an ING 401K account in the amount of \$5,500 for down payment. The check looked real, but was returned as counterfeit. We took an additional personal check as back-up which came back 'account unknown.' We have placed a report with the Montgomery County Police and the vehicle has been reported as stolen. We hope this experience will help you identify similar schemes."

Memorial Day Reflection...

Never in the field of human conflict was so much owed by so many to so few.

— Winston Churchill

Enclosures:

- WANADA F&I Professional Certification Program letter, syllabus and registration form
- WANADA Open RSVP
- Optional Memorial Day Closing Signs