

WANADA Bulletin # 26-05

June 29, 2005

## REGULATORY UPDATE

### FCC Grants NADA Petition Clarifying "Do Not Call" Rules

NADA recently reported that the Federal Communications Commission (FCC) has granted an NADA petition clarifying that the National Do-Not-Call (DNC) rules do not prohibit dealers from calling consumers to alert them that their vehicles have been recalled due to a product safety or defect concern and to schedule appointments to correct the defect.

NADA filed the petition with the FCC earlier this year seeking clear guidance on whether such phone calls are considered telephone solicitations that are subject to the restrictions imposed by the National DNC rules. NADA argued that because consumers are neither requested nor required to "purchase" the services necessary to repair the defects (with payment coming instead from the manufacturer of the recalled item), such phone calls do not fit within the definition of telephone solicitation. NADA cited the important public policy objective of increasing consumer awareness of, and response to, recall notices and obtained a letter of support from the National Highway Traffic Safety Administration.

In granting NADA's Petition, the FCC stated: "We agree with NADA that calls made to consumers for the purpose of informing them of product recalls are not telephone solicitations because such calls are not made for the 'purpose of encouraging the purchase or rental of, or investment in, property, goods or services...' As a result, these rules do not prohibit such calls to consumers who have registered their telephone numbers on the national do-not-call list. We believe this clarification will ensure that consumers are made aware of potential safety concerns involving products that they have purchased and have an opportunity to correct these defects in a timely manner..."

The petition refers to: "Rules and Regulations Implementing the TCPA of 1991, Docket No. 02-278, NADA Petition for Declaratory Ruling, FCC 05-1667, paragraphs 5-6.

The clarification applies when the defect repair work involves no cost to the consumer. Calls that encourage the purchase of other goods and services "will be deemed a prohibited telephone solicitation." The full text of the Ruling is available at: [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DA-05-1667A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-05-1667A1.pdf).

NADA has sent a similar clarification request to the Federal Trade Commission, which also administers the National DNC rules, although its jurisdiction is limited to *interstate* telephone solicitations. The FCC has jurisdiction over both *intrastate* and *interstate* telephone solicitations. NADA anticipates a similar interpretation from the FTC (albeit in the form of an informal staff interpretation), which will be announced when it is issued.

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#### BOBBY MITCHELL HALL OF FAME CLASSIC

***Still Time to Get on Board for:  
Bobby Mitchell Hall of Fame Classic,  
July 9 & 10***

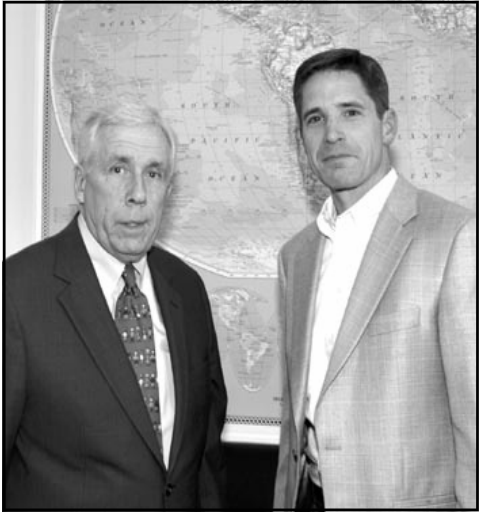
***Sponsorship Opportunities Still  
Available, Auction Items Needed!***

**D**idn't you ever fantasize about catching a pass thrown by Redskins legend Sonny Jurgensen? And how about if the ball is signed by 40 famous Hall of Famers? Well, that was the dream come true for one lucky bidder at last year's Bobby Mitchell Hall of Fame Classic sponsored by Wash-



**Mitchell Hall of Fame Classic sponsored by Wash-**

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**DEALERS IN THE SPOTLIGHT**

## **Taking the Dealer's Agenda to Capitol Hill**

In an ongoing effort to make sure the dealer's voice is heard and heeded by all local public policy makers, WANADA's Immediate Past Chairman Vince Sheehy recently visited with 13-term Virginia Congressman Frank R. Wolf (R-10th), who serves on the important House Appropriations Committee. In an open and candid dialogue at Wolf's Capitol Hill office, Sheehy, accompanied by Rob Braziel of NADA Legislative Affairs and WANADA's Gerry Murphy and Tom Mann, discussed issues of importance to dealers. Above right, prominent Maryland dealers met at the Greenbelt Marriott with 13-term Congressman Steny Hoyer (D-5th), who is the Minority Whip and also sits on the House Appropriations Committee. Hoyer (center) is flanked by (from left) Fred Frederick of Fred Frederick Chrysler, Andy Dixon of Ken Dixon Automotive, WANADA Chairman Dennis Rippeon of Ourisman Automotive, George Doetsch of Apple Ford, Jack Fitzgerald of Fitzgerald Auto Malls, and Bob Banning of DARCARS.

### **Important Notice for Service Managers**

#### **Auto Technician Job Fair**

#### **Lincoln Tech, Columbia, Maryland**

**9:30 a.m. - Noon, Thursday, July 14, 2005**

Dealership fixed operations managers from across the region are invited by administrators of Lincoln Tech to meet their students who aspire to careers in auto technology on-site at their Columbia, Maryland facilities. Besides meeting the students, fixed operations visitors will have the opportunity to tour the Lincoln Tech facilities — 9325 Snowden River Parkway, Columbia, MD — and hear about their auto technology training from Lincoln Tech professional staff.

To register complete the form included with this WANADA Bulletin and fax it to WANADA at (202) 237-9090. For more information or any questions, please contact Barbara Martin at (202) 237-7200 ext. 18.

**NADA MONTHLY DEALER OPERATIONS COMMENTARY**

## **Shopping for Your Dealer Management System (DMS)**

It's a fact: computer costs have become the average dealer's fifth largest expense.

It's also a fact that the right computer system may well be worth the cost, if you know how to use it to maximum advantage.

It's good business to understand your computer system and use it fully—and it's good business to control costs. It's a common misconception that computer costs are not negotiable—they are. You can shop for competitive systems, and you can change your DMS. Sometimes, rethinking your DMS makes sense—if your equipment or connectivity needs upgrading, for example, or your business is expanding. Maybe it's contract renewal time and you have questions about your options. Regardless of your reasons for investigating a new DMS, there are five main questions you must answer for each vendor you consider:

1. Does this proposal or contract represent too much computer—or too little? What features and benefits do I really need or want?
2. What is the true cost of this system and all of the monthly support?
3. What is the best way to pay for this system? Cash? Finance? Lease?
4. What are the terms and conditions of the final contract—the binding document that is the actual legal structure of the acquisition?
5. What negotiating strategy can I employ to achieve the best results? The most challenging aspect of the DMS acquisition is determining what price is the right price to pay for the system you need.

To answer these questions to the lasting benefit of your dealership, use a careful evaluation process:

- Outline your computer needs, and get more than one vendor to submit a proposal.
- Ask each vendor to demonstrate products to you *and* your key managers.
- Make sure the proposals you receive are detailed, with each individual item individually priced.
- Get a terminal/PC schematic.
- Don't limit your proposal because you think you can't afford everything on it.
- Include sufficient capacity for future growth.
- Include remote access to your system.
- Check the proposal for omissions of related costs—data archiving, for example, or interfaces for factory communications, parts cataloging, training, etc.
- Identify and explain any update charges.
- Get detailed laser printer pricing schedules and forms set-up charges.
- Consider training and network rewiring costs.
- Be aware of existing leases and other contractual obligations.
- Know the lease rate or APR.
- Consider data archiving and disaster recovery procedures.
- Set a time limit for the proposal.
- Decide whether to keep your current DMS or acquire a new one.

Each of these points, and other considerations such as reducing your computer bill, protecting your network, and protecting your customers, are expanded upon in detail in NADA Management Guide BM26, *A Dealer Guide to Negotiating With Your Computer Vendors*. For further information, please contact NADA Management Education at (800) 252-NADA, ext. 2.

**BOBBY MITCHELL HALL OF FAME CLASSIC***(Continued from page 1)*

ington Area Auto Dealers. And it can happen for you at this year's Classic at the renowned Lansdowne Resort, July 9 & 10, for the benefit of the Leukemia & Lymphoma Society.

Fantasies aside, the Classic offers a rare opportunity for Washington area dealers to golf and mix it up, with over 40 sports legends (including newcomers Harlem Globetrotter Marques Haynes, Chicago Bears legend Gale Sayers and Redskins favorite John Riggins) while, at the same time, supporting a critically important cause.

With WANADA as its primary sponsor for the past four years, and strong support from Washington's franchised dealer community, the Classic has raised over \$1.8 million to fight these dreaded blood diseases, bringing the total raised by the Classic to more than \$3.5 million since the annual event was conceived in 1990. For 2005, former Redskin Bobby Mitchell and Co-Chair Tammy Darvish are aiming to break the \$4 million mark.

There are still opportunities for dealers and kindred-line members to participate in this worthwhile and highly entertaining event. A range of sponsorship opportunities are still available, as well as the need for a wide variety of auction items. For more information on participation and sponsorship opportunities for this year's Hall of Fame Classic, see the details on the information sheet and donation form enclosed with this Bulletin, or contact Barbara Martin at WANADA, (202) 237-7200 or [bjm@wanada.org](mailto:bjm@wanada.org). *Do it today!*

**Dealers Invited to Participate in "Solomon's Golf Outing," July 23**

Solomon Teklu, a long-time employee of Brown's Arlington Nissan, is extending an invitation to all area dealers and their employees to attend the 8<sup>th</sup> Annual "Solomon's Outing," Thursday, July 23, 2005, at Lansdowne Resort. The annual golf outing is held to benefit the Summer Youth Camp in Africa program, which has established a computer learning center and AIDS/HIV education stations at various sites in Teklu's native Eritrea, Africa. A variety of sponsorship opportunities are still available. For more information and registration, contact: Solomon Teklu, (703) 591-8009, or Oscar Morgenstern, (703) 486-3200.

**Have a Safe July 4th Holiday, Call SoberRide**

To help keep our streets as safe as possible, the Washington Regional Alcohol Program's (WRAP) 2005 Independence Day SoberRide service will be offered Sunday, July 3rd and Monday, July 4th from 4:00 p.m. to 4:00 a.m. each night. To receive a free cab ride home (up to a \$50 fare), area residents age **21 and older** who are celebrating with alcohol may call the toll-free SoberRide number 1-800-200-TAXI (or #8294 TAXI) on your AT&T Wireless telephone.

**Thought for the 4th...**

*I was born an American; I will live an American; I'll die an American*

—Daniel Webster

**Enclosures:**

- Lincoln Tech Auto Tech Job Fair registration form
- Bobby Mitchell Hall of Fame information sheet & donation form
- WANADA Dealer Employee On-site Flu Shot Program Fax-Back registration form