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Support for Dealer Rights Bill Surpasses Majority in House, and Grows in Senate

125 Dealers and Assn. Reps. Coming to DC for July 13-14, "Bastille Day," to Push Congress

A growing majority of members of the House of Representatives, numbering 238, are now signed onto the bill to restore franchise rights to dealers who lost them or had them compromised in the current bankruptcy



reorganization proceedings with Chrysler Group LLC and General Motors. Support for the legislation is increasing in the Senate too, where 19 senators are now co sponsoring S 1304, the companion bill of HR 2743 in the House.

And to ensure that the measure continues progressing toward *passage* in Congress, 150 or so dealers and Automotive Trade Association Executives (ATAEs) are returning to Washington next week, July 13, for a "Bastille Day" lobbying push on Capitol Hill, July 14. The Fly-in lobbying effort of dealers and ATAEs is the second one since May, this one being orchestrated by the

Committee to Restore Dealer Rights (CRDC), a dealer organization with the single task of seeing the dealer rights legislation through to success. NADA, ATAE and affiliated dealer associations across the U.S. are also fully committed to the dealer rights legislation, which began only a

Automobile Dealer Economic Rights Restoration Act

Bastille Day
-Press Conference-

Tuesday, July 14 – 11:30 AM
Room 2168 Rayburn House Office Bldg.

Join hundreds of your fellow dealers and auto trade association leaders in support of this key legislation

Co to www.hometownautodealers.com for more information.

month ago with the celebrated support of House Majority Leader Steny Hoyer (D-Md) and House Democratic Caucus leader Chris Van Hollen (D-Md).

Amidst the burgeoning support for the legislation on both sides of the aisle in both houses of Congress, White House officials and executives from GM and Chrysler met with Rep. Hoyer mid-week to discuss HR 2743 with the aim of heading off any action on the measure. Among those reported to have been present at the meeting were Steve Rattner, the head of the Auto Task Force, GM vice president for sales, service and marketing, Mark LaNeve; GM North America chief Troy Clarke; Chrysler Deputy CEO Jim Press; and Chrysler vice president for external affairs, John Bozzell. The meeting with Rep. Hoyer lasted nearly 90 minutes where the Majority Leader was reported to have told the companies to reach some agreement with their dealers by Friday (today) to head off the legislation.

As yet there has been no signal from Obama's Auto Task Force that they are willing to consider dealer rights in this matter, nor is it clear if GM or Chrysler is prepared to make any concessions either. The Detroit News quoted GM's LaNeve as saying that the company would, in the second quarter of 2010, "take another look at its closing dealers to reconsider some if the market or GM's sales improve," but that is hardly encouraging to GM's "wind-down" dealers, let alone those dealers invited to go forward with sharply and negatively altered franchise agreements.

Meanwhile, GM's National Dealer Council chairman wrote a letter this week to existing GM dealers calling on them to write Congress urging members to *reject* HR 2734 or S1304, arguing that the measure would be detrimental to the future of new GM. Many dealers and ATAEs believe there is a "coercive" element to this action with the spectre of GM's disfavor toward those dealers who don't do as the NDC chairman has asked. Indeed, the ATAE organization passed a resolution this week condemning the NDC chairman's letter as "pressure tactics employed by GM management to force dealers and intimidate them into signing a prepared statement in opposition to HR2743/S1304."

Part of what ATAEs and dealers will discuss with members of Congress at next week's Bastille Day Rally will be the NDC chairman's letter as an illustration of the unfair, heavy handed treatment dealers have received from GM and Chrysler during their reorganizations. With area dealers Tamara Darvish and Jack Fitzgerald are in the leadership of the Committee to Restore Dealer Rights, all Maryland members of Congress are now signed on to support the dealer rights' bills as are most members of Virginia's delegation.

The WANADA Bulletin will have a full report of the Bastille Day Rally in next week's issue.

For more information on the rally and the CRDR go to www.hometownautodealers.com

New GM Begins with New Partners and a Global Focus

Nearly 75% of Total Sales outside the US in First Quarter 2009

A wholly new GM emerged from bankruptcy proceedings this week looking nothing like the GM that existed just a few short months ago. Gone are the Hummer, Pontiac, Saab and Saturn franchises. Gone are nearly 3,000 dealer franchise holders. And likely also gone is the "top dog" culture that has defined the company for so many years. New GM is no longer a manufacturing company (though it will continue to produce



vehicles) so much as it is a distributor of new vehicles from a variety of partners based in China, South Korea, Germany and possibly Russia. In fact, fully half of its product line-up is likely to come from these countries.

According to Nick Reilly, GM's Asia-Pacific operations chief, that means the company will have to approach business with a wholly new mind set aimed at embracing partnerships, "not very comfortable to people used to having 100 percent control of everything."

Whether the change in business dealing will also apply to its remaining dealer body is yet to be determined. On a day-to-day business basis, however, it is likely that product line-ups will be more focused and better managed on a demand basis. Michael Robinet, a forecaster at CSM Worldwide Inc., said in a story on Bloomberg. Com, "the days of being everything for everybody are over forever at GM."

"The auto industry is now global and defined by mutual joint ventures and alliances that will change over time," he said, echoing a similar point of view expressed by New Chrysler CEO Sergio Marchionne.

The shift to a more global posture for GM has been underway for some time, but kicked into high gear beginning in 2005 when non-U.S. sales topped the domestic total for the first time and reached 64 percent last year. The share rose to 74% in the first quarter of this year.

GM CEO Fritz Henderson has said that he expects the leaner new GM to be profitable with sales near 10 million units annually in the U.S., and that market share would not be the prime directive for the company.

He noted that by the end of 2010, the company will operate 34 assembly, power train and stamping plants, down from 47 in 2008, and that capacity utilization is expected to reach 100 percent during 2011. Overall U.S. employment will decline from about 91,000 at the end of 2008 to about 64,000 at the end of this year, "creating a company sized to respond quickly to changes in the market, while still retaining the global scope necessary to develop world-class products and technologies."

GM's salaried work force is being cut by 20 percent and executive employees by almost 35 percent. Involuntary cuts are expected. He would not say if current North American president Troy Clarke or Mark LaNeve, GM's vice president for sales, service and marketing, will remain with the company.

Henderson said GM is also planning an experiment with eBay for online car buying.

"We're working on new ways to make car buying more convenient for our customers, including an innovative new partnership with eBay in California to revolutionize how people buy vehicles online," he said at a press conference in Detroit.

"Customers will be able to bid on actual vehicles just like they do in an eBay auction, including the option of choosing a predetermined 'buy it now' price," he said.

"We'll be testing this and other ideas with our dealers over the next few weeks, and hope to expand and build upon them in the coming months. In all cases, our goal is to make the shopping

and buying process as easy as possible for GM customers - on their time and their terms," he said.

Alfa Romeo to be New Chrysler Luxury Brand

3 Fiat 500 Models Coming



Fiat 500 Convertible



Alfa Romeo 146



Fiat 500 Abarth

According to various sources, Alfa Romeo will be the new luxury brand for Chrysler and at least three Fiat 500 models will be added to the lineup. To make way, several low selling Chrysler, Jeep and Dodge products will be eliminated although the PT Cruiser will not be one of those, despite rumors to the contrary.

Alfa Romeo has been a very popular brand in Europe in recent years and is still held in high regard in the U.S. Among the first of the models to arrive here will be the 146, which has received many accolades from the automotive press. The Fiat 500 models will include the two and four door units as well as a convertible and a high performance Abarth model, which like the Alfa Romeo 146, have all been very well received in Europe.

NHTSA Considers Safety Features for Inattentive Drivers

The National Highway Traffic Safety Administration (NHTSA) is looking at new safety requirements for cars that would warn drivers when their vehicle is leaving its lane and automatically brake the car before an impending crash.

The new standards could be in place as soon as 2011. Safety advocates say both systems could dramatically reduce the 40,000 traffic deaths and 2.5 million injuries suffered each year on America's highway, but the systems aren't cheap, costing upward of \$2,000 as options.



Volvo and Infiniti currently offer models that utilize the technologies. According to the Insurance Institute for Highway Safety (IIHS), frontal crashes account for one in six road fatalities, or about 7,200 deaths per year. The Institute says automatic braking could potentially save many of those lives, while lane departure warning systems could positively affect the outcomes of the 483,000 crashes per year that occur when drivers are distracted or fall asleep behind the wheel. IIHS says about 10,000 people die each year when vehicles leave their lanes or the road.

The proposed safety systems, the first two to emerge from NHTSA's New Car Assessment Program, are the precursors to a number of other new safety requirements likely to emerge for 2011 model new cars.

NADA Survey on Floor Plan Loan Availability

WANADA Dealer Members Urged to Participate

NADA is working with Congress, the Department of the Treasury and the Federal Reserve Board to expand the availability of financing for dealers to purchase vehicle inventory. It has already secured some through the **Small Business Administration's (SBA) Dealer Floor Plan Financing Program**, but that is just one step in its efforts to get a wider array of lenders to provide financing again. To do this, NADA needs to have a full picture of the difficulties dealers are facing in securing floor plan lines of credit and its impact on dealers. Please take a moment to fill out this all important survey. [Click here](#) to begin.

Dealers Should Await Final 'Cash for Clunkers' Rules

NADA Webinar set for on or around July 24

Dealers anxious to get started with the "Cash for Clunkers" program **will be wise to await the final rules** and listen in on a special webinar NADA intends to hold that will spell out the whys and wherefores of the program. The association has already held one webinar on the CARS Act, which provided an overview and to hear what questions were on NADA members' minds. That webinar demonstrated the clear need to await the finalized implementation details from NHTSA before undertaking any "clunkers" transactions. NADA members are strongly encouraged to participate in the Webinar part-two, to be held once NHTSA finalizes the CARS rules, *on or around July 24*, the government's deadline for CARS rules completion. The special rate of \$199 includes both Webinars. All participants in the first Webinar will be emailed log-in information for the second Webinar automatically. Registrants for the second Webinar will receive a link to the archive of the first Webinar, which they'll be able to view and hear in its entirety, as well as log-in instructions for the second. For more information or to register, visit www.nada.org/seminars or call (800) 252-6232, ext. 2.

Onsite Flu Shot Program for WANADA Member Dealers

Sign-up Deadline is August 15



WANADA has again negotiated with Norvar Health Services to provide onsite seasonal flu immunization programs for its dealer members. WANADA was also able to negotiate a 5% reduction from last year's price per shot!

As part of this arrangement, dealerships must indicate their desire to participate in this fall's onsite flu shot program by **August 15, 2009** in order to receive

immunizations at the guaranteed price per shot of \$22.00. A minimum of twenty (20) participants at each location is required to schedule an onsite flu shot program. After this date, the price and availability may be subject to change based on the availability and price of flu vaccine to Norvar Health Services from the flu manufacturers.

WANADA will assist you in contacting Norvar Health Services to schedule your dealership's flu shots. Please complete the included form and fax it back to the flu shot fax line here at WANADA where it will be forwarded to Norvar Health Services. If you have multiple locations requiring on site programs, please forward an addendum listing the address and information for each location.

A representative from Norvar Health Services will then contact your designated point of contact about this coming fall's flu shot program.

As you are aware, the Center for Disease Control (CDC) as well as slow and/or disrupted manufacturing processes has interrupted the vaccine supply several times in recent years. WANADA cannot be held responsible for interruption in the scheduling should this occur again this year. Should rescheduling become necessary for any reason, the rescheduling is done by mutual agreement between your dealership and Norvar Health Services.

WANADA does not schedule the dates for the shot program, nor is WANADA responsible for assuring supplies of the vaccine.

Influenza is highly contagious through airborne inhalation as well as direct contact. A seasonal flu immunization/prevention program can reduce lost employee time by 70%. Providing your employees a seasonal flu shot program increases employee satisfaction as well as your bottom line.

Please note: The SEASONAL INFLUENZA VACCINE DOES NOT PROVIDE PROTECTION AGAINST THE A (H1N1) SWINE FLU/NOVEL FLU VIRUS. At this time, it is ***not likely*** that a new Influenza A (H1N1) Swine Flu/Novel Flu vaccine will be available for delivery with the seasonal flu vaccine, so the current plan is to deliver immunizations for the seasonal flu during the Sept-Nov timeframe with a possible announcement concerning the availability of any Influenza A (H1N1) Swine Flu/Novel Flu vaccine as pertinent information evolves.

**WANADA
On Site Flu Shot Program
Fall, 2009**

Our dealership is interested in participating in this year's On Site Flu Shot Program. We understand that shots will be administered on site by Norvar Health Services medical professionals beginning October 1, 2009, at a cost of \$22.00/shot. Norvar Health Services will order enough vaccine for my organization if we commit to this program by August 15, 2009. After this date, price/availability is subject to change. We understand that a minimum of twenty (20) participants/location is required to schedule an onsite flu shot program.

DEALER ORGANIZATION _____

ADDRESS WHERE PROGRAM TO BE HELD

POINT OF CONTACT NAME _____
PHONE # _____
FAX# _____
E-MAIL _____

ESTIMATED NUMBER OF FLU SHOT PARTICIPANTS _____

BEST DAY OF WEEK FOR PROGRAM _____

ALTERNATIVE DAY OF WEEK _____

BEST TIME OF DAY FOR PROGRAM _____

ALTERNATIVE TIME OF DAY _____

OTHER COMMENTS _____

SUBMITTED BY _____ TITLE _____

FAX BACK TO

Flu Shot Fax Line

(202) 237-7779

AS YOU ARE AWARE, THE CENTER FOR DISEASE CONTROL (CDC) AS WELL AS SLOW AND/OR DISRUPTED MANUFACTURING PROCESSES HAVE INTERRUPTED THE VACCINE SUPPLY SEVERAL TIMES IN RECENT YEARS. WANADA CANNOT BE HELD RESPONSIBLE FOR INTERRUPTION IN THE SCHEDULING SHOULD THIS OCCUR AGAIN THIS YEAR. SHOULD RESCHEDULING BECOME NECESSARY FOR ANY REASON, THE RESCHEDULING IS DONE BY MUTUAL AGREEMENT BETWEEN YOUR DEALERSHIP AND NORVAR HEALTH SERVICES.

WANADA DOES NOT SCHEDULE THE DATES FOR THE SHOT PROGRAM NOR IS WANADA RESPONSIBLE FOR ASSURING SUPPLIES OF THE VACCINE.

Position Wanted

Service and Warranty Specialist. Professional with more than 20 years experience as a warranty specialist is looking for a comparable position with a WANADA member dealer. For details, contact John O'Donnell, at 202-237-7200.

Staying Ahead...

The recent upheaval in the auto industry has created an unprecedented opportunity for dealers to build their customer base. There are as many as six million orphaned car owners up for grabs.

R.L. Polk & Co.