

THE WANADA BULLETIN

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

WANADA Bulletin # 29-04

July 20, 2004

Big Train: A Big Hit for Youth Baseball

Area Dealers Add Support for "Genuine Baseball"

While Washington frets over whether or not it will ever again have a big league baseball team, we've got news for you: we've got "genuine baseball" right here in our own back yard! It's the Bethesda Big Train team made up of top college players and sponsored by the Bethesda Community Base Ball Club (BCBBC) with major support from area dealers and WANADA.

John Ourisman of Ourisman Automotive and former Montgomery County Council President Bruce Adams were the driving force behind the founding of the BCBBC in 1998. Tired of waiting for big league baseball to return to DC, and disgusted by the inter-city commute to see the Orioles and un-sportsmanlike conduct of some players, and overall management of the Orioles, Ourisman and Adams decided to form a charitable foundation to raise money to improve

(Continued on page 2)



That's WANADA's John O'Donnell swinging the bat in the Home Run Derby at a recent Bethesda Big Train baseball team game. As the game sponsor, WANADA got a chance at a new Honda, donated by Ourisman Automotive, with the longest hit claiming the "big ugly trophy. For John, it was close but

Class Action Bill Fails To Pass Senate

Despite support from 62 Senators for a compromise class action bill, a procedural vote to end the debate on federal class action legislation failed by 16 votes the night of July 8. The issue behind the procedural vote hinged on whether lawmakers could offer unrelated amendments. The bill is now officially "stalled" in the Senate, and prospects for passage, particularly before the election, are now greatly diminished.

Senators John McCain (R-AZ) and Joseph Lieberman (D-CT) had hoped for a vote on their non-germane climate change legislation amendment, but Senate Majority Leader Bill Frist (R-TN) wanted to cut off all unrelated amendments, other than one on minimum wage. The Republican leaders decided to move forward on the motion, which needed at least 60 votes. The 44-43 vote was largely along party lines.

Republicans and Democrats were quick to blame each other for the bill's demise. GOP leaders argued Frist's cloture strategy was an attempt to prevent Democratic opponents of the bill from killing it by attaching unrelated, politically motivated amendments (like a minimum wage increase and climate change amendment).

(Continued on page 3)

Inside...

Auto Sales Outlook.....p.2
Buyers Logging On.....p.3
Carfax Surpasses 3 Billion.....p.3
eBay Sells Millionth Vehicle..p.3
370 SoberRides.....p.4
Tank Deadline Extended.....p.4
NADA Convention.....p.4
FACT Act Update.....p.4

ECONOMIC OUTLOOK

NADA Says Auto Sales Outlook Favorable for Second Half of 2004

Despite mixed results in June, sales of new cars and light trucks are likely to gain strength during the second half of 2004, according to NADA Chief Economist Paul Taylor. He projects that year-end sales will reach 16.8 million vehicles, which is consistent with NADA projections throughout the year. It would make 2004 the fourth-best annual new vehicle sales total in automotive retailing history.

Taylor credits a series of factors for the positive outlook, including a growing economy, restrained action on interest rates by the Federal Reserve, expected escalation of customer incentives during the remainder

of the year (already underway in early July), quality new-product introductions, and enhanced customer service at franchised new-car dealers.

"All signs point toward healthy summer and fall selling seasons in the second half of the year," said Taylor. "Consumer confidence is growing as the economy strengthens, and interest rate hikes are moderate, considering the multi-decade low in rates currently enjoyed. While inflation is expected to stay in check, any persistent signs of accelerating price pressure would be met with a faster pace of interest rate increases by the Fed, which could mod-

erate the sales pace in 2005." In addition to favorable economic conditions and incentives, significant investments by dealers in remodeling and customer improvements in their dealerships enhance the experience for customers. More than one-third of dealerships have invested in customer area improvements over the past five years that are taking shape now, which often include such amenities as Internet stations, children's play areas and coffee bars.

"Dealers have taken great strides to make the dealership visit more enjoyable, convenient and productive to serve their customers better," he added.

Big Train Baseball

(Continued from page 1)

the quality of youth baseball fields in Montgomery County and the District of Columbia – and, in the process, create its own semi-pro team.

Like the movie *Field of Dreams*, the idea was simple: "Build it and they will come," and they did," said Ourisman.

The BCBBC began its efforts by raising one million dollars in cash and in-kind contributions through the Maryland Park & Planning Commission's Montgomery County Park Foundations. The group was then able to build Shirley Povich Field, named for the renowned sportswriter. Next came the Bethesda Big Train – named after Walter "Big Train" Johnson – which competes in the Clark C. Grif-

fith Collegiate Baseball League started in the summer of 1999.

Since its founding, the BCBBC has received wide community financial support, including major sponsorships from Euro Motorcars, Jim Coleman Cadillac-Toyota, Chevy Chase Cars, Inc., and WANADA, as well as Ourisman Automotive.

WANADA was the game sponsor of the recent Frederick Keys Night, with a match up between league-leading Big Train and the Reston Hawks (won by Big Train 11-1). Prior to the game there was a special Home Run Derby, where sponsor representatives got the chance to hit "a soft ball" through a big hole in a target and win a new Honda, donated by Ourisman Automotive.

WANADA's rep was insurance specialist John O'Donnell, who hit well...but not good enough to win.

"We are now in our sixth season, and the Big Train baseball has been a huge success," said Ourisman. "We have raised approximately \$300,000 in excess revenue to fix up fields all over the area, including some now in Anacostia," he said. "The biggest benefit is young families have inexpensive, high quality entertainment right here in our own back yard."

NOTE: The Griffith League is made of up seven area teams. If your dealership sponsors one of these teams — or any other sports teams — the WANADA Bulletin wants to know about it. Contact Nick Champeau at WANADA, (202) 237-7200.

NEWS NOTES:

Study Says Car Shoppers Going Online More

The number of used vehicle buyers using the Internet is rapidly growing, according to the J.D. Power and Associates 2004 Used Autosshopper.com Study. Roughly 54 percent of used vehicle buyers used the Internet during their shopping process, up from 47 percent in 2003.

"This is the most explosive growth in the used vehicle automotive Internet user rate we have seen in three years," said Dennis Galbraith, senior director of research for J.D. Power. "Not only are shoppers using the Internet in greater numbers, but also far more of them are finding their purchase decisions are impacted by information found online."

Among all used vehicle buyers, 36 percent say their make and model decisions were impacted by information found online, which is up from 29 percent in 2003. Around 22 percent say they were impacted in their selection of sellers, which is up from 16 percent.

Among these Internet users, 85 percent say the Internet impacted the price they paid for their vehicle, and 66 percent say it impacted which make or model to purchase.

The study also discovered that, for the first time, online sources have outpaced traditional newspaper advertising as the method that led buyers to the vehicles they actually purchased. Only 9 percent of buyers say they found their used vehicle through a newspaper advertisement, while 11 percent

attribute the Internet as the source of their purchase.

"Critical buyer decisions increasingly are happening online," said Galbraith. "This should serve as a wake-up call to used vehicle dealers not yet using the Internet to promote their inventories."

Finally, Kelley Blue

Book remains the most visited auto Web site among used vehicle buyers. AutoTrader.com continues to be the site that entices the most used vehicle purchases. Online auction sites are growing in impact, with eBay Motors now following AutoTrader.com closely as a popular source of online sales.

Carfax Database Reports Surpass 3 Billion

Carfax announced last week that its online database of vehicle history records has exceeded a total of three billion. Scores of buyers and sellers of used cars make use of these reports as they inquire further into a vehicle's history, including its maintenance reports, odometer readings, and other facts. According to Carfax, over one thousand government and law enforcement agencies and organizations rely on Carfax reports in order to fight vehicle theft and fraud.

One Millionth Vehicle Bought and Sold on eBay

Steven Debevec of Wake Forest, N.C., recently purchased the 1 millionth vehicle bought and sold on "eBay Motors." Debevec was rewarded with a check for the *full price* of his 2003 Honda Odyssey purchased from Pamela Bosetti of Richmond, Va. According to company officials, the Web site began facilitating the sale of vehicles in 1998. By 2003, more than 450,000 vehicles were sold

Class Action Bill *(Continued from page 1)*

But Democrats said by invoking cloture (which limits debate on the bill), Frist guaranteed the bill's failure by denying Democrats an opportunity to be heard on their issues. Frist fired back that with only 31 legislative days left this year, there just isn't enough time to debate bills.

Both NADA and AIADA have lobbied hard in favor of the Class Action Fairness Act (S. 2062), which would transfer many class-action lawsuits seeking more than \$5 million in damages from state to federal courts. NADA said it expects to see the climate change amendment again and will activate targeted grassroots at the appropriate time. AIADA thanked all its members for their support of the bill, but conceded that election year politics ruled in the end.

FOOTNOTES**SoberRide Provides 370 July 4th Rides**

The 2004 Independence Day SoberRide program, which offered free rides to impaired drivers from 4:00 p.m. Sunday to 4:00 a.m. the following morning, prevented 370 revelers from getting behind the wheel. This results in removing a potential drunk driver every two minutes. This recent holiday campaign has raised the total number of rides since 1993 to 26,277. SoberRide is a program of the Washington Regional Alcohol Program (WRAP), which is sponsored and promoted by WANADA.

Aboveground Tank Deadline Extension Proposed

NADA reports that the EPA has proposed to extend by a year the compliance deadline for dealerships with aboveground storage tanks covered by the Spill Prevention, Control, and Countermeasure (SPCC) rules. (NADA continues to work with the agency on regulatory relief for an as-yet-undefined universe of small facilities.) For now, NADA suggests dealers hold off hiring professional engineers to draft or amend SPCC plans. The proposed deadlines are Aug. 17, 2005, for plan amendment and Feb. 18, 2006, for plan implementation. For more info, visit www.epa.gov/oilspill or call NADA Regulatory Affairs at (703) 821-7040.

Registration Now Open for NADA's 2005 Convention

Advance registration for the 2005 NADA Convention and Exposition in New Orleans, January 29-February 1, 2005, is now open through December 10, 2004. To register online, or download a registration form, access www.nada.org/convention. The form can also be retrieved via fax-on-demand, (800) 778-7209 (document 60), or by calling the Convention Department at (703) 821-7188. For those paying by credit card, the completed form can be faxed to (703) 883-9480. The convention promotional will be mailed to all NADA members on July 19. In the upcoming weeks, look for additional information on the convention, including speakers and programs.

FACT Act Update

The Federal Trade Commission has proposed three of seven Fair and Accurate Credit Transactions (FACT) Act rules that could affect automobile dealers, but none of the rules have been finalized yet, according to NADA. These include section 112, pertaining to fraud and active duty alerts; section 214, on marketing to affiliates; and section 216, which discusses the disposal of consumer report information. Additionally, the FTC has requested comments on studies that it is conducting, as required by the FACT Act, that involve consumer report information and the credit process. Under section 217 of the Act, the Federal Reserve Board has finalized a rule creating model notices that financial institutions may use if they voluntarily "furnish" negative information to consumer reporting agencies. Although this rule applies to automobile dealers, it only impacts those who "furnish" such information to these agencies.

Thought for the Week...

Baseball is a skilled game. It's America's game -- it, and high taxes.