



# THE WANADA BULLETIN

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

WANADA Bulletin # 29-05

July 20, 2005

## WANADA MEMBERSHIP BENEFITS

### WANADA, IWIF Announce a 10% Discount on Workers' Compensation Insurance for MD Dealer Members

**W**ANADA and the Injured Workers' Insurance Fund (IWIF), Maryland's first choice in workers' compensation insurance, are pleased to introduce a comprehensive workers' compensation insurance program specially designed for **WANADA dealer members**. This exclusive program will help dealers prevent costly on-the-job injuries and save money on premiums.

**Effective July 1, 2005, WANADA's Maryland members can now receive 10% savings on workers' compensation insurance with IWIF simply by being a member of WANADA.**

In addition to reducing premium costs, preventing injuries, navigating through the claims process, and managing medical claims expenses, IWIF will also assist your company in creating a personalized workplace safety culture to minimize future accidents.

"I think we've hit a home-run with this agreement," said WANADA Executive Vice President John O'Donnell. "It is a marriage made in heaven. IWIF was looking to expand to the auto dealer community and dealers were looking for a high quality, viable solution to workers' compensation coverage, which is required by law."

"IWIF has all the workers' comp products that employers need and, with a 43% market share, they are by far the largest workers' comp

carrier in the state of Maryland," O'Donnell said. So, whether your Maryland situated store(s) are now insured by IWIF, or you need competitive, high quality workers' compensation products for your business, you should do it through WANADA because we can save you a minimum of 10%.

**Call Today for an IWIF Quote**  
Signing up for this comprehensive workers' compensation insurance program is quick and easy.

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## NADA REGULATORY ADVISORY

### Congress Passes Junk Fax Prevention Act Curbing Compliance Burdens for Dealers

**C**ongress recently passed the "Junk Fax Prevention Act of 2005" to overturn a 2003 FCC fax regulation which would have created tremendous compliance burdens for businesses and associations by requiring written consent prior to sending a commercial fax. NADA was part of a coalition that successfully backed the legislation, **S. 714**, and helped achieve a delay of the 2003 FCC regulations. (See WANADA Bulletin 27-05, July 7, 2005.) The new law became effective July 9, 2005 when signed by the president. It permits dealers and others to continue sending fax ads to their established business customers (unless prohibited under state law), while preserving a prohibition on junk-faxes, according to NADA. It is also beneficial to trade associations that will not have to send out a flood of consent requests to association members.

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## HAPPENINGS

### GM VP Says DC Auto Show is "Very Important" Place to Show Off Concept Vehicles"



**Elizabeth Lowery, GM's vice president for environment and energy, outlines GM's advanced technology**

Asked recently if The Washington Auto Show wouldn't be a great place to advance General Motors' public education on advanced technologies and concept vehicles, Elizabeth Lowery, GM's vice president for environment and energy, said, "We have, through the course of the auto show circuit, added more of the advanced technology vehicles, and we will continue to do that. But Washington is a very important place to do that."

Lowery was the featured speaker at the June 28, 2005 Washington Automotive Press Association (WAPA) luncheon, where she outlined GM's advanced technology strategy, and said GM is committed to creating a commercially viable fuel cell vehicle sooner than later.

Also on hand was noted pollster, Peter Hart, head of Hart Research Associates, who shared the results of a recent survey he did for GM on American attitudes toward hybrid technology. The poll found that 43% of Americans believe the reduction of the nation's dependence on foreign oil should be its top energy policy priority. Moreover, 65% voiced support for a "moon shot" effort to develop a

hydrogen economy, while 70% believe new technology, beyond the internal combustion engine, is needed to solve energy dependence and lower pollution.

However, when asked what kind of vehicle they are considering for their next purchase only 10% were considering a hybrid, while 34% were considering either a pickup, full-sized or mid-sized SUV.

Nor did respondents give domestic automakers high marks in meeting the energy challenge, with Toyota and Honda topping the list. But the ranking changed to a 73% "more favorable" rating

when participants were made aware of GM's actual fuel economy record, development of hybrid trucks and buses and investments in hydrogen research.

Lowery acknowledged that the survey shows Americans "support the same goals that are at the heart of GM's overall advanced technology strategy for improving efficiency." But, she added, "It's somewhat humbling to see the magnitude of our challenge in changing people's perceptions of domestic automaker efforts in these areas. I think it's fair to say that we have not been as consistent and, frankly, relentless enough in getting our message out there."

The Washington Auto Show stands ready to do its part.

### WANADA Sponsors Big Train "Baseball Card Night"

**WANADA VP John O'Donnell, with an able assist from daughters Megan and Eliza, threw out the first pitch at a recent Bethesda Big Train game sponsored by WANADA. It was "Baseball Card Night" at Shirley Povich Field, with the first 250 kids, 12 and under, receiving a starter set of baseball cards. Every fifth pack had a card signed by either Cubs sensation Mark Prior, Billy Ripken, or John Maine, the first Big Train alumnus to reach the major leagues.**

**As for the game, over 500 fans in attendance were treated to a romp as the Big Train won their 15<sup>th</sup> victory of the season and added to their first-place lead, crushing the Maryland Redbirds, 19-1!**



### WANADA, IWIF Workers' Compensation Program

*(Continued from page 1)*

**Simply contact John O'Donnell at WANADA, (202) 237-7200, or call your insurance agent and ask for a free quote. This could be the smartest cost-saving decision you make for your company this year.**

For more information on the WANADA-IWIF workers' comp program, see the information sheet enclosed with this WANADA Bulletin.

**NADA REGULATORY ADVISORY****Junk Fax Prevention Act** *(Continued from page 1)*

The American Society of Association Executives, where WANADA CEO Gerard Murphy serves on the public policy committee, also had an important role in passing this legislation.

NADA is sending a "Special Bulletin" and "Compliance Guidance" to all dealers to detail the major provisions of the commercial fax legislation now that the president has signed the legislation into law. Because of liability arising from the underlying statute and the current litigious climate, NADA has asked all state and metro dealer associations to remind dealers of the requirements of this new law. Although the law will require an education effort, the legislation is far preferable to the alternative of having to obtain written permission forms prior to faxing commercial messages. A brief explanation of the background of the 2003 regulation will also be included in the NADA package.

The Special Bulletin may also generate calls regarding state laws relating to unsolicited faxes. NADA wants to remind dealers that the new legislation does not preempt more restrictive state laws. For your convenience, NADA's "Special Bulletin" and "Compliance Guidance" are enclosed with this WANADA Bulletin. More information is also available at [www.nada.org](http://www.nada.org), scroll down to Special Features and click on "New Regulatory Guidance for Dealers."

**The FED Extends Critical Regulatory Exception to Dealers**

NADA reports that the Federal Reserve Board (The FED) has issued an interim rule that extends a critical regulatory exception under the FACT Act to automobile dealers and other non-bank creditors. NADA says that if the FED retains this approach in its final rule, "dealers will be spared the potentially disastrous outcome that would have resulted if the FED and the other federal banking regulatory agencies excluded dealers from the regulatory exception."

Section 411 of the Fair and Accurate Credit Transaction (FACT) Act prohibits creditors from obtaining or using medical information for credit eligibility decisions. In addition to preventing creditors from considering a consumer's medical condition during the underwriting process, the broad language of section 411 also prevents creditors from such routine uses as considering a consumer's medical debt as a component of the consumer's overall debt (as may be used in a debt-to-income analysis). Despite the breadth of this prohibition, section 411 authorizes federal banking regulatory agencies to issue rules that would "permit transactions" that might otherwise be precluded. However, section 411 does not extend the same authority to the Federal Trade Commission (FTC), the agency with enforcement authority over dealers and other non-bank creditors. In 2004, the banking agencies jointly proposed rules that permit creditors to obtain and use medical information when determining a consumer's eligibility for credit, subject to certain conditions. However, the banking agencies limited the scope of the exception to the bank and credit union creditors they regulate. The banking agencies' proposed exception did not extend to dealers, captive finance companies and other non-bank creditors. This would have significantly limited the ability of non-bank creditors to assess a buyer's credit capacity and placed them at a competitive disadvantage with bank creditors not subject to this restriction.

In response to this alarming development, NADA arranged for a joint NADA/Alliance of Automobile Manufacturers letter to be drafted and sent to each of the banking agencies that urged them to expand the scope of the above-mentioned exception to include non-bank creditors. The letter argued that Congress never intended to treat bank and non-bank creditors differently and that excluding non-bank creditors from the exception would threaten the ability of dealers "to continue to offer their customers the choice and convenience of dealer financing." The FTC also sent a letter to the banking agencies urging them to avoid this unintended result.

The banking agencies agreed with these arguments and recently decided that the FED would create a separate interim rule that extends the regulatory exception to "creditors not otherwise covered by the rules of any of the agencies." The interim final rule takes effect March 7, 2006. NADA will comment in support of the separate rule, which is available at [www.federalreserve.gov/boarddocs/press/bcreg/2005/20050606/default.htm](http://www.federalreserve.gov/boarddocs/press/bcreg/2005/20050606/default.htm). NADA also will post a summary of the new section 411 restrictions at [www.nada.org/factact](http://www.nada.org/factact) (requires member number) well in advance of the effective date.

**LAST REMINDER!***Creating the Blueprint for the January '06 Washington Auto Show:***2006 Washington Auto Show Space Draw to be Held Over Lunch at the Renaissance Washington Hotel, 11:30 a.m., July 27<sup>th</sup>**

Manufacturer and WANADA dealer line representatives and exhibitors have been invited to attend the 2006 Washington Auto Show (WAS) Space Draw Meeting to be held at the Renaissance Washington Hotel, 999 Ninth Street, NW, Washington, DC 20001, on Wednesday, July 27, 2005 at 11:30 a.m.

WANADA will be conducting an "Open Space Draw" where each automaker line exhibitor will select its location on the 2006 WAS floor. The order of selection will be based upon the amount of exhibit space each manufacturer requests, with the largest request selecting first proceeding down to the smallest.

For more information on this important meeting, contact WAS Manager, Bob Yoffe at Yoffe Exposition Services, Inc., P.O. Box 719, Marblehead, MA 01945-0719, 1-800-963-3395 Fax: (781) 639-2477.

**Tag and Title Seminar For the Region****Thursday, August 18, 2005****Bethesda Marriott****5151 Pooks Hill Road Bethesda, MD 20814**

This Titling Seminar will cover the entire Washington Region with all three motor vehicle agencies participating. The program targets controllers and tag and title coordinators around the Beltway. Registration is from 9:30-10:00 a.m. The seminar runs from 10:00 a.m. to 12:00 noon. The cost is \$60 per person and \$40 for each additional attendee from the same firm. The cost of the seminar includes a continental breakfast and seminar materials. For more information, see the enclosed registration sheet or contact Barbara Martin at (202) 237-7200 ext.18, e-mail [bjm@wanada.org](mailto:bjm@wanada.org).

**Lincoln Tech Job Fair a Big Success**

Representatives from dealerships across the region attended last week's Auto Technician Job Fair at Lincoln Tech in Columbia, MD, where they got the chance to meet the students and professional staff and tour the facilities. Dealers were reportedly very pleased with the fair – so pleased, in fact, that Lincoln Tech is now planning another job fair in September. The WANADA Bulletin will keep you posted.

**Staying Ahead...**

*"I don't trust the British. Their cuisine is awful."*

—Jacques Chirac, President of France

**Enclosures:**

- Tag & Title Seminar information and registration sheet
- WANADA-IWIF information sheet
- NADA's "Special Bulletin" and "Compliance Guidance"