

LEGISLATIVE UPDATE:

Auto Industry Wins Major Victory In CAFE Battle *Senate Rejects 40 MPG CAFE, Passes Dealer-Backed Energy Bill*

In a major victory for automakers and dealers, the Senate last week overwhelmingly refused to mandate a 40-mile-per-gallon corporate average fuel economy (CAFE) standard for passenger cars, and then voted to direct the National Highway Traffic Safety Administration (NHTSA) to set CAFE standards based on technological feasibility, cost considerations, safety, emissions controls, consumer choice and the overall effect on the automotive industry.

With this hurdle overcome, the Senate went on to pass a national comprehensive energy bill, H.R. 6, by a vote of 84-14. Although the energy bill sought by President Bush appeared stalled at many points during the process, the effort to pass a bill was jumpstarted by Senate Majority Leader Bill Frist and Senate Minority

Leader Tom Daschle when it was suggested that the Senate could consider and pass the same energy bill approved by a vote of 88-11 during the last Congress.

The Senate-passed energy bill contains language that is similar to the amendment offered by Senators Kit Bond

(R-MO) and Carl Levin (D-MI) earlier in the week, which passed by a bipartisan vote of 66 to 30. This amendment was strongly supported by a coalition of auto industry groups, including NADA and AIADA, as a more sensible approach that provides for

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REGULATORY ALERT:

Feds Ban Unsolicited Fax Advertisements *Businesses, Associations Must Get Written Consent*

The Federal Communications Commission (FCC) and the Federal Trade Commission (FTC) recently revised their respective telemarketing rules by adding several new provisions that apply to businesses that place telephone solicitations to consumers. The most publicized change prohibits telephone solicitations to consumers who have registered their telephone numbers on the new National Do-Not-Call Registry.

One of the changes that requires dealers' immediate attention is the FCC's reversal of its prior interpretation of the Telephone Consumer Protection Act's prohibition against sending an unsolicited advertisement to a fax machine. The FCC has revised its rules to state that it no longer recognizes an *established business relationship* exception to the prohibition. Instead, senders of fax advertisements must obtain the recipient's *written prior express permission* before the transmission occurs.

This change applies to trade associations as well as to other senders of fax advertisements. It also applies to faxes sent to businesses as well as to consumers. Consequently, without *prior express permission* from the fax recipient, it will be unlawful for a trade association to send an advertisement to the fax machine of a person or business. **This portion of the revised law takes effect**

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Electronic Stability Control Campaign Kicks Off in DC

Dealers may be missing out on an opportunity to sell one of the most effective vehicle safety systems, Electronic Stability Control (ESC), according to Continental Teves, which recently kicked off a national campaign here to educate the public on the lifesaving benefits of ESC, particularly in preventing rollover crashes.

Speaking to the July meeting of the Washington Automotive Press Association held on the Mall, Continental Teves CEO Bill Kozyra unveiled the company's **Safely There** mobile exhibit, a brightly colored, million-dollar tractor-trailer truck that contains a convincing motion simulator and multimedia 3D presentation on ESC that will travel to 15 major cities over the next five months.

Continental Teves, a major supplier of ESC systems along with Robert Bosch Corp., Delphi Corp. and TRW Automotive, wants to drum up the kind of consumer support that these systems enjoy in Europe and Japan, where one in three new vehicles are equipped with ESC. In the U.S., only 6% of new vehicles have ESC, despite the fact that ESC is available as an option on about half of new U.S. models.

Kozyra pointed out that five recent studies done in Europe and Japan show that vehicles with ESC had a 15 percent lower overall accident rate, a 30 percent reduction in single vehicle crashes and 55 percent fewer high-speed heavy damage crashes.

He said that makes ESC second only to seat belts – ahead of air bags – as the most effective



Continental Teves **Safely There** mobile exhibit (above) and CEO Bill Kozyra (right).

vehicle safety device. Accordingly, widespread installation of ESC in the U.S. could save as many as 5,000 lives and nearly \$35 billion in economic losses annually.

These statistics should be “a strong selling point in the showroom,” Kozyra noted.



Senate Rejects Tougher CAFE

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reasonable increases to current CAFE standards through the regulatory process. The current CAFE standard of 27.5 mpg for cars has not been raised in 18 years.

The Senate had previously rejected (65 to 32) an amendment by Senator Richard Durbin (D-IL) that called for passenger car and light truck CAFE standards to be set at 40 mpg and 27.5 mpg respectively by model year 2015 – a 60% increase that the industry argued was too extreme and would hurt the industry, cost auto workers jobs and dramatically reduce the utility, performance, safety and availability of vehicles.

Never offered was an expected amendment by Senator Dianne Feinstein (D-CA) that would have required light truck CAFE standards to

reach 27.5 mpg by model year 2011, which exceeds what a 2001 National Academy of Sciences study says is reasonable.

Before heading home for the month-long August recess, Senate leaders requested a conference with the House on the energy legislation, naming members of the Senate Energy and Natural Resources Committee as well as Finance Committee members for tax issues as participants in the conference.

Whatever the outcome of the House-Senate conference – where the same bill ended up going nowhere when House and Senate negotiators couldn't get a final agreement in the closing days of the last Congress – the recent action by the Senate is a good indication that stiffer CAFE measures will not be passed by Congress any time soon.

Feds Ban Unsolicited Fax Ads *(continued from page 1)*

30 days from July 25, 2003, the day it was published in the Federal Register.

In addition to the requirement that senders obtain a person's prior express permission to receive fax advertisements, senders must properly identify themselves on fax advertisements to the message recipient. Specifically, senders must identify their business, the date and time the advertisement is sent, and the telephone number of the fax machine sending the transmission. Senders must use the name under which they are officially registered to conduct business. This may include a "doing business as" or other more widely recognized name, but it must, at a minimum, include the official identification of the business as filed with the state corporate registration office. All of the identifying information must be provided clearly in the top or bottom margin of each transmitted page or on the first page of the transmission.

A business must obtain customer consent in writing with the recipient's signature and fax number included. Consent cannot be in the form of a "negative option," meaning a company will continue to receive such advertisements unless they specifically "opt out" of the fax list. Businesses may obtain fax authorization through such means as direct mail, websites, and customer interaction in their stores. When businesses ask for a fax number on a customer contact form, they are advised to put a check box below stating their in-

tention to use this fax number for advertisement purposes.

NADA currently is preparing *A Dealer Guide to Federal Telemarketing Restrictions* to explain the myriad of federal telemarketing rules, exceptions and implementation dates that apply to dealers. Immediate information on the existing and revised restrictions is available on the web sites of the FCC (http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-03-153A1.pdf) and the FTC (www.ftc.gov/bcp/conline/pubs/buspubs/calling.pdf).

WANADA is also one of 700 organizations that have joined a grassroots effort headed by the American Society of Association

Executives (ASAE) seeking a stay and emergency clarification of the FCC's new regulations on unsolicited faxes. Over 1,500 e-mails and letters have already been sent to Congress, and hundreds of comments have been sent to the FCC.

Dealers are also encouraged to file comments with the FCC electronically at <http://www.fcc.gov/cgb/ecfs/> and click on "Submit a Filing." Then enter Proceeding #02-278, your contact information, and your comments, then click "Send."

WANADA Updates Membership Directory *A Valuable Resource for Dealers*

WANADA's new Membership Directory was mailed last month to WANADA members as well as other Washington area VIPS, including a broad range of public policymakers and major business operators. A past winner of the American Society of Association Executive's (ASAE) Golden Circle Award, the directory is not only a valuable resource for dealers and friends of the industry, it also puts a good face on the dealer community by capturing the spirit and good works dealers and WANADA contribute to the region.

The 2003 WANADA Membership Directory includes:

- Updated lists of members, broken down individually and by company and line group, plus a current listing of key management in each dealership;
- Kindred line listings that provide dealers with information about their various services;
- An "Executive Telephone Guide" of public policymakers and agencies at all levels, industry related associations and organizations and regional contacts for media, manufacturer, and motor vehicle administrative offices;
- A full review of all the association's programs and recent accomplishments.

Multiple copies have been mailed to dealer and kindred line members, and WANADA encourages members to give a copy to their key management. Questions, comments or requests for additional copies of the directory should be addressed to editor Bill Belew at WANADA, (202) 237-7200, ext. 17.

FOOTNOTES:***Customer Service and Selling Secrets of the Pros:*****Remember the “7/11 Rule”**

Although it's impossible to list all the highlights of Curt Tueffert's recent WANADA-sponsored seminar *Customer Service and Selling Secrets of the Pros*, we would like to pass on the following tips from this top TeamCER trainer:

- **Remember the “7/11 Rule”:** You have only 7 seconds to make a good first impression with the customer, and that customer perceives 11 impressions in those first 7 seconds. Every prospect comes in the door thinking of 4 questions about you: Can I trust you? Do you know what you're talking about? Are you interested in my needs or what I can do for you? Will you be here after the sale?
- **You must understand your own style and the 4 behavioral styles of your customers** – the “Analytical, the Amiable, the Driver, and the Expressive” – and respond to each accordingly.
- **You need to learn the importance of and the methods for handling the "angry" customer.** One angry customer tells 5 people who tell 11! An angry customer remembers the problem for 11 years!
- **You must change your attitude first to develop the "art" of closing the deal.** There are only about 10 ways to close a sale: you should learn five and use the two that work best for you.

Tueffert, a frequent speaker at the NADA Convention and author of “*201 Sales Motivators*” and “*Five Stones For Slaying Giants*,” received a standing ovation from the dealership personnel attending this popular WANADA seminar. If you would be interested in having WANADA repeat this seminar for your sales staff, contact Darena Petrolle, 202-237-7200, ext. 38.

Dealer Alert:**Beware of Rt. 66 HOV Enforcement**

Although it's been in effect for over a year, Virginia State Police have recently gotten serious about enforcing HOV 2 restrictions on Rt. 66 inside the Beltway. For those unfamiliar with this stretch of road, this is an “HOV Highway” during rush hour, meaning all vehicles in the inbound lanes during the morning and outbound lanes in the afternoon must carry at least two occupants or face a \$105 ticket — as one WANADA staff member found out the hard way when he was recently pulled over with 20 or 30 other motorists. Dealers should alert their staff and customers about the stepped-up enforcement policy.

Thought for the Week...

*Is fuel efficiency really what we need most desperately?
I say that what we really need is a car that can be shot when it breaks down.*

—Russell Baker, author

Enclosure

- WANADA Key Person Contact Form