



# THE WANADA BULLETIN

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

WANADA Bulletin # 32-05

August 10, 2005

## GRASSROOTS SUCCESS!

### Fairfax Dealers Head Off Burdensome Zoning Change

In a prime example of the value of grassroots political action, Fairfax City, VA dealers – with just 48 hours notice – mounted an intense lobbying effort recently that successfully headed off a proposed “zoning text amendment” regarding vehicle sales and rental uses that would have been highly burdensome to dealers.

Springing from the fact that one automobile dealer also displayed motorcycles in the showroom, the Fairfax City Council proposed an amendment that would segregate all facets of sales licenses into separate categories – cars, motorcycles, boats, etc. – and require dealers to have special use permits (SUPs) for each.

The Fairfax City Auto Dealers Association got wind of this change just 48 hours before the council was due to vote on it. The association’s facilitator, Sharon Cavileer, along with Charlie Stringfellow, Brown’s Automotive Group, who serves

as president of the Fairfax City Auto Dealers, and Larry Pateros, Fair Oaks Dodge, immediately began alerting fellow dealers about the issue, urging them to contact the council in opposition to the proposed zoning change.

As a member of the WANADA Board of Directors, Stringfellow also informed WANADA, which stood ready to offer its assistance if necessary. As it turned out, Fairfax dealers were able to get the

job done on their own.

“We all started calling members of the city council to let them know we were very unhappy with this change, and asked them to defer their decision until we had a chance to meet with the council and talk about it,” said Stringfellow.

Council members told dealers that council staff had gone too far on this amendment, and that it was not the council’s intention to harm dealers. As a

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#### Last Chance to Sign Up For

### Tag and Title Seminar For the Region

*Thursday, August 18, 2005*

*Bethesda Marriott,*

*5151 Pooks Hill Road, Bethesda, MD*

**Dealership controllers and tag and title coordinators, don’t miss this opportunity to get fully updated on *all* the new rules, procedures and personnel changes at the Washington area’s three motor vehicle agencies. The WANADA Tag & Title Seminar is a golden opportunity to learn about all the latest changes for the entire Washington region with all three participating agencies in DC, MD and VA.**

**The program 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 organization. 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).**

**SIGN UP TODAY!**

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**LEGISLATIVE UPDATE:**

## Highway Bill Removes Vicarious Liability for Auto Leasing Companies, Calls for New Safety Measures

The \$286.4 billion Highway bill, which recently passed by overwhelming majorities in Congress, includes an amendment that protects automobile leasing companies and dealers from the vicarious liability lawsuits that have crept into a handful of states but threaten automobile dealers everywhere. President Bush says he will sign the bill into law this week.

The amendment, supported by AIADA and NADA, would eliminate liability under state law for an owner of a motor vehicle or their affiliate who is engaged in the business of renting and leasing motor vehicles provided there is no negligence or criminal wrongdoing on the part of the motor vehicle owner or affiliate. The owner or affiliate, however, must maintain the required state limits of financial responsibility for each vehicle where the vehicle is registered.

The auto leasing industry praised the amendment as a huge victory that will benefit both consumers and businesses in terms of lower costs and increased transportation options.

Also included under the new bill is an assortment of incentives and new requirements aimed at reducing crashes along the nation's highways, including:

- \$29 million a year to implement high visibility enforcement efforts to curb drunken driving and grants to states that pass a primary seat belt law.

- Overhauling the test for vehicle roof strength.
- Producing a timetable for implementing new side impact tests aimed at mitigating risks posed by SUVs and trucks when they collide with cars.
- Requiring that 15-passenger vans submit to government

crash tests and bar schools from using 15-passenger vans to transport kids unless they are redesigned to meet the same safety requirements as school buses.

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### STAR Publishes Technology Update for Dealers

Standards for Technology in Automotive Retail (STAR), a global Information Technology (IT) standards body for the retail automotive industry, has released a new version of its Dealership Infrastructure Guidelines (DIG). The publication describes the types of IT equipment and services needed for franchised auto dealers to conduct day-to-day business with auto manufacturers and others.

The latest release of the DIG (version 2005 v2.0) includes new guidelines for dealers who use portable, wireless computers in their showrooms or service areas. The document emphasizes the need to implement adequate security measures to protect the dealer's business information and computer equipment. The DIG provides executive summaries for dealers and IT details for the dealers' technology vendors," said Eric Purdum STAR Standards Chair. STAR's initiatives provide the opportunity to im-

prove the daily business activities of dealers, retail systems providers, and manufacturers, which leads to higher customer satisfaction, timely, access to business information, and reduced operating costs. For more information go to STAR's website <http://www.starstandard.org/>

### Fairfax Dealers

*(Continued from page 1)*

result of this dialogue between dealers and the council, the amendment was revised to two categories – one for car dealers and all related dealership sales and a second category for motorcycles only.

"What started out as an issue between one dealer and the city council expanded to an issue between the dealers in general and the city council, and then, with the revised language, it was reduced back to an issue between one dealer and city council," Stringfellow explained. "But that does not mean it will not raise its ugly head again."

## REGULATORY UPDATE

## FTC Increases Annual DNC Registration Fee While Preserving 5 Area Code Exemption

NADA reports that the Federal Trade Commission (FTC) has issued a final rule that: 1) increases the National Do Not Call (DNC) Registration Fee from \$40 per area code to \$56 per area code, and 2) continues to exempt the first five registered area codes from the fee requirement. **The fee increase takes effect September 1, 2005.** Accordingly, dealerships that register six or more area codes must pay the revised fee when they renew their current subscription accounts.

In its proposed rule, the FTC inquired into “whether entities accessing the Registry should continue to obtain the first five area codes of data for free.” Several commenters urged the FTC to delete this exemption, noting that “the entire cost of the Registry is borne by a small percentage of all entities who access the system” and that “the cost of paying for access to the first five area codes would hardly be a significant burden on even the smallest of businesses.”

NADA submitted comments urging the FTC to retain the five area code exemption. The FTC cited several of NADA’s arguments in support of the exemption, including the fact that “removing the five area code exemption would disproportionately impact [small] businesses as they would pay the same per area code fee as large telemarketers that place a much heavier volume of calls to phone num-

bers within these area codes....” (70 Fed. Reg. 43,276, Jul. 27, 2005). The FTC ultimately agreed with NADA’s arguments and determined that “the most appropriate and effective method to minimize the impact of the

Rule on small businesses is to provide access to a certain number of area codes at no charge.” NADA will continue to monitor and respond to attempts to remove the five area code exemption.

The full text of the final rule is available at: <http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/pdf/05-14905.pdf>

## LABOR ALERT

## Unions Quit AFL-CIO To Concentrate On Organizing

The recent withdrawal of the Teamsters, Service Employees International Union and United Food and Commercial Workers from the AFL-CIO “will undoubtedly result in an increase in union organizing activity,” warns Shawe & Rosenthal, LLP, labor law attorneys who have assisted WANADA member dealers in the past.

The three unions withdrew from the AFL-CIO because of disagreements over priorities. Despite record low membership, the AFL-CIO has spent much of its time and money supporting political campaigns. The Teamsters, SEIU and UFCW, three of the most aggressive unions in the AFL-CIO, believe their time and money would be better spent on organizing. Another union, UNITE HERE, boycotted the AFL-CIO’s convention over the same issues but has not withdrawn.

The Teamsters, SEIU and UFCW will now be free to reallocate the millions of dollars they pay to the AFL-CIO to increased organizing, according to Shawe & Rosenthal, LLP. The AFL-CIO is likely to follow suit to a lesser extent, to retain member unions that share the withdrawn unions’ concerns. The SEIU is most likely to target employees in health care (nursing homes, hospitals, etc.), building services and state and local government, including employers that operate under government contracts or grants. The Teamsters (described as an “A to Z” union by its president, Jim Hoffa, Jr.) are most likely to go after transportation and distribution center employees, warehouse workers, etc. The UFCW also represents a broad range of occupations, but concentrates on food processing, chain stores and health care.

Companies are likely to see a significant increase in “corporate campaigns,” consumer boycotts and political pressure put on government offices that award contracts to non-union companies. These tactics are designed to pressure employers into remaining neutral and/or accepting union card checks. Traditional organizing, i.e., filing petitions for elections with the NLRB, predictably will also increase. The NLRB’s election timetable provides a 42-day period from the time a petition is filed until an election so it is important that employers be aware of their workers’ concerns.

For more information or assistance with labor issues, contact Shawe Rosenthal, LLP, (410) 752-1040; fax (410) 752-8861; [Shaw&Rosenthal@Shaw.com](mailto:Shaw&Rosenthal@Shaw.com).

## FOOTNOTES

### ***BMW's Tom Purves, Gen. Colin Powell to Keynote NADA Convention Also Featured Will be Inspirational Speaker Frank Abagnale***



**Tom Purves**

Tom Purves, chairman and CEO of BMW U.S. Holding Corporation, will be the keynote speaker at NADA's 89th Annual Convention and Exposition, in Orlando, February 11-14, 2006. Joining Purves in the convention speaker lineup is Colin Powell, former secretary of state, and Frank Abagnale, whose life was depicted by Leonardo DiCaprio in the Steven Spielberg movie *Catch Me If You Can*.

Purves will present his views on the state and future of his company, as well as its relations with dealers, at the convention's Opening General Session, on Saturday, February 11. "Tom is a true industry leader who has helped propel BMW to a stronger position in the U.S. marketplace, and we're very pleased that he'll lend his insights at our most important event of the year," said NADA Chairman Jack Kain, who will kick off the opening session.

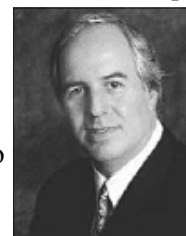


**Colin Powell**

Gen. Powell, who will address the convention on Monday, February 13, 2006, has had positions of leadership for most of his life—on the battlefield, as chairman of the Joint Chiefs of Staff and as secretary of state. Drawing on his experience on the world stage, he will illustrate what it takes to be a leader and provide strategies for taking charge during times of great change and crises.

Abagnale, who will speak at the inspirational session on Sunday, February 12, will tell how his life as a world famous con man is a story with a moral and lessons that apply in many ways to life and business.

Online advance registration for the 2006 NADA Convention and Exposition is now open through December 19, 2005, at [www.nada.org/convention](http://www.nada.org/convention).



**Frank Abagnale**



### **Soap Box Derby Update: Washington Winner Takes 2nd at Nationals**

Congratulations to Robbie Ruess, 15, of Waldorf, MD, who was the Masters Division champ at this June's Greater Washington Soap Box Derby. For that win, Robbie got to compete at the All-American Soap Box Derby in Akron, Ohio last Saturday, where he took second place in the finals. This is a proud moment for the Washington Soap Box Derby!

### **Staying Ahead...**

#### ***Throw Caution to the Wind?***

*Throwing caution to the wind is very often the last thing someone says before proceeding to lose all their money and/or clothes.*

—Dr. Larry, from his book  
*563 Stupid Things People Do to Mess Up Their Lives*

### **Enclosure**

WANADA Tag & Title information and registration sheet