



THE WANADA BULLETIN

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

WANADA Bulletin # 34-06

August 23, 2006

LEGISLATIVE UPDATE

Association Health Plan Bill Remains in Limbo, But Backers Look for Action This Year

House Republican leaders revived the issue of small business health reform in late July when they carefully considered attaching the Association Health Plan bill (H.R. 525) as a “sweetener” to legislation that would increase the federal minimum wage. But it was decided that pairing AHP legislation with the minimum wage increase was unlikely to achieve the 60-vote threshold needed to pass the Senate. Instead, the minimum wage increase was combined with estate tax reform and a series of tax credits (H.R. 5970) that went down in flames in the Senate just before the August recess.

So where does that leave AHP legislation when Congress reconvenes on September 5? H.R. 525 was approved by the House in July, 2005, with strong bipartisan support, but

has not been acted upon further because a minority of senators blocked further consideration of the Health Insurance Marketplace Modernization and Affordability Act (S. 1955), Small Business Health Plan (SBHP) legislation similar to H.R. 525, on a procedural vote in the Senate in May.

“The failure of the Senate to approve H.R. 5970 is highly significant, as it increases the

opportunity for further consideration of packaging some version of AHP/SBHP legislation with other bills that may be taken up by Congress in the fall,” according to The Association Healthcare Coalition (TAHC), of which WANADA is a member with other groups.

TAHC notes that Senators Mike Enzi (R-Wyo.) and Ben Nelson (D-Nebr.), chief co-

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KINDRED KORNER

Southern Distributors, DC’s Oldest And Largest Parts Supplier

Founded over 75 years ago by Washington automotive icon L.P. Stuart, Southern Distributors, Inc., is Washington’s oldest and largest automotive parts distribution company. “We buy direct from parts manufacturers and sell to jobbers who sell and deliver parts to dealers,” explains A. Wallace Moore, Jr., Southern’s current owner and president.



A. Wallace Moore, Jr.

“Our lifeblood is having the parts in our warehouses in DC and Gaithersburg,” he adds. “The main thing for us is having the inventory, and we have several million dollars invested in inventory. When a jobber gets a call from a dealer who needs, for example, an exhaust system for a 15-year-old car, they call us, because they don’t have enough demand to stock that item. We typically will have it in stock, and they pick it up and go straight to dealer.”

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LEGISLATIVE UPDATE**AHP Legislation**

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sponsors of S. 1955, and Senators Olympia Snowe (R-Maine) and Jim Talent (R-Mo.), chief cosponsors of the original AHP bill (S. 406) in the Senate, continue to talk with other senators about potential changes to S.1955 that would enable the bill to garner 60 votes. In addition, Senate Majority Leader Bill Frist (R-Tenn.) says he is committed to bringing SBHP legislation to the Senate floor again "given the fact that public opinion polls indicate the issue of rising health care costs is a major concern of voters."

TAHC reports that, "many Senate Democrats continue to believe that any compromise health reform legislation must include components of their preferred bill, S. 2510, which would establish a large health insurance plan for small employers run by the federal government."

In order for S. 1955 to be brought up in the Senate again this year, or for any version of S. 1955 or H.R. 525 to be packaged with other major legislative initiatives before the November elections, more pressure must be brought to bear on at least four senators who voted against the Enzi/Nelson bill in May. TAHC will be working to contact 11 key Democratic senators most likely to change their vote. In this region, Senators Mikulski and Sarbanes are not on TAHC's list.

Hybrid Owners Form Own Lobby

Hybrid vehicle owners now have their own organization, "Hybrid Owners of America," to represent their unique interests in Washington, DC. The group, which is independent of the auto industry, will lobby for the half-million Americans who already own hybrid gas-electric cars and other vehicles, reports The Detroit News.

"HOA will track and defend existing hybrid purchase incentives as well as advocating for new incentive arrangements," said Hybrid Owners of America spokeswoman Ailis Aaron Wolf. The organization was founded by the Newton, Massachusetts-based Civil Society Institute, a group that advocates

for higher fuel economy standards.

Asbestos Update

OSHA has issued a bulletin aimed at dealerships and other shops that may not realize asbestos is still found in some OEM and aftermarket automotive friction products. The bulletin summarizes a list of alternative dust control options set out in OSHA's rules. One or more of these alternatives should be implemented when brake shoes or clutches containing asbestos are worked on.

To read the bulletin, go to www.osha.gov/dts/shib/shib072606.html.

KINDRED CORNER**Southern Distributors, Inc.**

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Unlike appliance parts, which are ordered and delivered over days or weeks, Moore says the auto repair industry is "unique" in the speed of delivery. "When a car needs a part, the whole household is in an uproar. They have to have it that day because they want to pick the car up by 6 o'clock or the world comes to an end," he says.

Moore admits that the business has gotten more complex since he joined the company in 1954, after being president of L.P. Stuart Northeast dealership. "It used to be fairly simple with mostly GM and some Ford and Chrysler parts. Today, you have all the domestic and import brands and literally hundreds of models. It's a very tough challenge because every call that comes in to you is entirely different." It keeps his staff of 30 hopping every day, he notes.

In addition to being in WANADA's health care plan "from the beginning," Moore says one of the big benefits of WANADA Kindred-Line membership is "staying in touch with my many dealer friends who help me keep us up to date on all the marketplace changes. I've got a lot of long time customers, which is the essence of all local businesses."

Wallace Moore can be contacted at Southern Distributors, Inc., 6335 Chillum Place, NW, Washington, DC 20011; tel: (202) 829-6319.

NADA NOTES

Important Reminder about FTC Used Car Rule

NADA reminds dealers that when they review their compliance with the FTC Used Car Rule, it is important that they do not overlook the cross-reference to the Used Car Buyers Guide window form that must appear in the sales contract.

In addition to the full range of requirements that apply to the window form that dealers must affix to used vehicles, dealers also must include the following language conspicuously in each consumer sales contract:

The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale.

When dealers conduct a used vehicle sale in Spanish, the window form and the cross-reference to it in the sales contract must be in Spanish. The FTC provides the following Spanish translation of the required contract disclosure:

La informacion que aparece en la ventanilla de este vehiculo forma parte de este contrato. La informacion contenida en el formulario de la ventanilla anula cualquier prevision que establezca lo contrario y que aparezca en el contrato de venta.

The FTC Used Car Rule only requires this part of the sales contract to be in Spanish. Dealers must ensure the contract language they use also complies with applicable state law requirements.

Additional information on this rule is available from the FTC Staff Compliance Guidelines at www.ftc.gov/bcp/guides/usedcar-comply.pdf and NADA's *A Dealer Guide to the FTC Used Car Rule*.

NADA Dealer Lifeline Offers Free Financial Advice

Today's market conditions are tough on many dealers, but NADA has introduced a free, confidential telephone-based financial consulting service for dealers, general managers and managers designed to enhance the operations and financial stability of dealership businesses. Call the **Lifeline consulting hotline, 1-888-672-5140** (9:00 a.m.-8:00 p.m. Eastern time, Monday-Friday) to speak with one of NADA's industry-leading 20 Group consultants or Dealer Academy instructors, all of whom have real-world experience in dealership operations.

During a call, the dealer and the consultant may discuss the store's financial status, and the consultant will advise the dealer on fixing trouble spots. If further analysis is required, the dealer can send the consultant the store's financial statement, and the consultant can then provide an in-depth, customized action plan in a follow-up phone call. This service will only be available for a limited time, so dealers should act quickly. For more information on the consulting hotline and NADA's 20 Group programs, visit www.nada.org/lifeline.

NADA Enhances Seminar Website: At www.nada.org/seminars, dealers and other prospective NADA seminar participants can now see detailed seminar listings, download flyers, and register more than one employee at a time online, and registrants can download needed course materials. NADA's slate of fall seminars begins September 6 with "Tune Up Your Service Department" in Minneapolis. For more information or to register, call (800) 252-6232, Ext 2.

STAR Adds New Dealer Benefits: Standards for Technology in Automotive Retail has just published a new version of the Dealership Infrastructure Guidelines. It's free and a great resource for dealers. One dealer who used STAR standards to install several networked PCs said, "STAR allows for simple, effective and inexpensive systems." To get a copy of the DIG, go to <http://starstandard.org/sigs/infrastructure/>

SIGN UP TODAY!**Attention General Managers, Controllers and Service Managers****SAFETY & ENVIRONMENTAL COMPLIANCE SEMINAR*****Greenbelt Marriott, September 13, 2006***

WANADA invites general managers, controllers and fixed operations managers to a seminar on safety and environmental compliance issues at the Greenbelt Marriott, Wednesday, September 13, 2006, 9:00 a.m. – 12:00 Noon (with continental breakfast).

The seminar will be conducted by Kip Prahll & Associates and the Maryland Injured Workers Insurance Fund (IWIF), who will address the following issues:

- Controlling workers compensation costs
- Claims reduction management
- Hazardous & chemical waste minimization
- Best management practices to improve loss control
- Federal & state regulatory compliance

The fee for the seminar is \$99 per person. To register, see the RSVP enclosed with this WANADA Bulletin. For more information contact Ruby Gerald at WANADA, (202) 237-7200.

Dealer Alert: Bad Check Scam

A Northern Virginia dealership is warning other area dealers to be aware of a “confidence man” who is purchasing new cars with bad checks. Apparently using his own name, John Curran, Jr., and identification, this well dressed, middle-aged man is “real good at his game,” reports the dealer. “He’s got a good MO about how he’s about to close this deal or that, and wrap-up this or that real-estate sale, but there’s not any truth to it.” The check he passes is drawn on a money market brokerage account that has been closed, and the address on the check is bogus. Then he’s long gone. Within a couple of weeks, another Northern Virginia dealer is victimized for two vehicles.

This individual, described as a white male, late 40s, about 6-ft., and stout – has been apprehended by authorities and all the vehicles have been recovered. However, his court case is still pending and dealers should be aware he is still at large.

WANADA E-Bulletin Offers Tax Highlights From the New Pension Law

On August 17, President Bush signed into law a major pension reform package. The essence of the massive *Pension Protection Act of 2006* (H.R. 4) is to encourage large employers to do a better job of adequately funding traditional defined benefit pension plan arrangements. However, the law also includes a wide variety of other federal income tax changes that affect many individuals, businesses, and charities.

A special business feature, “How the New Pension Protection Act Affects You,” was included with the last WANADA e-Bulletin 33-06, August 18, 2006. It offers eight highlights from the 900-page piece of legislation that includes changes in the tax rules for charitable contributions, college savings plans, and more.

If you are not currently a subscriber to the WANADA e-Bulletin, go to wanada.org, click on “News & Events” on the left, then “Award-Winning Newsletter.”

Staying Ahead...

Here's something to think about: How come you never see a headline like 'psychic wins lottery'?

-- Jay Leno

Enclosure

WANADA Environmental Seminar information sheet and RSVP, Sept. 13, 2006, Greenbelt Marriot