

Headlines...

MADA and WANADA brief Md. dealers on state laws and upcoming elections
VA Motor Vehicle Board to caution dealers on payments to internet sales service "ZAG.com"
Tamara Darvish of DARCARS to join *Automotive News*' 100 Leading Women in the industry
Massive toll road system may be in the works for metro Washington
Automotive X prize winner goes to U.S. builder
Recommended child safety booster seats
Reminder – ASE testing deadline is September 30
Staying ahead...

MADA and WANADA brief Md. dealers on state laws and upcoming elections

Maryland dealers received an extensive briefing on matters crucial to their business success this week as MADA and WANADA staged a joint briefing at the Greenbelt Marriott on Thursday, Sept. 16, 2010. The first segment of the morning long event consisted of a presentation by the Motor Vehicle Administration (MVA) on the new *temporary tag* requirements that go into effect the 1st of October.



MADA CEO Peter Kitzmiller (L), Mike Johansen of RLLS (C) and Gerard Murphy, WANADA CEO brief dealers on upcoming regulatory and legislative changes in Maryland at the Greenbelt Marriott

The changed procedures come as a welcome relief to dealers who will now be able to print the tags on an "as needed" basis and have considerable flexibility in making changes to them when required, as the entire temporary tag procedures and database will now reside online and at the MVA. MVA representatives Brenda Scheydt and Rhonda Witt, who detailed the new procedures

at the briefing, noted dealers can return existing inventories of “cardboard” tags for refunds, by September 30, 2010 when they must also make the switch to the new “paper” tags.

“This switch over is a win for everyone,” MVA’s Brenda Scheydt said. “Not only does the new system allow you to print only what you need, but it also reduces record keeping requirements to just three years, gives the state immediate tag and vehicle information and should reduce *curb stoning*,” she said. “It will also automatically flag any circumstance that would prevent issuance of a registration,” she said.

And because the new MVA system eliminates uncertainty from the registration and tag issuance procedures, “there may be a reduction in property and casualty insurance premiums as well,” said John O’Donnell, head of WANADA’s employee benefits and insurance programs.

To use the new temporary tag processes, dealers must register with either Computerized Vehicle Registration (CVR) www.cvrweb.com or triVIN www.trivin.com. Dealers can also register at the MADA sites www.mdtemptags.com or www.marylandtemptags.com beginning later this month.

Excise tax credits for electric vehicles

Dealers were reminded by MVA that excise tax credits of up to \$2,000 on the purchase of a plug-in electric vehicle will be available effective October 1, 2010. At present, that likely will apply only to the all-electric Nissan Leaf and extended range Chevrolet Volt, both of which will go on sale later this year. The credit is limited to one per individual and ten for a business entity and can also be applied to a used plug in electric that was initially titled in Maryland.

Along with the excise tax credit, plug-in electric vehicle buyers will also be provided a free HOV permit, which MADA will issue to qualified dealers and which the MVA is asking be affixed to the rear of the vehicle in a visible position within 12 inches of the registration plate.

Vehicle prior use disclosure

In response to some recent class action suit activity related to vehicle prior use disclosure requirements under Maryland law, dealers were urged by MADA CEO Peter Kitzmiller and WANADA CEO Gerard Murphy to carefully review the procedures they have in place to ensure that this mandated disclosure occurs as it required. Vehicle prior use disclosure has been a Maryland law for more than 20 years and provides that any “known prior commercial use” must be disclosed in a “clear and conspicuous” manner to the buyer. That doesn’t mean it must always appear on the “buyer’s order,” but it does mean that “it must be delivered in a printed format and done in the same way every time.” said Kitzmiller. He said prior commercial use refers to vehicles used as taxis, police cars, and short term rentals, and suggests it might be a good idea to also inform buyers if the vehicle was used as a loaner vehicle.

“Balance” advertising

Noting that there is likely to be more enforcement activity related to this prohibited type of advertising, dealers were cautioned that they may not make the “balance amount” of a vehicle’s price the largest number in an ad, no matter whether it appears in print or electronically. This is expressly prohibited by Maryland consumer protection law and all were urged to review their ads to ensure compliance.

Midterm elections

Mike Johansen of Rifkin, Livingston, Levitan & Silver, who represents WANADA and MADA on legislative and regulatory matters, gave attendees a rundown on last week's primary election races noting that while the Democrats continue to prevail in the region, there will be some turnover in the Maryland General Assembly. He said the state will need to find additional revenues to offset large budget deficits commencing next year. Among the proposals rumored to be under consideration is a tax on services, which would significantly impact dealership fixed operations. "This is why it is important for dealers to remain politically involved," Johansen said, emphasizing the imperative of successful political action efforts by dealers

VA Motor Vehicle Dealer Board cautions dealers on payments to internet auto sales service "ZAG.com"

The Virginia Motor Vehicle Dealer Board, meeting this week, has determined that dealers paying fees for successful leads they receive from the internet vehicle referral service "ZAG.com," may be in violation of the state's prohibition against "bird dog" fees.

ZAG.com pays dealers on a per transaction basis when the dealer sells a vehicle to a buyer referred by ZAG.com. In return, dealers pay ZAG.com a fee ranging from \$295. to \$395, which the executive director of the MVDB believes is illegal under Virginia's ban against "bird dog" fees. The MVDB cannot take enforcement action against ZAG.com since it is not a licensed entity in the commonwealth, but the Board can take action against dealers who do business with ZAG.com and pay to ZAG.com when bird dog payments are made.

The MVDB will be issuing an advisory Virginia dealers reminding them that it is illegal in Va., to pay unlicensed individuals or companies based on sales of vehicles and can subject the dealer to enforcement actions.

Tamara Darvish of DARCARS to join *Automotive News*' 100 Leading Women in the industry

In this week's edition of *Automotive News*, a special section recognizes the "100 Leading Women in the North American Auto Industry." Tamara Darvish, of DARCARS, was among those named. Three of the women, including Darvish, are dealers who currently serve on NADA's Board of Directors, but only 11 of the 100 are dealer executives.

The list includes Rita Case of Rick Case Automotive Group; Mindy Holman of Holman Automotive Group; Maureen LaFontaine of LaFontaine Automotive Group; Annette Sykora of Smith South Plains Enterprises; Marcy Maguire of Maguire Automotive Group; Terri Mulcahey of the Penske Automotive Group; Lisa Warner Pickrum of RLJ-McLarty-Landers Automotive; Rachel Richards of Sonic Automotive Inc.; Susan Scarola of DCH Automotive Group; and Lisa Schomp of Ralph Schomp Automotive

WANADA extends its congratulations to Tammy on the professional recognition.

Massive toll road system may be in the works for metro Washington

Hoping to curb mounting traffic congestion in the area, regional transportation officials are developing a plan to build a network of toll roads spreading across almost every major traffic corridor.

The National Capital Region Transportation Planning Board, an organization of dozens of local, state and federal transportation officials and elected leaders, met on Wednesday as a first step in developing the plan that will guide major changes and additions to the area's road network for the next 20 years.

"Congestion is a major threat to the economic vitality of the region and the quality of life its residents enjoy," says a report outlining the toll road plan developed by the planning board and the Metropolitan Washington Council of Governments.

The plan would create a 1,650-mile network of "variably priced" lanes on the Capital Beltway, Interstates 295, 395 and 66, the George Washington Parkway and other thoroughfares. Drivers using interstates and highways anywhere around Washington would pay tolls depending on the location and time of day.

The new tolls would mimic the collection system being installed on the Intercounty Connector toll road in Maryland's Montgomery and Prince Georges counties, linking I-270 and I-95, and the high-occupancy toll lanes Virginia is putting in place on its portion of the Capital Beltway. The plan also includes a 500-mile rapid transit bus system, which would share the new toll roads.

Automotive X prize winner goes to U.S. builder

It's not pretty, but the ultralight Edison2 Very Light Car is one of the winners of the *Automotive X Prize*, awarded by Progressive Insurance.

The *Very Light Car* was among three innovative automobiles that shared the \$10 million purse the X Prize promised to whoever built a production-ready vehicle capable of getting 100 mpg, or its equivalent.



Progressive Automotive X Prize officials announced the winners in Washington, D.C. earlier this week, Sept. 15, 2010; some 30 months after the competition began.

The Edison2 managed to get 102.5 mpg in official testing and did it with a good old-fashioned internal combustion engine! The car weighs just 830 pounds, and it reportedly is the most aerodynamic vehicle ever tested in General Motors' wind tunnel.

Edison2 won the mainstream class — those vehicles with four wheels and four seats — and \$5 million. The remaining \$5 million was split among Li-Ion Motors and Peraves X-Tracer, Team Switzerland, both of which built electric vehicles.

Recommended child safety booster seats

As a service to their customers, WANADA dealer members may wish to pass the following information on to their customers. The Insurance Institute for Highway Safety (IIHS) has selected its 21 *Best Bets* and seven *Good Bets* booster seats.

To be named a Best Bet or Good Bet, a booster seat must properly position a three-point seat belt over a 6-year-old testing dummy. IIHS engineers measured seat-belt fit in a variety of vehicles and used high-back and backless booster seats as well as combination child-safety seats, which can be used as a booster seat. However, these ratings do not take into account any type of crash tests.

Children ages 4-8 who ride in booster seats are 45 percent less likely to be injured in a car crash than children using only seat belts, according to IIHS.

IIHS notes parents don't have to spend a lot of money to get a booster seat that is a Best Bet. The Evenflo Big Kid Amp costs about \$25 (depending on the retailer), and the Graco TurboBooster Crawford is about \$44. If money is no object, the Britax Frontier 85 and the Recaro ProSport — both combination car seats — cost around \$280.

The Best Bets and Good Bets booster seats for child passengers in cars are listed below:

Best Bets

- Britax Frontier 85 (combination highback)
- Chicco Keyfit Strada (dual highback)
- Clek Oobr (dual highback)
- Cosco Juvenile Pronto (dual highback)
- Cybex Solution X-Fix (highback)
- Eddie Bauer Auto Booster (dual highback)
- Evenflo Big Kid Amp (backless)
- Evenflo Maestro (combination highback)
- Graco TurboBooster Crawford (dual highback)
- Harmony Baby Armor (dual highback)
- Harmony Dreamtime (dual backless)
- Harmony Dreamtime (dual highback)

- Harmony Secure Comfort Deluxe (backless)
- Harmony Youth Booster Seat (backless)
- Maxi-Cosi Rodi XR (dual highback)
- Recaro ProBOOSTER (highback)
- Recaro ProSPORT (combination highback)
- Recaro Vivo (highback)
- Recaro Young Sport (combination highback)
- Safety 1st Boost Air Protect (dual highback)
- The First Years Pathway B570 (highback)

Good Bets

- Britax Parkway SG (dual highback)
- Combi Kobuk Air Thru (dual backless)
- Combi Kobuk Air Thru (dual highback)
- Evenflo Symphony 65 (3-in-1 highback)
- Graco TurboBooster Sachi (dual highback)
- Graco TurboBooster Wander (dual highback)
- Maxi-Cosi Rodi (dual highback)

Reminder – ASE testing deadline is September 30

Dealership service managers and technicians are reminded that the registration deadline for the fall ASE tests is September 30 and the tests themselves will be administered on November 9, 16 and 18.

Registration is at: www.ase.com and technicians who wish to take practice tests can go to: www.ase.com/testprep.

Staying ahead...

Progress isn't made by early risers. It's made by lazy men trying to find easier ways to do something.

--Robert Heinlein,
U.S. science fiction author (1907 - 1988)