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WANADA Annual Luncheon Program "Looking Down the Road"

With Rep. Van Hollen and James Dinegar, CEO of the Board of Trade

Nov. 19, Hyatt Regency Capitol Hill

WANADA members and friends were notified earlier this week of arrangements for this year's Annual Meeting and Luncheon featuring Congressman Chris Van Hollen (D-Md.), and Jim Dinegar, president of the Greater Washington Board of Trade, who together will be "looking down the road," on the global and regional business landscape.



**Official Sponsor
2009 WANADA Annual Meeting and Luncheon**

Besides representing many WANADA members who reside or have businesses in his Congressional District, Rep. Van Hollen is one of the power broker leaders of the majority party in the House of Representatives for his role as Assistant to the Speaker of the House. As chief executive officer of the Greater Washington Board of Trade, Mr. Dinegar

leads the foremost business organization in the region, which counts among its membership everything from Fortune 100 companies to scores of small businesses and not-for-profit organizations. In light of the extraordinary and unprecedented economic climate befalling the nation and metropolitan area this year, these leaders promise to deliver a comprehensive and insightful perspective on 2010 and beyond, which WANADA members will not want to miss!

Luncheon arrangements are set for Thursday, November 19, 2009, at the Hyatt Regency Washington on Capitol Hill, with a networking reception commencing at 11:30 am, followed by lunch at noon. The program will consist of a year in review by WANADA Chairman Tamara Darvish, election of the 2010 WANADA Board and the Van Hollen/Dinegar presentation, all of which should be concluded by 1:30 pm.

The 2009 WANADA Meeting and Luncheon is sponsored by Autotrader.com.

Click [here](#) for a Meeting Details and Registration Form and direct any questions to Kristina Henry in the WANADA office at 202-237-7200 or kh@wanada.org

Good News! House Finance Committee *Excludes* Dealers from Financial Agency Oversight

The House Financial Services Committee in Congress this week approved a key amendment, 47-21, to keep automobile dealers from falling under the oversight of a proposed *Consumer Financial Protection Agency*. The amendment, sponsored by Rep. John Campbell, (R-Calif.), had been pushed hard by NADA, AIADA and the grassroots efforts of state and metro dealer associations, who had concertedly argued that dealer financing activity was effectively regulated under the consumer protection rules of the Federal Reserve, the Federal Trade Commission and state consumer finance laws.

“NADA and dealers across the country applaud the overwhelming bipartisan support for the Campbell Amendment,” said David Westcott, chairman of NADA’s Government Affairs Committee and a multi-franchise dealer from North Carolina. “The overwhelming majority of committee members clearly understand that CFPA jurisdiction over dealers is unnecessary, and that increased uncertainty in the auto marketplace would limit consumer finance options and increase car buyers’ costs.”

The Consumer Financial Protection Agency measure, H.R. 3126, passed the full committee with the Campbell Amendment included and now moves to hearings before the House Energy and Commerce Committee, which also has jurisdiction over creation of the new agency. The Senate has yet to take up similar legislation.

NADA’s legislative office, as well as dealers across the country, will continue to be involved throughout the process. “We will continue to work on behalf of consumers and dealers to maintain dealer-assisted financing as an efficient and competitive credit-delivery system,” Westcott said.

Gates Foundation Cites WANADA/ADEI Technician Training Program for Helping Young Americans Gain Employment, Careers

A new report from the Workforce Strategy Center (WSC) funded by the Bill & Melinda Gates Foundation titled, “Employers, Low-Income Adults and Postsecondary Credentials,” highlights programs in 14

communities that are successfully addressing the challenge of providing younger and disadvantaged workers with the technical and postsecondary education that may qualify them for skilled positions.



In the Washington Area, the report cites the Washington Area New Automobile Dealers Association (WANADA) Automobile Dealer Education Institute (ADEI) Technician Training Program as a prime example of how to successfully structure such programs. ADEI offers students postsecondary training plus a 40-hour per week full-time entry-level job with an employer at a local auto dealership. Students are also required to take one hour per week of manufacturer-specific training online and to pass the tests tied to that subject matter.

“One major reason the efforts highlighted in this report have been successful is that they are ‘demand-driven’ in nature, with local employers working directly with community colleges, trade schools and other post-secondary institutions to help disadvantaged young people gain skills that are in demand by employers,” says Julian L. Alssid, executive director of WSC. “In July, the unemployment rate for young workers between the ages of 16 and 24 rose to more than 18 percent, the highest level since World War II. The rate was even higher for African-Americans and Hispanics, underscoring why these kinds of initiatives are so important now.”

WANADA and ADEI leadership are gratified by the unexpected recognition from the Gates Foundation. “This program was conceived as a collaborative effort between our dealers and Montgomery College, designed to provide an affordable pathway for promising, post high school students to enter the automotive repair field while at the same time providing dealers with a reliable source of technical talent in service department,” said Vince Sheehy, chairman of ADEI. “We are very pleased with the 200 or so students who have successfully completed their training over the years and are especially appreciative that better than 70% remain employed with our dealer members,” he said.



The 14 sites highlighted in this report were selected from more than 100 candidate sites that were submitted for consideration. Model sites had to meet the following criteria:

- Getting low-income youth and young adults postsecondary credentials that will allow them to enter and advance in career track employment
- Working with employers in industry sectors important to the region’s economy
- Maximizing employer roles and commitment
- Demonstrating portability, scalability, and replicability.

The Workforce Strategy Center is a national nonprofit organization that helps workers advance and businesses profit by making education and **workforce** development more responsive to the economy.

In the United States, the Bill and Melinda Gates Foundation seeks to ensure that all people—especially those with thin resources—have access to the opportunities they need to succeed in school and life. Based in Seattle, Washington, the foundation is led by CEO Jeff Raikes and Co-chair William H. Gates Sr., under the direction of Bill and Melinda Gates and Warren Buffett.

WANADA members looking to participate in the ADEI Technician Training Program should contact Bill Belew, program manager at (202) 237-7200 and can learn more about the particulars of the program at www.wanada.org/adei. Mr. Belew reports that there are a number of well qualified technician candidates in the queue, ready to go to work at WANADA dealerships.

Clunker Law Suit Filed

Consumer Wants Excess Salvage Value of Trade-In

A lawsuit has been filed in federal court in New York alleging that dealers illegally kept the salvage value of trade-in “clunker” vehicles in excess of the \$50 fee they were specifically authorized to charge customers for handling the transaction.

Under the federal Cash-for-Clunkers program last summer, the rules provided that the dealer could keep \$50 for “administrative fees” for handling the clunker being traded in for disabling, but were silent as to the application of any additional salvage value.

NHTSA regulators consistently took the position that this was an element of the negotiations between dealers and customers and it was reasonably concluded by dealers that they could keep any additional salvage value unless it was reserved for the customer in the deal.



Now comes a car buyer in upstate New York who has filed suit against a large multi-franchised dealer organization, who is seeking class action certification, alleging that dealerships there and across the country wrongfully retained additional salvage value contrary to the legal intent of the Cash-for-Clunkers program.

In view of the regulators’ position on salvage value, which was well vetted by dealers and their representatives at the outset of the Clunkers program, along with the fact that consumers trading vehicles for Clunker discounts had no contractual basis to expect additional trade-in compensation, this lawsuit should be a long shot for the plaintiffs. Hopefully, this proves to be the case.

Local Officials Look to Reduce Auto Impact in Area

Parking Rates to Rise/Spaces Cut



Owning a car in the Metropolitan Washington Area may become a less attractive option if local jurisdictions go through with plans to significantly reduce the number of parking spaces required with new condominium, office building and shopping center construction and begin charging parking fees based on what the market will bear.

According to a story in the Tuesday edition of The Washington Post, Arlington County may soon implement a plan to eliminate thousands of parking spaces in office building and shopping districts across the county as part of an effort to encourage people to use public transportation and reduce greenhouse gases and congestion on local roadways. It would also put in place a remotely monitored meter system that would modify parking prices depending upon demand.

The plan is similar to one enacted by the District of Columbia and under consideration by Montgomery and Fairfax counties, the Post reports.

Rick Siebert, property management chief for Montgomery County's parking division is quoted as saying the moves by the local governments are a "sea change" in how they intend to deal with traffic in the area. "We want to support economic development, but the old system ended up with the roads too crowded and questions about quality of life," he is quoted as saying. The Montgomery County Council has already hired a consultant to overhaul its parking code and the Post story suggests the county's present requirement of two parking spaces for every condo, three for every 1,000 square feet of office space could soon be history.

In Tysons Corner, where planners are mapping out a pedestrian friendly mini-city, it is expected that there will no longer be minimum parking standards for new construction. The current standard is 2.6 spaces per 1,000 square feet of office space and 2.7 spaces per townhouse. Planners will also require that businesses share the parking spaces that already exist in the area, noting that there is no reason why office space parking cannot be utilized in the evening by mall shoppers and movie goers. "For Fairfax, its cutting edge," said Daniel Rathbone, the transportation planning chief. That area will be served by four new metro stations as the system is expanded to Dulles Airport.

The Post story goes on to say the District of Columbia has already rewritten its zoning code to set parking space according to demand in a particular neighborhood and is experimenting with "market based parking prices" in Ward 6, including the streets near Nationals Park and Capitol Hill, where meter parking can go as high as \$35 for three hours on game days. The Post says Georgetown is considering a similar approach to alleviate parking congestion there.

The District had required developers to build four parking spaces for every 1,000 square feet of retail space. The new standard is one space.

"We are sending a signal to drivers that if you are going to drive, it's uniformly going to cost you," said Harriet Tregoning, the District's planning director. "We don't want everyone to think it's great to drive because parking is free and available."

Key to Offsetting Drop in Brand Loyalty is Innovative Advertising, Not Price Cuts

Lost in a recent report from CNW Marketing Research on the dramatic decline in brand loyalty by American car buyers is the answer the firm also provided to offset that ruinous trend: innovative advertising in both internet and traditional media and resistance to discounting as much as possible.

"Brand loyalty in the broad sense, is gone," CNW president Art Spinella says in his October report, but attention to overall product quality and understanding the dynamics of "peer pressure" can bring new customers into the fold and retain those who are already brand loyal. Spinella points to Hyundai and Kia as examples of companies who have embraced the value of "overall product quality" as a marketing strategy, and commends Ford for its innovative Fiesta campaign that uses the internet and traditional media in novel ways to "break down the barrier between the youth market and Detroit products."

Family history is no longer the driver of brand loyalty, CNW reports, because the traditional family as it is commonly known no longer exists. Buyers get their brand cues from the behavior of people in their peer groups, the firm says, noting that teachers, for example, are particularly fond of Toyota and Honda models. Automakers and dealers should focus their efforts on understanding these groups and developing ad strategies that resonate with them, CNW says. It notes Ford's Fiesta campaign has already successfully encouraged a demographic group that tends toward Asian vehicles to consider the Fiesta as a realistic alternative to Honda and Toyota.

CNW says price discounting should be left to companies like Wal-Mart because such behavior does nothing for brand loyalty. Discounting the \$31,000 average price of a new car or truck may make it easier to buy the vehicle, CNW says, but it does not guarantee the buyer will stick with the brand or convince anyone related to the buyer to also buy the product.

Jaguar-Nieman Marcus Promotion a Real Hit



Jaguar says it took all of four hours and four minutes for it to sell all 50 of its special edition 2010 XJL Supercharged Neiman Marcus cars that were offered by the Texas retailer's Christmas Book. The 2010 Jaguar XJL vehicles retailed at \$105,000.

Jaguar will place potential buyers beyond 50 on a waiting list in the event a reservation does not result in a final sale.

Now if the company could only succeed like this on a regular basis.

Through September year-to-date, Jaguar sales totaled 8,674 units, down 28% from the year earlier period and sales of Jaguar and Land Rover are down globally by 30%.

Jaguar calls the Neiman Marcus edition "an aggressive take on the highly anticipated all-new 2010 Jaguar XJ." It comes in an exclusive Celestial Black metallic paint exterior and a custom butter-soft navy and ivory leather interior with Zebrano matte wood accents.

It also has 20-inch, double-10 spoke polished alloy wheels, illuminated tread plates and trunk finisher as well as the nameplate on the custom interior Intaglio that reads: "Neiman Marcus 1 of 50."

The Neiman Marcus XJL Supercharged is powered by a new third-generation 5-liter V8 engine with an Eaton supercharger that delivers 470 horsepower and also features a six-speed ZF automatic transmission that adapts to its driver, with wheel-mounted shift paddles for sport, standard, and winter mode driving.

DC Students Tour DARCARS Chrysler Jeep Dodge of Marlow Heights

WANADA Pre-apprentice Technician Trainees See Real World of Auto Dealership



Bill Amos, Service Director at DARCARS Marlow Heights fills DC DOES students in on dealership jobs

Each year, as part of the pre-apprenticeship trainee program for DC residents interested in technical careers in the auto industry that WANADA conducts in cooperation with the District Office of Employment Services (DC DOES), it gives tours of local dealerships to the students. As has been the case over the past several years, DARCARS Chrysler Jeep Dodge of Marlow Heights once again graciously hosted the students and staff from the DC DOES office.

The three-hour tour is a comprehensive one, encompassing all the functions of the dealership, including service, retail and wholesale parts operations, body shop, detailing and new and used vehicle sales. This year's tour was led by Bill Amos, the enthusiastic and gregarious service director at the dealership. DARCARS Chrysler Jeep Dodge Marlow Heights employs a number of people who came out of the DC DOES pre-apprenticeship program and takes particular care to inform all the students that there are a variety of well paying careers available in the retail auto industry.

WANADA thanks Bill Amos and DARCARS for supporting the association's DC DOES program at Ballou High School.

An Historical Perspective...

Democracy in America will flourish so long as those elected by the People to govern don't reach the place where they bribe the People with their own money.

---Alexis de Tocqueville