

WANADA Bulletin #43-02

October 28, 2002

DEALER ALERT:

Arbitration Bill May Affect Agreements

Dealers Should Wait Until the President Signs NADA Bill Into Law

NADA is alerting dealers that one or more manufacturers are currently in the process of actively encouraging dealers to sign a document that contains mandatory binding arbitration.

VIRGINIA UPDATE:

Three NOVA DMV Offices to Close Due to Budget Cuts

Bearing the brunt of severe statewide budget reductions and layoffs, the Virginia Department of Motor Vehicles (DMV) has announced that it will permanently close 12 of its 73 customer service centers, including three in Northern Virginia: Fair Oaks, Fair Oaks Mall; Sterling, 100 Free Court; and Northern Virginia Dealer Center, 6308 Grovedale Drive, Alexandria.

The agency has notified more than 120 full-time employees and 25 wage employees that they will be laid off effective Nov. 15.

The DMV said offices were selected on the basis of several factors. The agency evaluated

(See VA DMV, page 2)

Under the provisions of the NADA-backed voluntary arbitration bill that was recently passed by Congress, the bill applies to **“Contracts entered into, amended, altered, modified, renewed, or extended after the date of the enactment of this Act.”**

The bill has been sent to the president for signature. Dealers are reminded that the bill **DOES NOT** apply to

those agreements entered into before the date of the enactment of the act (i.e. before the president signs it.)

If a dealer signs an agreement containing mandatory binding arbitration before enactment, he/she will have to wait until the contract is later “amended, altered, modified, renewed, or extended” to gain

(See Arbitration Act, page 2)

INSURANCE UPDATE:

Dealers Can Enjoy a “Premium Holiday” With WANADA Insurance Trust Products *One Month Free Life & Short-Term Disability Policies*

Thanks to a healthy surplus of funds in the successful WANADA Insurance Trust, WANADA’s leadership has approved a one-month-a-year “premium holiday” for participants in its life and short-term disability programs. The dental program is also under consideration for a premium holiday.

Unlike WANADA’s health coverage program, which has been converted from a trust to an agency format to contain costs and improve services to members, the life, short-term disability and dental programs are still held in a trust that operates these programs. Because the trust has been doing well for a prolonged period of time, it has accumulated a significant surplus.

“The committee decided

(See Premium Holiday, page 2)

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VA DMV *(continued from page 1)*

owned facilities and leased facilities where the lease would be easy to cancel and with minimal costs. The agency also considered proximity of offices to one another.

Operations of all four DMV mobile customer service centers also have been terminated, and all scheduled visits from the mobile units to Virginia's outlying localities, military bases and corporate centers have been canceled.

In addition to layoffs, office hours will be reduced. Currently, most DMV offices are open Monday through Friday from 8:30am to 5:30pm and on Saturday from 8:30am to 12:30pm. New hours will vary based on office size, transaction volume and service trends. All customer service centers will be closed on Wednesday, the least busiest day of the week.

Over two years, the total agency budget reduction will be approximately \$45.5 million, resulting in the elimination of more than 350 DMV full-time positions at all levels. The layoffs will occur in DMV customer service centers, weigh stations and Richmond headquarters. Including part-time and contractual employees, DMV layoffs will top 550.

The DMV says it will continue to serve customers in the best possible way. "However, service will be slower and will not be as convenient as it has in the past," the agency said.

Other DMV offices due to close include Bedford, 1629

Forest Road; Bristol, 21341 Old Dominion Road; Chesterfield, 610 Johnston Willis Drive; Gloucester, 6577 George Washington ; Norfolk/Military Circle, 5745 Poplar Hall Drive; Rocky Mount, 305 Tanyard Road; Warrenton, 94 Alexandria Pike; West Henrico, 9237 Quioccasin Road; and Woodstock, 714A North Main Street.

Premium Holiday *(continued from page 1)*

the most beneficial option is to return the money to members in the form of a premium holiday," explained John O'Donnell, WANADA vice president of Insurance Programs. "With every 12-month period of coverage, WANADA will randomly declare one month a premium holiday and notify everyone who participates in our life and short term disability programs.

"So you now will only have to pay for 11 months and get the 12th free," he added. And we will have this premium holiday until the cash surplus is exhausted."

O'Donnell pointed out that this type of reimbursement of excess funds to policy holders is only possible through an insurance trust, as opposed to "rebating" by a broker, which violates the law. "I believe this gives us a huge advantage in an increasingly competitive, high-cost and selective marketplace," said O'Donnell.

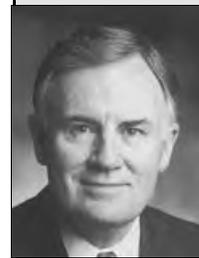
For more information, contact John O'Donnell at WANADA, (202) 237-7200, ext.30, e-mail: jod@wanada.org

Arbitration Act *(continued from page 1)*

the protections of the act. This may be years in the future.

Therefore, dealers may want to wait until the measure becomes law before signing a new or revised agreement. Dealers should consult with legal counsel about the new law and the impact it may have on any agreement they are being asked to sign.

McCarthy Inducted Into Hall of Fame

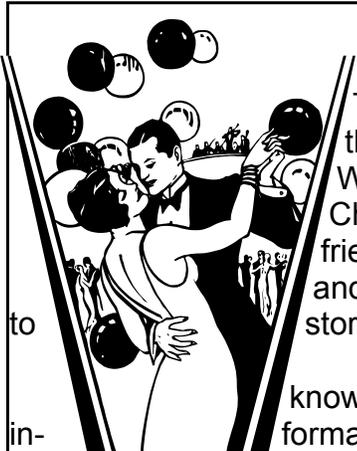


Former NADA President Frank E. McCarthy was inducted into the 2002 Automotive Hall of Fame last week in Dearborn, MI. McCarthy, who died February 25, 2001, was NADA's chief executive for 33 years, and helped build NADA into one of the largest and most respected trade associations in the world. In 1998, he was named "Executive of the Year" by *Association Trends*. The Hall of Fame is the highest of industry honors.



BULLETIN BOARD

Wanted! Snow Ball Auction Items



To add support to the Boys & Girls Clubs of Greater Washington, this year's Snow Ball, to be held Dec. 27, 2002, at The Ritz-Carlton, Washington, DC, will again offer a silent auction, and Snow Ball Chairman Tammy Darvish is calling on all WANADA members and friends to donate to this worthy cause with items such as sports tickets and golf rounds; car rentals, detailing and service; and gift certificates stores, restaurants and resorts.

to

in-
mail:

Please use the form enclosed with this WANADA Bulletin to let us know *early* if and what tax deductible donations you can make. For more information, contact Archie Avedisian at WANADA (202) 237-7200, or e-mail: aa@wanada.org. Last year's sell-out crowd is expected to be replicated this year making this event a highlight of the WANADA calendar.

Don't Miss It!

DC Mayor Williams to Keynote WANADA Annual Meeting, Nov. 20

District of Columbia Mayor Anthony A. Williams will be the featured speaker at WANADA's Annual Meeting and Luncheon, Wednesday, Nov. 20, at The Ritz-Carlton in Washington, DC. Mayor Williams will focus on the "business of the Washington region," and offer a "scorecard" on his administration's goals and achievements since becoming Washington's fourth Mayor. This year's meeting also will include a business session that will offer an association update and election of the 2002-2003 WANADA Board of Directors and officers. The annual lunch is always a popular event providing an unparalleled Washington region dealer networking opportunity.



DC Mayor Anthony Williams

For more information, see the enclosed flyer and registration form with this *WANADA Bulletin*, or call Trish Frisbee at WANADA, (202) 237-7200, ext 14.

Save this Date: Sunday, February 2, 6-8 p.m.

WANADA/MNCTDA Reception At NADA

WANADA and MNCTDA are again teaming up during the NADA Convention to stage a joint reception you won't want to miss! Please join us at San Francisco's fabulous

Carnelian Room

on the top floor of the world renowned
of America World Headquarters Building

Bank

Watch this *Bulletin* for more information!

FOOTNOTES:

Halloween SoberRide to Run From 8 p.m. to 4 a.m., Oct. 31

Halloween ranks as the country's second leading holiday in the percentage of traffic deaths attributable to alcohol, with 6 of 10 highway fatalities due to drunk driving. This year's Halloween SoberRide Campaign, sponsored by the Washington Regional Alcohol Program (WRAP) will run from 8 p.m., Thursday, October 31 through 4 a.m. the following morning. To access this service dial 1-800-200-TAXI. AT&T Wireless users can dial #TAXI. SoberRide provides a free cab ride home up to a \$50 fare, and callers must be 21 or older. Note, SoberRide can't be reserved.

WANADA co-founded and has promoted WRAP programs since 1982. WANADA Vice President Nick Champeau is the 2002 chairman of WRAP. For more information on WRAP and its programs, call (703) 893-0461 or log onto www.wrap.org.



WANADA Welcomes New Members!

The WANADA Board of Directors recently approved the following organizations for membership in the association:

Dealers:

- Criswell Honda, Germantown, MD; Harry E. Criswell, III, president
- Sheehy Waldorf, Waldorf, MD; Randy Fluharty, general manager

Associate:

- Melanie P. Funkhouser, sales manager, Fair Oaks Dodge

Kindred-Line:

- Brown, Dakes, Wannall & Maxfield, P.C., Fairfax, VA; Billy R. Whittemore, partner; Ann Depue, partner
- The Gazette Newspapers, Gaithersburg, MD; Susan Frangione, automotive advertising manager

Thought for the Week...

Years ago it was ghosts and goblins and monsters and witches that scared you on Halloween. Now it's the Dow Jones average.

—Robert Orben



Enclosures:

- *Snow Ball Auction Donation form*
- *2002 WANADA Annual Meeting & Luncheon flyer and registration form*