

## Plan Now for WANADA's All-New & Spectacular Congressional Gala and Charity Preview & Reception

Members and friends of WANADA should plan now to attend our *all-new 2005 Washington Auto Show Congressional Gala and Charity Preview*, to be held on Monday, December 20, 2004, 6:00 p.m. to 8:00 p.m. in the new Washington Convention Center, for what promises to be a fabulous event you won't want to miss!

In anticipation of taking the Washington Auto Show to the next level, our annual auto show gala will be reformatted this year into a VIP preview of all the new cars and trucks in the 2005 show, outfitted with the latest and, in some instances

futuristic, automotive technology. This private showing will host VIPs from inside and outside Washington's Beltway, including members of Congress, elected officials from state and local government, and prominent business, industry and community leaders.



In addition to an exclusive viewing of this year's auto show, the Preview will feature a cocktail and *hors d'oeuvres* reception with continuous entertainment, including live bands and carnival acts to enhance the party atmosphere! The Preview will continue to be an elegant affair (black tie optional) and a "couples evening," with plenty of tables and chairs set up to facilitate groups of attendees meeting to tour the auto show together.

WANADA also is working out arrangements with some prominent restaurants in the downtown area to offer post-Preview discounts to attendees.

As opposed to last year's Snow Ball dinner and dance, which carried a \$350 ticket price, this year's Preview is \$150 per person. The Preview is specifically designed to accommodate members of Congress and their staffs who are used to going

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### Business Pleased with Defeat Of MC Ballot Questions

Prior to last Tuesday's election, the Montgomery County Chamber of Commerce urged businesses and their employees to vote "No" on three ballot initiatives that the Chamber maintained would "undermine our democratic process, threaten the county's ability to maintain good fiscal management (and its AAA bond ratings), and erode the voting power of each citizen in future elections." All three were defeated.

**Question A**, political gadfly Robin Ficker's latest "tax cap" proposal for a blanket prohibition on raising property taxes would have "put the county in a fiscal straightjacket, threatening our future bond ratings, as well as efforts to reduce school crowding and improve transportation and public safety, according to the Chamber, which also called for elected officials to hold the line on taxes and spending.

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## Congressional Gala & Preview

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to receptions directly from the office.

This year 100 percent of the ticket price will go directly to the six charitable and civic organizations partnering with WANADA, including: the Boys & Girls Clubs of Greater Washington, Big Brothers Big Sisters of the National Capital Area, Parkinson Foundation of the National Capital Area, Primary Care Coalition, R Adams Cowley Shock Trauma Center, and Washington Hospital Foundation.

Once again, WANADA is delighted to have the generous support of prominent sponsors, including our longtime charity gala supporter, The Washington Post. Co-sponsoring with The Post this year will be XM Satellite Radio, the Alliance of Automobile Manufacturers and the National Automobile Dealers Association (NADA). The involvement of the Alliance and NADA is especially significant because it foreshadows The Washington Auto Show's rise in stature on the world auto show circuit.

All in all, organizers are looking for thousands of attendees at the Preview, which should make for an enjoyable and memorable evening! Our coordinator in the WANADA office is Barbara Martin, who can be reached on (202) 237-7200, or e-mail to [bjm@wanada.org](mailto:bjm@wanada.org).

## Ballot Questions

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**Question B**, called for term limits that the Chamber said “would prevent experienced and effective leaders from continuing in office and deprive voters of the full range of choices they now enjoy.” The Chamber added that, “Voters already have effective means of exercising ‘term limit.’ They are called ‘elections.’”

**Question C** was a proposal to reduce voter representation on the county council by eliminating countywide “at large” seats. The Chamber said this would “drastically reduce the level of representation each county resident now enjoys,” and increase “the risk of political infighting and parochialism, and, if anything, increase the influ-

ence of money in elections.”

In sum, the Chamber said its members dodged three bullets.

### Study Identifies Services Customer Trends at Dealerships Several Years After Purchase

“A study from J.D. Power & Associates shows that less than half of non-luxury customers still use their dealers to service their vehicles four years after they buy their car,” reports *The Wall Street Journal*.

Based on the responses from 10,201 owners of 2000 model-year cars, J.D. Power found a gradual tapering-off of the number of non-luxury customers who return to the original dealership of purchase when seeking service for their automobile.

“Non-luxury dealerships had 66 percent of their customers return for service in the first year, and that slipped to 55 percent by the third year. In the fourth year, dealer service visits fell to 47 percent,” the study said.

According to the study, utilization of non-dealer service centers by customers starts after warranties expire. Customers who buy extended warranties tend to visit their dealers more often, and spent nearly \$100 more in the last 12 months at their dealership than those who didn't buy additional coverage.

With many dealerships reaping the bulk of profits from service bay business, the results of J.D. Power's survey reinforce the importance of customer satisfaction more than ever.

Relates Jon Osborn, director of customer satisfaction research at J.D. Power: “Maintaining high customer satisfaction through service visits is not only crucial to dealers, but to manufacturers as well.”

The survey showed a positive relationship between high customer satisfaction rates and steady revenue stream at dealerships. Even more, the report found that “customers who have a good experience with dealer servicing also tend to buy the same brand of car again.”

**NEWS NOTES****IRS Removes Certain Reinsurance Arrangements as "Listed Transactions" No Longer Automatically Considered "Abusive Tax Shelters"**

NADA reports that the IRS announced in Notice 2004-65 that it is removing as "listed transactions" those reinsurance arrangements that are the same or substantially similar to the transactions described in IRS Notice 2002-70. This means that Notice 2002-70 no longer requires dealers to disclose their participation in these transactions under section 6011 of the Internal Revenue Code, NADA said. Nevertheless, the IRS will continue to scrutinize whether these transactions "are being used to shift income from taxpayers to related companies purported to be insurance companies that are subject to little or no U.S. federal income tax." Notice 2004-65 is available at <http://www.irs.gov/pub/irs-drop/n-04-65.pdf>.

**Vehicle Recalls Hit Record**

With a new round of safety problems, the auto industry has now recalled a record number of vehicles in 2004 despite marked quality gains in recent years, according to The Detroit News. Overall, automakers have recalled 24.8 million vehicles so far this year. The previous record, 24.6 million, was set in 2000, according to a table provided by the National Highway Traffic Safety Administration. But the government warned that higher recall numbers do not necessarily mean safety or quality is getting worse. The total tally of recalled vehicles can fluctuate significantly from year to year, especially if there are one or two large recalls, said NHTSA spokesman Rae Tyson. "The good news is that the manufacturers seem much more inclined to step forward and quickly remedy problems," Tyson said. "In an ideal world, we would have zero recalls, but that's never going to happen."

**NADA Helps AYES GET \$2.2 Million DOL Grant**

With NADA's help, Automotive Youth Educational Systems received a \$2.2 million federal grant Oct. 13 from the U.S. Department of Labor. AYES will use the grant to develop an online program to deliver its training curriculum and process to dealers and students in every city in the nation. While the current program, developed by AYES's 14 manufacturer partners and NADA, has trained more than 7,500 entry-level technicians in over 5,000 dealerships, it is currently available to less than a third of eligible students. "AYES's new online capability will [also] create options for numerous others who understand the value and opportunity that this career offers," commented Gerd Klauss, AYES chairman, and president and CEO of Volkswagen of America. For more information, visit [www.ayes.org](http://www.ayes.org). Teamed with MNCTDA, WANADA participates regionally in AYES with a field representative covering the Washington Metropolitan Area and Maryland at large.

**NHTSA Cracks Down On Illegal High Intensity Discharge Headlamps**

The National Highway Traffic Safety Administration (NHTSA) recently ordered aftermarket high-intensity-discharge headlamp kit supplier ASTEX USA to recall its kits and replace them at no charge to buyers. When installed, the Dayton, Tex., company's headlamps "can be expected to produce excessive glare to oncoming motorists and others," NHTSA said. In fact, any replacement equipment must perform all of the same functions present in the OEM equipment it's replacing.

Dealers need to be certain that replacement lamps and other aftermarket equipment installed meet Federal Motor Vehicle Safety Standards. In addition to civil penalties, dealers also open themselves up to legal exposure when the equipment they install does not conform to federal safety standards. For more information, visit the Government Affairs page of [www.nada.org](http://www.nada.org).

# WANADA Annual Meeting,

Thursday, Dec. 2, 2004

*Featuring Keynote Speaker*

**George F. Will**  
**Columnist & Political Pundit**



Washington area new auto dealer principals, key managers, and business associates will not want to miss WANADA's 2004 Annual Meeting and Luncheon, Thursday, Dec. 2, at the McLean Hilton in Tysons Corner, VA. The keynote speaker will be George F. Will, one of America's foremost political commentators and columnist, who will offer his up-to-the-minute perspective and analysis of the results of Election 2004 and the impact a second Bush Administration will have on the nation's economy and the world at large. For more information and reservations, see the flyer enclosed with this WANADA Bulletin. Do it today!

## Dealer Alert! New Internet Service "Invoice" Scam

Phony invoices for services not ordered continue to plague dealers. The latest reported to WANADA – and other state and metro dealer associations around the country – is an invoice in the amount of \$299 from a Boston-based company for a "web listing" on their online service. The "invoice" is actually a solicitation to sign up for the service, but there is an invoice number, as well as telephone and fax contact information, that makes the invoice appear as if the service was ordered by staff dealership. The invoice even has a purchase order number, which is usually the same number sent to other dealerships in the area.

WANADA recommends utilizing purchase order numbers for any product or service ordered from your facility. It is also important to match up the order number with the product or service being billed, so an enterprising scam artist doesn't fool your accounts payable department. When incoming invoices can be matched with purchase order numbers, it helps to ensure the validity of the requested payment.

### Historical note:

On November 2, 1900, the first automobile show in the United States opened at New York's Madison Square Garden under the auspices of the Automobile Club of America.

### Election Reflection From the I-man:

The best advice I can give (the president) in his second term is to appoint Senator Kerry ambassador to France.

--Don Imus

### Enclosures:

- WANADA Health Update Supplement
- WANADA Annual Meeting & Luncheon flyer and registration form