

THE WANADA BULLETIN

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

WANADA Bulletin #48-02

December 2, 2002

AUTO SHOW SPOTLIGHT

Hands On Contest To Offer Four-Car Giveaway



WANADA and the Washington Area Toyota Dealers will add a fourth car to this year's Washington Auto Show Hands On Contest to give the general public a chance to also win a popular hybrid 2003 Toyota Prius. Sure-gripped Hands On contestants will be holding on tight for the chance to drive home in either a 2003 Toyota Matrix crossover wagon, the RAV4 compact SUV, or the best-selling Camry.

"The Washington Auto Show Hands On Contest has been a huge crowd favorite from day one," says Charles T. Lindsay, III, auto show chairman, and president, Lindsay Cadillac Company. "We couldn't think of a better way to acknowledge and thank the

contest fans than by offering them the chance to win a free Toyota, too."

To win the car of their dreams, Hands On contestants pre-selected through the promotional efforts of 94.7 WARW must hang on from 10:00 a.m., Friday, Dec. 27 to

the end of the contest and auto show at 6:00 p.m., Wednesday, Jan. 1. Participants must maintain some type of physical contact with the vehicle at all times, although a regular break of exactly fifteen minutes may

(See Auto Show, page 3)

NADA Chairman Responds to Ford's Blue Oval Announcement

In response to Ford Motor Company's recent announcement that it plans to drastically reduce incentive bonuses for dealers who meet the standards of its "Blue Oval Certified" program, the following statement was issued by NADA Chairman H. Carter Myers, III:

"NADA is surprised and disappointed by Ford's announcement that it is very close to finalizing a plan that would dramatically reduce the incentive payments in the 'Blue Oval Certified' program.

"Many Ford dealers, relying on the program's promises, made major financial commitments to their facilities and other Blue Oval requirements. These commitments were undertaken with the understanding that the program, in its current format, would be in place for at least five years. We are concerned that the proposed financial changes could seriously impair the working relationship between Ford and its dealers going forward.



"NADA urges the Ford leadership to reconsider this decision." — NADA Chairman Carter Myers

(See Blue Oval, page 2)

Inside...

VA Dealer Board Asks For Ruling on Budget

Cuts..p.2

Cowles Fundraiserp.3

Mobil 1 Promotion.....p.3

Dental Plan Reminder.....p.4

Auction Items Wanted.....p.4

VA Dealer Board Asks for Ruling on Budget Cuts

At its November 12 meeting, the Virginia Motor Vehicle Dealer Board heard a presentation concerning the budget directives it has received from Gov. Mark Warner. The board requested an opinion from the Virginia Attorney General as to whether it can be required to reduce its budget in specified ways even though it is a "special fund" agency that generates sufficient income to cover all its activities and produce a surplus.

The board noted that it has taken steps to reduce its budget already such as delaying the purchase of new equipment, reducing the hours of field personnel, and providing a two-day unpaid furlough per month for all board personnel.

In other notable actions, the Advertising Committee considered questions about proper advertising methods. The board agreed on three important issues:

- It is not sufficient for program cars to be advertised simply as "program cars." Any advertisement for program cars must contain an acceptable term under the Code and the MVDB regulations indicating that the vehicles are actually used vehicles.
- If a dealer advertises a claim, for example, that it is "number one," the dealer should disclose the basis for this claim and must be prepared to support this claim.
- Comparative offers must be fully disclosed and must be reasonable. For example, a

dealer who advertises that it will "match any deal" must disclose the conditions. The conditions must be reasonable and must be capable of being met.

The Dealer Practices Committee also fined an independent dealer \$7,500 for failing to appoint a qualified dealer operator despite numerous notices and

warnings from the board. Two independent dealers, in separate matters, received fines and license revocations for their failure to keep adequate records despite numerous warnings from the board.

The next meeting of the board was scheduled for January 13, 2003.

Blue Oval *(continued from page 1)*

"Ford has stressed that any changes to the certification requirements of the Blue Oval program would have to be approved by two thirds of its national dealer council. To date, that process has kept the program requirements reasonable and attainable, with well over 90 percent of the dealers taking the steps necessary for certification. We believe that this consensus approach ought to apply to any and all changes to the program, including the incentive payments.

"While we understand the importance of a financially healthy manufacturer, it is crucial that the ever-fragile dealer/factory relationship be weighed heavily against any benefit that might accrue to Ford through a policy change that directly affects not only the dealer's financial picture, but also the trust and loyalty of so many dedicated Ford dealers. Any decision that reduces resources for dealers to sell Ford products would be coun-

terproductive.

"NADA urges the Ford leadership to reconsider this decision."

Ford announced it plans to drastically reduce cash bonuses it pays to franchisees under a popular customer satisfaction program. Steve Lyons, head of the Ford division, broke the news to dealers during a satellite broadcast November 14. According to the Detroit News, Lyons said the company could no longer afford to spend \$700 million a year on bonuses for dealers who meet customer service and other standards in the 2 ½ -year-old Blue Oval Certified program. About 94 percent of Ford's 3,700 dealers qualify for the bonuses – which can reach \$1 million or more a year. Lyons told dealers that Ford proposes to reduce the payment from 1 ½ percent to 1 percent of invoice in April 2003, to 0.75 percent in April 2004, and to 0.5 percent in April 2005.

DEALERS IN THE SPOTLIGHT:**Cowles Nissan-Chrysler Holds Vehicle Donation Fundraiser For Children's Hospital**

Throughout November and December, Cowles Nissan-Chrysler in Woodbridge, VA is encouraging area residents to stop by the dealership and donate their used vehicles. The tax-deductible donations will be used to raise money for patients at Children's Hospital who otherwise could not afford health insurance.

On November 30 and December 14, there will be special celebrations at Cowles Nissan-

Chrysler featuring live radio broadcasts, appearances by local personalities, prizes, refreshments, and free rides home from International Limousine for those who donate a vehicle.

"We are delighted to work closely with Children's Hospital to ensure that every one of their patients gets the care they deserve," said Kevin Runey, general manager of Cowles Nissan-Chrysler. "We encourage people to stop by and donate their used cars so we can meet this very important goal." For more information, call 703-497-3000 or visit their web site at www.cowlesncp.com.

Hands On Contest
(continued from page 1)

be scheduled every three hours. A random drawing is used to determine the winner of each car should more than one contestant remain at the end of the contest. Last year, 19 of 29 initial participants hung on until the very end for the chance to drive home their own free Toyota.

But winning the Prius will be less arduous. Consumers will enter by visiting www.washingtonautoshow.com to vote for their favorite to win the Hands On Contest. The winner of the Prius will be randomly drawn from all those voting for the winning contestants. Those visiting the Hands On Contest while at the Washington Auto Show will also have a chance to share in the winning on a daily basis. Contestants and on-lookers will team up for regular rounds of Toyota Bingo, with a wide range of prizes at stake.

Service Managers, Dealers:
Satisfy Your Customers with the
Mobil 1® Auto Show
Promotion

The Washington Auto Show, Chesapeake Petroleum, and ExxonMobil have teamed up to offer an exciting new program which will benefit both you and your customers.

***Here's the deal:* For each Mobil 1 oil change, your customer will receive one free adult ticket (\$8 value) to The 2003 Washington Auto Show. Last month, we mailed letters and "counter cards" to service managers explaining the promotion. WANADA urges dealers to display the counter cards in view of service customers and take advantage of this special opportunity to add**

IMPORTANT REMINDER!**MD, VA Sales Reps Must Register for 2003 Auto Show**

Sales representatives from Maryland and Virginia dealerships who plan to be working at The 2003 Washington Auto Show, Dec. 26, 2002 through Jan. 1, 2003, *must register* with the District of Columbia government in order to receive a waiver from D.C. automotive sales licensing law requirements. Please fill out the registration form enclosed with this *Bulletin* with the names and sales license numbers of all dealership representatives who likely will work at the show, and fax it to the WANADA office, (202) 237-9090, by Friday, Dec. 13. Reps who do not register may trigger regulatory scrutiny not only for themselves but for the auto show as well.

Your immediate attention and cooperation is appreciated!

FOOTNOTES:**Important Insurance Notice: Dec. 12 Deadline to Sign Up for WANADA's New Dental Plan, Effective Jan. 1**

As previously announced, WANADA's Employee Benefits Trust has accepted an especially lucrative three-year offer from DentaQuest to provide dental coverage for WANADA dealer members, effective January 1, 2003. WANADA will terminate its coverage with AETNA on December 31, 2002.

"The new dental plan offers a highly competitive premium, a larger provider network, rich benefits and a three-year rate guarantee," said WANADA Vice President John O'Donnell. "This is an exceptional value for all WANADA members and their employees whether they currently have dental coverage or not," said O'Donnell.

For more information, contact John O'Donnell or Roberta Reardon at (202) 237-7200; or e-mail jod@wanada.org or rr@wanda.org.

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, D.C., 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 to stores, restaurants and resorts.

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.

**Position Wanted: *Parts and Service Manager/Director***

Individual with 20 years experience in sales and service is interested in a position as a parts and service manager or director. The individual has a bachelor's degree in business administration and dealership management and resides in Montgomery County, Maryland. Anyone interested in this individual should call Tom Mann at the WANADA office, (202) 237-7200.

Staying Ahead...

I can't think about what I'm about to do before I do it. I go ahead and do it.

—Joe Frazier, Former Heavyweight

Enclosures:

- 2003 Washington Auto Show Sales Rep registration form
- Snow Ball Auction donation form
- WANADA *Tag & Title* Seminar flyer and registration form
- MNCTDA *Employment & Labor Law* Seminar registration form