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

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Headlines…

House Excludes Dealers From Proposed Federal Consumer Agency

Senate Won't Act on Measure Until January

Legislation to create a new Consumer Financial Protection Agency (CFPA) that would have broad authority to regulate financing narrowly passed the House today, but importantly excluded dealers from its oversight.

The victory was due in large part to a strong grassroots efforts led by NADA and former auto dealer Rep. John Campbell, R-Calif., who had sponsored an amendment to exclude auto dealers from CFPA's jurisdiction.

"It is quite clear that Representatives on both sides of the aisle realize that auto dealers were not part of the problem which caused the economic downturn," said David Westcott, chairman of NADA's Government Affairs Committee and a multi-franchise dealer from North Carolina. "Dealer-assisted financing is already effectively and efficiently regulated at both the federal and state levels."

Focus now turns to the Senate Banking Committee which has pushed off consideration of the financial reform legislation until after the first of the year.

Arbitration Option for Terminated Dealers Passes House Senate Likely to Follow Suit Imminently

As WANADA dealers were advised earlier this week, Congress is moving forward with Dealer Rights Legislation that they have been considering since last summer. In this context, the House of Representatives passed a measure *today* that will provide a third-party arbitration option for dealers who elect to contest the loss of their franchise in the Chrysler and GM bankruptcy reorganization proceedings from last spring. The measure is part of the *trillion dollar* omnibus appropriations legislation needed to keep the government running for the next year. It now moves on to the Senate, which is expected to pass the measure next week and send it to the president for signature.

The House action is pursuant to joint committee action of the House and Senate, which left the arbitration provision in the appropriations bill. The arbitration option would be available to all 789 Chrysler dealerships that were not assumed in the reorganization and all GM dealerships that received either full or partial “wind down” agreements. The measure requires that Chrysler and GM provide all such dealers (within 30 days of enactment of the legislation) a summary of the dealer’s rights under the arbitration option and the specific criteria used to terminate or wind down their dealership in the reorganization.

Dealers will have 40 days from the date of enactment to pursue arbitration, with the arbitration itself needed to be complete within 180 days of enactment, though the time frame can be extended up to 30 days.

The arbitrator, who must be approved by *both* parties, will have to take into account a broader set of criteria than that which was initially proposed by GM and Chrysler, including the dealership’s past and current economic viability, the unique characteristics of the dealership’s market and the number of years the dealership had been in business.

The arbitrator is only empowered to compel reinstatement and cannot award compensatory, punitive or exemplary damages. It is anticipated that franchises granted to going-forward dealers will not be affected, if and when discontinued dealers are reinstated. Correspondingly, reinstated dealers will be presented with the new, going-forward franchise agreements.

This arbitration option is the fruition of the Dealer Rights Legislation introduced in the House and Senate over the summer that was set in motion by a concerted national dealer effort and the involvement of key House and Senate leaders, including Rep. Steny Hoyer, House Majority Leader, and Rep. Chris Van Hollen, Special Assistant to the Speaker. HR 2743 had 280 co-sponsors and S 1304 had 48 senators signed on. WANADA dealers Tamara Darvish and Jack Fitzgerald played pivotal roles in bringing the dealer rights legislation forward, which appears to have resulted in this arbitration option.

When the legislation becomes law, which could be by Christmas, there will be a host of issues to sort out. Stay Tuned.

Kevin Reilly To Receive Northwood Dealer Education Award

WANADA Board member Kevin P. Reilly of Alexandria Hyundai has been selected to receive the Northwood University Education Award for 2009.

Northwood University has for 39 years recognized individuals in the retail auto industry who have made noteworthy contributions to education, public or private, at any level, inside or outside the automobile business.

Kevin Reilly,
Alexandria Hyundai

Well educated himself, Reilly is a graduate of Georgetown University and holds a law degree from the University of Virginia and an MBA degree from Duke University. Starting in the business 20 years ago with his father, Don Reilly, Kevin has been the owner \operator at Alexandria Hyundai since it opened in 2001. He is a member of the Motor Vehicle Dealer Board of Virginia where he serves as chairman of the Dealer Practices Committee and Franchise Committee, whose pivotal role is to educate and inform dealers on their obligations to consumers.

Recently, Reilly played a key role in the Cash-for-Clunkers program, serving as dealer liaison to the National Highway Traffic Safety Administration (NHTSA). In that position, he helped develop and refine the submission, re-submission and payment processes used in the program and provided critical guidance to the agency on its claims approval regimen, developing a "Top Ten Tips" list largely adopted by the agency to handle dealer claims.

He also participated as a speaker on NADA's "Cash-for-Clunkers" webinars, educating thousands of dealers on how to successfully navigate the Cash-for-Clunkers submission process.

Reilly has been a speaker at the E.N.G. Automotive CRM Conference educating dealers on best practices with technology for a successful Customer Relations Process in the dealership. Correspondingly, he has worked through numerous dealer associations to educate dealers on the value of high quality video production in dealer internet marketing efforts.

Kevin Reilly has been WANADA's spokesman to the Washington Regional Alcohol Program's Sober Ride campaign on St. Patrick's Day, which has significantly increased public awareness of drunken driving.

He has also been a consistent supporter of public high school education in Alexandria and has received the Hopkins House "Heart of the Community" Award for his contributions to the city.

He will be presented the award during the NADA Convention in Orlando, FL, on Sunday, February 14, 2010 at the Rosen Centre Hotel.

WANADA congratulates Kevin Reilly on this well deserved recognition.

Rockville Aims to Make Land Owners Pay for Public Space

The City of Rockville held a public hearing Monday December 7, 2009 on a proposal that requires landowners who have mixed use zone designations to dedicate 20% of their land at time of redevelopment for a *public* park or pay the City the assessed value of that land plus $3 per square foot to improve the land. "With passage of this fee, the value of land zoned mixed use declines by 20%," says Sue Seboda, of Congressional Motors.

She is urging all WANADA members with land interests in the City of Rockville to write letters to the city that includes the following:

- A request that the record be kept open longer;
- Support for the proposal with the condition that it apply to all mixed use zones;
- Disagree with the fee calculation;
- Request a complete reexamination of the 20% public use space requirement included in the zoning code;
- And, if applicable, inform the City Council that you did not receive notice of this very important hearing.

Seboda, who testified at the hearing, noted that only four people attended the hearing and that the public record closes Monday, December 14 at 5:00 pm.

Below is the link to the agenda item for last Monday which includes the proposed formula to calculate the fee in lieu proving the open or public space.

http://rockmail.rockvillemd.gov/clerk/egenda.nsf/d5c6a20307650f4a852572f9004d38b8/6ce7c2c0b5aff6e4852576690057d6dc!OpenDocument

Below is the link to the actual zoning ordinance and map so you can verify if your property is zoned mixed use. Look to the upper right hand side of the page and click on either the text of the ordinance or the map.

http://www.rockvillemd.gov/government/planning-zoning

The next meeting on this subject is scheduled for January 1, 2010 at 7:00 pm for discussion and instruction to staff. Seboda is urging all impacted WANADA members to attend this meeting to protest this new tax. She is also urging members to request a meeting with the mayor of Rockville, Council members and staff to educate them and themselves on the issue and its impact on property values.

Consumer Reports: Dodge Challenger Owners "Most Satisfied"

Consumer Reports threw a curve to conventional wisdom this week when it announced the findings of its Annual Auto Survey that Dodge Challenger owners are the happiest of all with their purchase.

The survey, conducted by the Consumer Reports National Research Center, said the Dodge Challenger, V8-powered "muscle car," beat out the longstanding Toyota Prius hybrid as the most satisfying car among its readers. Ninety-two percent of Challenger owners said they would definitely buy another.

2009 Dodge Challenger

The second most satisfying car, with 91 percent of respondents saying they would definitely buy another, was the Ford Fusion Hybrid. Sports cars and hybrids round out the top group: the Chevrolet Corvette, Porsche 911, Toyota Prius, and all-wheel drive Acura TL.

Several other fuel-efficient small cars also earned outstanding satisfaction ratings from their owners: The Volkswagen Jetta TDI (turbodiesel) sedan placed tenth.

U.S. automakers made significant gains in CR's survey this year, with nine percent making the top group. European makers led with 23 percent of their models in the top group. Twelve percent of Asian models made it to the top, including the Honda Odyssey minivan and Honda Ridgeline pickup. No minivans or pickups made the cut last year.

To make the top satisfaction list, at least 80 percent of a model's owners must answer "definitely yes" to the question: "Considering all factors (price, performance, reliability, comfort, enjoyment, etc.), would you get this car if you had it to do all over again?"

At the other end of the spectrum, only ten models received the lowest satisfaction rating, indicating that less than half their owners would buy the same car again. All were older designs from Detroit-based automakers and most are scheduled to be discontinued.

The ratings are based on more than 380,000 responses from *Consumer Reports* and ConsumerReports.org subscribers on vehicles from the 2007 through 2010 model years.

J.D. Powers: Consumers "Happier than Ever" with The New Vehicle Sales Experience

The latest J.D. Power Sales Satisfaction Survey indicates that consumer satisfaction with the new-vehicle purchase process has improved dramatically. One of the most notable improvements has been in the salesperson's ability and willingness to help customers stay within their budgets and wrap up negotiations quickly, the latest annual Sales Satisfaction Index, or SSI, found. It also showed that dealers are doing a better job explaining vehicle features and the basics of the owner's manual.

Overall satisfaction, measured in five categories — dealership facility; salesperson; paperwork/finance process; delivery process; and vehicle price – soared to 836 on a 1,000-point scale in 2009, Powers found. That's up 11 points from the year before. The biggest improvements occurred, according to Powers, in the two areas most within the dealership's control: the salesperson and the delivery process.

Despite the overall improvement in satisfaction, the study finds that one in five buyers will leave a dealership without purchasing a vehicle because they either felt mistreated by the dealer or were disappointed by such things as sales pressure tactics or feeling gamed on pricing. While many of those frustrated shoppers will go to another dealer and buy the same vehicle they were originally looking at, about one in eight shoppers ultimately shift to a different brand because of poor dealer treatment.

Out of 38 brands included in the 2009 Power SSI, 29 showed improvement compared to the year before. Detroit makers scored particularly well in the study.

Mercury was the top-performing mass market brand, improving its score in all five SSI categories. Significantly, Buick, Pontiac and Chevrolet came in third, fourth and fifth, respectively, and every one of the Ford and General Motors divisions ranked above industry average.

Jaguar topped all competitors for the second year in a row and the top five performers were rounded out by Cadillac, Lexus, Mercedes-Benz, and Land Rover.

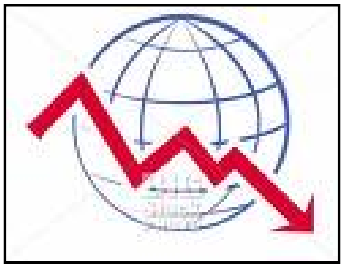
Mini was the most improved of the 38 brands included in the 2009 SSI, jumping up 16 spots, to rank sixth.

The 2009 SSI reveals several key trends in the market. On average, the typical buyer visits three (3) different showrooms during the buying process, but nearly half will visit only one dealer, a significant show of loyalty. Customers satisfied by the first dealer they visit are generally less likely to shop around.

The SSI is based on surveys conducted between August and October 2009, and the results involve 48,000 buyers who purchased a 2009 model car, truck or crossover in May or June of this year.

Who Knew?

D.C. Area Recession Ended in First Quarter



The D.C. region pulled out of the recession months ahead of the rest of the nation, according to a year-end economic report from Delta Associates.

Delta Associates says the recession in the Washington area ended during the first quarter of 2009 and that a slow recovery is under way in the region. Washington is typically less impacted by economic gyrations than other parts of the country.

According to the Delta Associates report, a net 40,400 new jobs have been added in the Washington region since Jan. 31, 2009 and unemployment in the metro area had dropped to 6.2 percent in September, giving the Washington metro area the lowest unemployment rate among comparable U.S. metros. Unemployment peaked at 6.5 percent in June.

"The most striking evidence of the recovery is the turn-around in job growth that occurred early this year," Delta said in its report. "In addition, confidence and retail sales are rising, albeit moderately."

The report, completed with George Mason University Professor Stephen Fuller, projects job growth in 2010, with 24,900 new jobs and another 34,900 new jobs in 2011.

This We Knew:

DC Metro Scores Big on Most Congested Traffic Areas

TomTom, the in-car traffic guidance system provider, is taking traffic congestion to the future, aggregating speed data from its in-car navigation systems to pinpoint precisely which cities have the worst traffic congestion. Here are their scientifically-derived 20 most traffic-clogged U.S. cities.

TomTom collected data from its Tele Atlas business system GPS data to determine what streets were "congested." In order to qualify, a driver has to travel at only 70% or less than the posted speed limits. Surprisingly, Seattle, Washington landed at the top of the pile with 43% of the roads considered congested. Los Angeles and New York make the top five. But, no surprise to commuters here, the Washington, DC metro area had three jurisdictions that made it into the Top Ten: Montgomery County, Alexandria and the District of Columbia.

Positions Wanted:

Fixed Operations: Experienced high line service director/manager seeks similar position.

Line Technician: Experienced ASE Certified Technician seeks similar position.

For further information on either of these individuals, please contact:
John O'Donnell at 202-237-7200 or jod@wanada.org.

Thought for the Week…

Peace is not merely the absence of visible conflict. Only a just peace, based upon the inherent rights and dignity of every individual, can truly be lasting.

--Barack Obama, Nobel Laureate