

# THE WANADA BULLETIN

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

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## Time to "Raise the Bar," says Myers *Industry Relations, Capitol Hill Clout, Dealer Image Top Agenda*

In his remarks at the National Automobile Dealers Association's (NADA) 85th Annual Convention & Exposition, NADA 2002 Chairman H. Carter Myers, III said the association will aggressively pursue opportunities to improve dealer/manufacturer relations and raise its visibility before the media, consumers and legislators.

Automakers are currently in the mood to rebuild bridges with their dealers, Myers told dealers, but "the past has a way of repeating itself every few years," so NADA must remain vigilant. And dealers and automakers still have plenty of unfinished business to iron out, including dealer-reduction strategies, dealership facility requirements, and discriminatory pricing programs.

Myers pledged to build on the progress of last year to further improve

*(See Myers, page 2)*



**2002 NADA Chairman H. Carter Myers III.**

### Press Calls for Dealers, Makers To Unite

If dealers take care of their customers and automakers take care of their dealers, everyone will succeed, said Toyota chief operating officer Jim Press in his keynote speech at the general session Saturday. "We realized early that our expertise in engineering and manufacturing does not translate into the retail world. We don't have retail experience ... that's why we have dealers."

Press credited GM with taking the lead in promoting the industry after the September 11 terrorist attacks and praised

*(See Press, page 3)*

### Maguire Presides Over Tumultuous Year



**2001 Chairman Robert J. Maguire**

"To say this past year was a roller coaster ride would be an understatement," NADA chairman Robert Maguire told conventiongoers at the opening session.

Shortly after becoming chairman, NADA faced a major blow: the death of Frank McCarthy, NADA's highly regarded president of 33 years. Maguire worked with interim president Bruce Kelleher and then industry relations chief Phil Brady, who became president during the summer, to ensure a smooth transition. "Brady," said Maguire, "has exceeded ex-

pectations in the short time he has been president."

Maguire also placed a high priority on getting dealers' concerns heard by automakers, urging Ford to make the Blue Oval program

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dealer/manufacturer relations and open new doors for meaningful dialogue. "Our job is not finished until the franchised dealer is truly valued by the manufacturer and there is a clear recognition of the dealer as an added-value retailer. But we are not there yet. There are issues on the table today ... If a proposed program is bad for dealers or the franchise system, we are going to get involved and stay involved until it is resolved," he said.

Myers said the franchise system has grown stronger by meeting the many challenges it has faced, and will continue to thrive in the future. "Today, our franchise system is time-tested, battle-hardened and proven, and I think we can all agree — manufacturer and dealer alike — it is still the best automotive distribution system in the world," he said.

Myers called on dealers to raise their voices on Capitol Hill and in state legislatures across the country. "Too often, we are lumped in with manufacturers. It's time to move out and be seen

as a separate force ... We have the opportunity to raise the bar and enhance our effectiveness in Washington." He said the mandatory binding arbitration "bill must be passed" as well as help for Oldsmobile dealers. "Changes to CAFE law can fall on the backs of dealers," he warned.

Myers also cited public perception as a key ingredient in NADA's progress on many fronts, and vowed to improve the dealer image. "We can move forward to tell the story of the good things that thousands of dealers do every day in their showrooms and in their communities ... Improving our image has many paybacks for our industry, but none is more important than our ability to recruit capable salespeople, technicians and other dealership staff."

Myers called on his peers to do their part by treating customers better in their showrooms. "There is no community service, no media report or ad that could do more to spread the good image of the automobile dealer than positive sales experiences," he added.

The full text of Myers' speech can be found online at [www.nada.org](http://www.nada.org).

## Maguire *(continued from page 1)*

more fair for all dealers, and discussing the Oldsmobile situation with GM. He also met with Nissan, Toyota, and DaimlerChrysler.

On the regulatory and legislative fronts, Maguire said that NADA persuaded the Alliance of Automobile Manufacturers to withdraw its opposition to mandatory binding arbitration. NADA now hopes to get its bill on the Senate floor this spring. NADA also successfully lobbied Congress for the phase out of estate taxes and the overturning of costly federal regulations on ergonomics.

But the effort Maguire is most proud of is NADA's response to the tragedies of September 11. Within two days, NADA's Charitable Foundation established the Survivors Relief Fund; to date, the fund has raised almost \$1.7 million and distributed \$450,000 to six charities. "This is a great tribute to the generosity and patriotism of new-car-and-truck dealers around the country," Maguire told dealers.

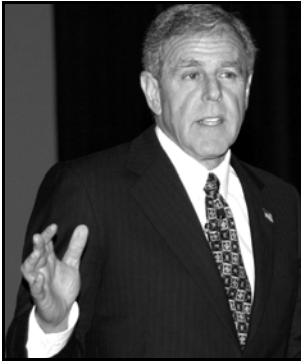
## Arbitration Bill Expected To Pass This Year

NADA chief lobbyist Tom Greene, speaking at the Automotive Trade Association Executives' (ATAE) annual pre-convention meeting, said he's "very optimistic" that the association-backed binding arbitration bill will pass Congress this year. NADA has called on the assistance of "several very prestigious Washington law firms" to help get the measure through.

Although Hill leaders' attention is publicly focused on national issues such as tax cuts and an economic stimulus package, NADA has built up a critical mass of support for the bill, Greene said. The association wants to get the bill to the Senate floor this spring.

NADA legal chief Bill Newman also told the ATAEs that NADA is hoping to persuade the current administration to recognize the so-called service station exemption, which exempts from Superfund liability certain dealerships that have accepted used oil from do-it-yourselfers for recycling.

## Press *(continued from page 1)*



**Toyota CEO Jim Press**

dealers as “freedom fighters—not only for our industry—but for the nation’s economy.”

“The real problems we face do not come from within our industry,” Press said. “Instead, we are under attack from a number of outside influences that are challenging our very existence.”

To Press, who got his start at his uncle’s dealership, three issues now challenge the industry: empowered customers; overcapacity and rising business costs; and activist groups and government agencies concerned about safety and environmental issues.

“We have turned on ourselves,” he said. “The real road to prosperity is paved by all of us unit-

ing and working together to combat these assaults and stop fussing with each other.”

For customers, manufacturers must make “quality products with high resale value. Without them, all a dealer can do is try to make a bad situation better,” he said.

Automakers should work harder to keep dealer profits from being squeezed, said Press. “You’re fighting every day to make some money, how much time and effort can you spend assuring employee and customer satisfaction?”

Manufacturers could help dealers by cutting expenses, said Press. Such steps include improving order-to-delivery times, creating flexible factories to cut inventories, building vehicles people actually want, and shooting for an average 20-day supply.

Dealers, manufacturers, and their associations also need to work together to counter onerous, anti-industry public policy and embrace advances in safety and cleaner vehicles, added Press, who just completed a year as chairman of the Alliance of Automobile Manufacturers.

## 2002 NADA Convention Highlights

### US–British Partnership is Steadfast, says John Major

Americans can be assured that Great Britain will remain a steadfast ally and partner in the U.S. war against terrorism, former prime minister John Major told dealers.

Recalling how the British cabinet was nearly wiped out when Downing Street came under missile attack during his administration, Major said, “We British have lived with terrorism for a long time. All terrorist groups have a cause, and that cause comes first and innocent lives second. And no one is immune—not London, not Washington, not New York.”

The free world faces a long, continuing campaign against terrorism, he added, but “you need never doubt Britain will stay with you from the very first step to the end.”

Major cautioned that the United States and its allies must cultivate world support to fight terrorism effectively. “And we need a grown-up politics that rises above the short-term and the sound bite, that injects common sense, that’s directed at issues and not personalities, that recognizes it no longer controls all the game pieces on the board.”

### GM Updates Dealers on Olds, Dealer Ad Groups

Fifty-eight percent of Olds dealers have signed termination agreements with GM, and the automaker expects 75 percent will have completed agreements by year end, Bill Lovejoy, GM group vice-president, North American Vehicle Sales, Service, and Marketing, told *Auto Ex* magazine. “I’ve said to some dealers, ‘You may have to relocate.’ You can’t create something where there’s no opportunities.”

Dealers in the GM-approved channel of Cadillac-Olds will benefit by Caddy’s new products when  
*(See GM News, more Convention Highlights, page 6)*

# WANADA/MNCTDA Recep-



Special guests at the WANADA-MNCTDA reception included 2002 NADA Chairman H. Carter Myers III and family (above) and the McCarthy family, Anne, Pat and Frank, Jr. with Conrad and Lois Aschenbach (below) .



At right, Northwood Education Award winner Danny Korengold with wife, Martha Dippell and Charlie Stringfellow with WANADA EVP Tom Mann. Below WANADA's TMQDA Dudley Dworken with his wife, Karen; son, Josh and Sloane Miller. Below right, Fred and Betty Ann Frederick with Ed and Nancy Soifer.



With the 2002 NADA Convention in full swing and Mardi Gras parades in the streets, WANADA and MNCTDA — not to be outdone — held a joint reception at Pat O's On The River in the Jax Millhouse Brewery. Sponsored by American Fidelity Assurance Company, Chesapeake Petroleum/Castrol Oil and SunTrust Bank, the reception was an example of the outstanding cooperation that exists between NADA and the regional associations in our area. As you can see from these photos, a good time was had by all!



The Three CEO Amigos and friend MNCTDA's Pete Kitzmiller (left), VADA's Don Hall and WANADA's Gerry Murphy.



# Offers Mardi Gras Cele-



Above, New Orleans-style piano kept the joint jumpin'; upper right, Dick Snyder and Dennis Rippeon with new friend; from left, below, WANADA CEO Gerry Murphy, WANADA Chairman Vince Sheehy, MNCTDA Chairman Vince Trasatti and MNCTDA CEO Peter Kitzmiller; Geoff Pohanka and Anne Kline; and The Washington Post's Martin Kady and Tammy Darvish.



Above left, Rory Schick and Janet and Bill Cash. Above right, Harold Redden and Chesapeake Petroleum/Castrol Oil 's Tony and Jane Santy.

WANADA AND MNCTDA offer a special thanks to Pam Loving and Tom Mann for arranging a very successful joint reception.



## Convention Highlights *(continued from page 3)*

### Pat McCarthy Honored

Patricia O. McCarthy was named an honorary lifelong NADA director during the opening session in appreciation of her unflagging support of the association during the 33-year career of her husband, the late Frank E. McCarthy. He died last February at age 66, less than a year before his planned retirement. Calling her "a champion of the industry and our friend," 2001 NADA Chairman Robert Maguire said, "Pat, we are forever grateful."



Pat McCarthy

Frank McCarthy and Patricia O'Malley married in 1962. When Frank joined NADA in 1968, he and Pat began a 33-year adventure that yielded scores of lifelong friends and took them around the globe. In addition to raising their five children, Pat often accompanied Frank on association travel, working to help promote the association's interests.

"If there was a new director or director's wife in the room, she was right over there, introducing herself and making sure they felt at home," says daughter Anne McCarthy, who is art director of *NADA's AutoExec* magazine. Frank McCarthy often attributed his success at NADA to Pat's support. Since her husband's death almost a year ago, Pat McCarthy has stayed involved with NADA, maintaining contact with her many association friends and "even reading *AutoExec* cover to cover," says her daughter.

### Machinists Union Works to Organize Auto Techs

The International Union of Machinists is working to organize dealership technicians in seven cities, labor lawyer Rob Bekken told the pre-convention meeting of the Automotive Trade Association Executives (ATAEs). The union started with two Las Vegas dealerships last October, then returned for a campaign at all 65 of the city's dealerships earlier this month, using billboards, mobile billboards, print media, and 100 organizers. Targeted next are Baltimore, Boston, Los Angeles, Orlando, Portland, OR, and Seattle. Bekken, who is working with the Nevada dealers association to counteract the union drive, encourages dealers to do employee attitude surveys. One vulnerable point, he said, is the amount some dealers pay for health insurance. He added that this is the biggest machinists organizing drive he has seen in his 26 years of practice.

### GM News *(continued from page 3)*

they lose Olds, Lovejoy stressed. He has said that GM will not be flexible in considering out-of-channel combinations.

In other GM news from the convention:

- GM has increased its emphasis on divisional advertising as part of its return to considering the division—rather than the vehicle—as the brand, said Lovejoy. It has also realigned its market area teams to match its channels, with one for Chevy, one for Buick/Pontiac/GMC, and one for Cadillac.
- GM now has 180 local marketing groups (an updated version of the dealer marketing groups abolished a few years ago) in the top 50 markets, said John Middlebrook, general manager, vehicle brand marketing and corporate advertising; its goal is 200. The automaker does not expect dealers in smaller towns to form the voluntary ad groups. For a group to be formed, 75 percent dealer participation is required, but some dealers have set a goal of 100 percent participation, Lovejoy said.