

WANADA Bulletin # 5-05

February 2, 2005

***** News Flash... Phil, the official groundhog from Punxsutawney PA, saw his shadow at 7:31 a.m., EST signaling another six weeks of winter. *****

WAPA CELEBRATES 20TH ANNIVERSARY



Mary Ann Wright and Ford COO Jim Padilla with WAPA Golden Gear Award.

Ford COO Jim Padilla Honors WAPA Golden Gear Winner Mary Ann Wright

In town for President Bush's inaugural festivities, Jim Padilla, COO of Ford Motor Company, stayed over an extra day so he could join in honoring his team leader for the Ford Escape Hybrid, Mary Ann Wright, who was the recipient of the *Golden Gear Award* at the Washington Automotive Press Association's (WAPA)

20th Anniversary Gala, held at the Washington Press Club, Jan. 20.

Calling her the "Queen of Green," Padilla said, "We are very proud of Mary Ann and this team because this is a very good representation of where Ford Motor Company wants to go... and we are
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IMPORTANT NOTICE:

New MD Law Imposes 2% Tax on HMOs

Health insurance carriers, including those serving WANADA dealerships, are informing their policyholders that the Maryland Patients' Access to Quality Health Care Act of 2004, recently enacted into law, imposes a 2 percent premium tax on all premiums paid to health maintenance organizations (HMOs) in Maryland on or after January 1, 2005. The 2 percent tax increase on HMOs will go towards subsidizing the cost of medical malpractice insurance premiums for physicians.

Maryland Insurance Commissioner Alfred W. Redmer, Jr. has given the okay to HMOs to pass this 2 percent premium increase on to policyholders. The increase will likely be reflected in the next invoice from your insurance carrier. Call John O'Donnell, WANADA's vice president of employee benefits at (202) 237-7200 ext. 30, with questions on the new Maryland law.

REMINDER:

WANADA Now Offers Property & Casualty Business Insurance

Dealer members are reminded that WANADA can now offer dealerships what they've been asking for an alternative to the tight insurance market for property and casualty coverage. This includes workers compensation, garage keepers, general liability, umbrella coverage, business income protection, employment practices liability, theft, etc.

"It took us a while to convince the underwriters at the various carriers that they are missing out on a significant market opportunity, but we've done it," said WANADA Vice President John O'Donnell. "Our first client saved roughly 35% from what they were paying with their former carrier."

For more information, contact John O'Donnell, today at (202) 237-7200 ext. 30, or jod@wanada.org.

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covering every aspect of technology that we believe will significantly contribute to reducing fuel consumption, energy dependence and greenhouse gas emissions.” He added that, “the hybrid internal combustion engine will be an important bridge until fuel cells become economically viable.”

Wright, who is now in the upper echelon of Ford management as director of the company’s alternative fuel programs, was awarded the Golden Gear, WAPA’s highest honor, for bringing the first full hybrid SUV to market.

In accepting the award, Wright said this award and the recent *American Truck of the Year Award* won by the Escape Hybrid “shows how Ford has really turned the corner in terms of product...and says that hybrids aren’t these freaky little things that eco-terrorists drive. They are mainstream, and they are here to stay.”

With the enthusiasm she is known for, Wright said: “Working for a car company has become sexy again. We have all these young people who want to come and work for Ford because we are doing some really cool stuff...that is going to be a true market differentiator – the difference between being in business and being out of business; being viable and not being viable. And having these young minds and their enthusiasm is what the car business needs to be about.”

Celebrating WAPA’s 20th Year

Also on hand to celebrate WAPA’s 20th Anniversary was former NHTSA Administrator Dianne Steed, who recalled that first dinner meeting at the Market Inn. “It was not in a private room, but in a corner of the restaurant right outside a barroom with pictures of naked ladies all over the walls. Very



WAPA Originals. Former NHTSA Administrator Diane Steed (center), with WAPA founders (from left) Charlie Snyder, Ed Henry, Ted Orme of WANADA Bulletin fame, and John Harter, WJLA News.

classy! I was really impressed!” quipped Ms. Steed.

Steed, now a partner in Strat@com, a Washington-based public relations firm, praised the steady safety and environmental gains made by the auto industry since she served as head of NHTSA, and she kept the crowd laughing as she reminisced about WAPA, NHTSA and the auto industry back in 1985.

“When I started at NHTSA, the agency was full of bright, young, enthusiastic people who – by and large—really liked cars,” said Steed. “Twenty years later, it’s filled with many of the same people – but they’re old, semi-enthusiastic – and sick of cars.”

She also noted that among other big happenings in 1985 was when “the Yugo went on sale as the cheapest car in America at \$3,990. Fortunately for all of us, WAPA did not go the way of the Yugo,” said Steed.

As a longtime partner with WAPA in The Washington Auto Show Media Day, WANADA staff and friends joined with the

135 people in attendance to celebrate WAPA’s 20th Anniversary, which included special recognition awards to WAPA’s seven original founders [among which was your very own WANADA Bulletin editor].

WJLA-TV’s John Harter, who was a driving force behind the creation of WAPA, recalled hammering out the details and bylaws of the new association over chili and beer at Hamburger Hamlet. “None of us were really ‘joiners,’” said Harter, “and it still amazes me that we got this thing off the ground and it has become, with a lot of help from our industry friends, one of the best auto writer associations in the country.”

MARYLAND LEGISLATIVE UPDATE

Face-to-Face With MD Lawmakers



At last week's MNCTDA Annual Membership Meeting and Legislative Reception in Annapolis, Maryland dealers and their professional government relations team got the chance to meet face-to-face with their elected representatives in a festive legislative season social setting. Pictured here (from left) are Mike Johansen and Alan Rifkin of Rifkin, Livingston, Levitan & Silver, government relations consultants for Maryland; MNCTDA CEO Peter Kitzmiller; WANADA CEO Gerard Murphy and Conrad Aschenbach, King Automotive. Above right, WANADA's John O'Donnell chats with Prince George's County Delegate Tawanna Gaines.

**Yes Indeed, Seat Belts Save Lives!
*Here's the Latest From DOT***

Seat belts, air bags and other automotive safety features have saved 329,000 lives since 1960, according to a report released Tuesday by the U.S. Department of Transportation.

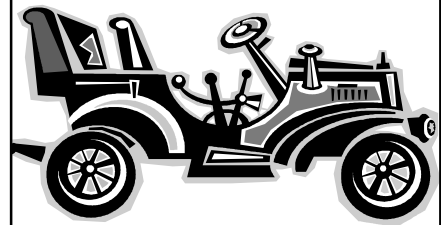
"Of all the safety features introduced since 1960, one of them - safety belts - accounts for more than half of all the lives saved," Dr. Jeffrey Runge, head of the National Highway Traffic Safety Administration (NHTSA), said in an address to the Automotive News World Conference in Dearborn.

Besides seat belts and air bags, the agency evaluated child safety seats, energy-absorbing steering columns, improved roofs and shatter-resistant windshields but did not include side airbags and electronic stability control systems, though Runge said they held promise, The Detroit News reports.

According to the study, the number of lives saved annually from safety devices increased from 115 per year in 1960 to 25,000 a year in 2002. In 2003, the number of U.S. road accident fatalities dipped for the first time in five years, to 42,643 from 43,005 in the previous year, Runge said, and the death rate per miles fell to a 29-year low. The data for 2004 are not yet available.

"The industry should be very proud of what it has accomplished," said Runge, who also announced he had been asked recently by Secretary of Transportation Norman Y. Mineta to remain on the job as safety chief.

Longevity of Vehicles Climbs



The median age of passenger cars grew to 8.9 years in 2004, which is an all-time high, according to R.L. Polk. For trucks, the average age fell to 6.6 years, due mainly to a record 9.8 million new trucks registered in 2004, reported Polk officials. Nearly 9.3 million of the 9.8 registered vehicles for that year were light trucks.

"Since vehicles are lasting longer, and new light truck registrations remain around 9 million per year, we will see a noticeable change in the proportion of cars versus light trucks in the near future," said Marty Miller, product manager for Polk.

In 2004, passenger cars comprised 59 percent of the vehicles in operation, and light trucks accounted for 41 percent. Polk officials project that by 2009, the percentage of cars will decline to 54 percent, while light trucks will climb to 46 percent of vehicles in use.

Finally, 5.3 percent of vehicles were scrapped for the year, which is the lowest scrappage rate since 1993. For passenger cars, the scrappage rate was 4.8 percent, the lowest since 1948. Trucks also showed a decrease in the rate of scrappage, dropping to 6 percent from 7.7 percent in 2003.

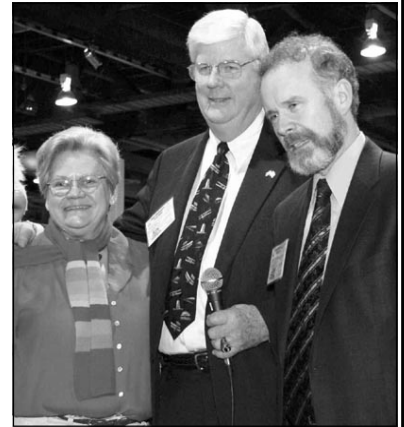
FOOTNOTES

Auto Show Second Chance Winners Announced

The DC Lottery has verified and “officially” announced the winners in the 2005 Washington Auto Show Second Chance Drawing.

And the winners are:

- 1st prize winner of a 2005 Ford Escape Hybrid SUV was Audrey Culbreath of Washington, DC, seen here with Auto Show Chairman George Doetsch and WANADA CEO Gerard Murphy.
- 2nd prize winner, \$3,000 cash, was Elfriede Malone of Alexandria, VA
- 3rd prize winner, \$1,500 worth of gasoline, was Harold King from Upper Marlboro, MD.



Thank You from DEAC!

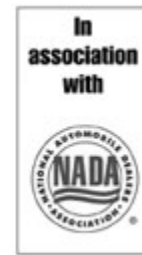
The Dealers Election Action Committee had a record-breaking year in 2004, with an all-time record single year fundraising total of \$2.29 million. Of DEAC-supported candidates who ran for Congress, 92 percent won their races. WANADA handily exceeded its fundraising goal by 214% by raising \$46,410 from dealers in the Metro Washington Area.

NADA honored WANADA and other dealer associations at their Convention for reaching their goals.



USA TODAY Dealer Innovation Award

USA TODAY and the National Automobile Dealers Association have partnered to create this unique award to honor automobile retailers who have made business innovations to better serve their customers, their communities and their employees.



Be Recognized for Finance Education Efforts

NADA and *USA Today* are sponsoring the Dealer Innovation Awards, honoring dealers who educate consumers about vehicle financing. If you or your nominee took an active role in teaching young people, customers, the community or other groups about vehicle financing during 2004, enter today at www.nada.usatoday.com, where you will find information and an interactive entry form. Four regional winners will receive publicity in NADA and *USA Today* publications. One national winner will be flown to New York City for the award presentation March 22 at a ceremony held in conjunction with the New York International Auto Show. *Deadline for entries is February 19.* Jack Fitzgerald of Fitzgerald Auto Malls was the winner of the first Innovation Award in 2002.

Thought for the Week...

More concerted energy is expended by Members of Congress enthusiastically standing, applauding or booing and sitting back down during the State of the Union address than in all the other business meetings Congress has in a year.

-Thomas M. Sullivan, chief counsel for advocacy
Small Business Administration