

THE WANADA BULLETIN

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

WANADA Bulletin # 50-05

December 14, 2005

THE 2006 WASHINGTON AUTO SHOW

Save the Date: Jan. 25, 2006

Congressional Gala Promises to be Spectacular

Dealers & Friends of WANADA Invited to Join Government VIPs to Benefit Seven Area Charities

This year there are no holiday season drawbacks. The Washington Auto Show Congressional Gala and Charity Preview will be held on Jan. 25, 6:00 p.m. - 9:00 p.m., at the Washington Convention Center, and WANADA members and friends are urged to join with automaker VIPs, civic leaders and Washington's top elected and government officials for the benefit of area health and children's charities.

Patrons will have the chance to kick some tires and do a little window shopping at the 2006 Washington Auto Show, which will feature 700 of the hottest vehicle makes and models on display from Jan. 24 -29, 2006.

"With our new January show dates, this year's Gala takes place for the first time

while Congress is in session, providing a unique opportunity for America's elected leaders to see the newest, most innovative technologies from America's leading industry, all while raising much needed funding for seven of the area's most

deserving charities," says Tamara C. Darvish, Congressional Gala chairman and vice president of DARCARS.

"WANADA has been supporting area causes through the auto show gala for almost 20

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WANADA Auto Show Committee

Pictured above is the hard working group that represents the brains and energy behind this year's Washington Auto Show. From left: Don Bavely, Rosenthal Automotive; Daniel Jobe, Capitol Cadillac; Charlie Stringfellow, Brown's Automotive; Dennis Rippeon, Ourisman Automotive; Tammy Darvish, DARCARS; Morty Zetlin, American Service Center; and Auto Show Chairman George Doetsch, Apple Ford.

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THE 2006 WASHINGTON AUTO SHOW

Congressional Gala

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years. We are very close to reaching the \$1 million mark in total funds raised, so this year's event has special significance," adds Darvish.

Mayor Anthony A. Williams and Mrs. Diane Williams are honorary chairmen for the event.

Proceeds from The Washington Auto Show Congressional Gala will benefit Big Brothers Big Sisters, the Boys & Girls Clubs, The Leukemia and Lymphoma Society, Neediest Kids, Orphan Foundation of America, the Parkinson Foundation and the Primary Care Coalition.

The Gala is sponsored by the Alliance of Automobile Manufacturers, XM Satellite Radio, the National Automobile Dealers Association (NADA), the American International Automobile Dealers Association (AIADA), the American International Automobile Manufacturers (AIAM), The Washington Post and M&T Bank.

The Gala is the closing event of Government and International Media Day at the auto show. Members of the international and trade press and assorted industry VIPs will attend a full slate of special events, new model introductions and industry announcements held throughout the day. Many manufacturer exhibits for the auto show will showcase safety, technology and fuel-alternative advancements that are of great



Thousands enjoyed a sneak preview and distinguished company at last year's inaugural Gala. This year's Gala promises even more!

interest to elected and regulatory lawmakers here. (The auto show will close to the public at 3:00 p.m. on Jan. 25 for the media and gala events.)

Gala attendees will be treated to continuous entertainment and special VIP access to the auto show floor.

Tickets for the Gala are \$150 per person with group sponsorship packages also available. For more information, contact WANADA at 1(866)WASH-AUTO or (202) 237-7200 or www.washingtonautoshow.com

NADART Announces Automatic Enrollment Option for 401(k) Plans

NADA recently announced that, beginning January 1, 2006, NADART will give its pension clients the option of automatically enrolling their employees in the NADART 401(k) plan. Under this feature, employees who have not affirmatively elected either to contribute or not contribute to the plan will be signed up automatically.

The automatic enrollment option is being added as Congress considers legislation that would encourage businesses to automatically enroll employees who have not signed up for their company's retirement plans.

"We want to give our participants every opportunity to succeed in their retirement planning," said Philip Holland, NADART's chief operating officer. "Signing up employees when they become eligible makes things easier for them. They don't have to think about it and it provides a significant benefit in the long-term."

Participants will still be able to opt out of contributing to the plan and to change the level of contributions from the default amount. Employees will receive notice of the automatic enrollment feature prior to their eligibility date, and each year all participants contributing under the automatic enrollment provision will receive notice of their rights under the plan. For more information, please call (800)248-6232, Ext. 7254, or e-mail nadart401k@nada.org.

INDUSTRY TRENDS

Crossovers Outselling Large SUVs

Crossover utility vehicles (CUVs) have outsold traditional SUVs for the past three months, and data indicates it will stay that way for the foreseeable future. Through November, traditional SUV sales were down 13.5 percent, while sales of crossovers, such as the Honda Pilot, are up 14.4 percent, reports *USA Today*.

"That's the biggest change in the truck segment, and that's not about to go away," Mike Jackson, CEO of AutoNation, told *USA Today*. "Gas prices have sort of taken the 'cool factor' off the super-large SUVs," he said.

The transition had been inching along for several years but has turned into a stampede, *USA Today* said.

The Detroit News reports that Ford Motor Co. is bracing for further declines in sales of large SUVs, already down 18 percent this year, as aging baby boomers opt increasingly for car-based crossovers. But General Motors Corp., which is counting on the rollout of large SUVs next year to help boost sales and profits, is predicting stable demand in coming years.

Forecasters at both automakers agree, however, that demand for large SUVs is unlikely to return to the peak levels of 2003, when sales totaled 937,000 vehicles. This year, large SUV sales are expected to slip to around 750,000.

NADA Chief Economist Paul Taylor points out that the

party is still underway for crossovers, which provide many of the virtues of SUVs with the additional comfort and economy of unitized construction.

Chevy Equinox, Buick Rendezvous, Ford Escape, Honda Pilot, Toyota Highlander, Subaru Tribeca and Pontiac's new Torrent are all examples of Crossovers that have sold 1,997,528 year-

to-date as a class. Truck-based SUVs have sold 2,183,352 units through November. Taylor says that the Crossovers will outsell the truck-based SUVs in 2006 for the first time. In the last three months, 495,598 CUVs were sold outselling the truck-based SUV total of 467,911 units. Current snow storms across the country will help sales of all-wheel drive vehicles in December and January.

KATRINA UPDATE

Progressive Sends 5,000 Hurricane-Damaged Vehicles to Crusher

The Progressive Group of Insurance Companies has decided to scrap more than 5,000 insured New Orleans vehicles that have been declared a 'total loss' in the wake of Hurricane Katrina, AutoRemarketing reports. "The reasons are simple," said Juan Andrade, claims general manager for the region. "We don't want our people working around those cars, and we don't want them back on the road."

The cars are being destroyed using a three-step process at the Bayou Steel Corp's Mississippi River Recycling plant. First, they're crushed flat. Then, the units are fed through a shredding machine. Finally, the parts are separated and the recyclable metals are melted into re-usable product.

Louisiana Governor Signs Bill Calling for Destruction of Flood Cars

Louisiana Governor Kathleen Blanco signed a bill last week that would require any automobiles whose power trains, computers or electrical systems were damaged by flooding and declared total losses be either dismantled, crushed or sold for usable parts. House Bill 11 passed both the state House and Senate and would apply to all flood vehicles totaled as a result of a governor-declared disaster, except antique vehicles and vehicles weighing in excess of 20,000 pounds.

NADA congratulated the Louisiana Automobile Dealers Association, which introduced the bill. In a larger context, the legislation supports NADA's goal to reduce the number of hurricane-damaged vehicles on the market.

SAVE THE DATE!**Tri-Dealer Association Reception At NADA****Hosted by WANADA/MADA/VADA****Saturday, February 11, 6-8 p.m.****Race Rock Motorsports Restaurant in Orlando**

For our 2006 NADA Convention reception, experience The Taste Of Victory® at Orlando's fantastic RACE ROCK®, a full service motorsports themed restaurant packed with rare racing memorabilia from all forms of motorsports! Race Rock is a sight and sound experience with over 30 video monitors and interactive simulators depicting the world of racing while you dine on monster size portions of fantastic food. Race Rock houses Jeff Gordon, Dale Earnhardt, Rusty Wallace, Richard and Kyle Petty's stock cars to name a few, plus legendary funny cars, dragsters, motorcycles, F1 and much, much more! And you never know which racing legend might be making a pit stop at Race Rock! So mark your calendars today for this can't miss event. Invitations will be mailed this month.

NADA Convention Reminder:

Remember, early registration for the 2006 NADA convention in Orlando ends Dec. 19. After that date, you must register on-site in Orlando. For info or to register, go to www.nada.org/convention.

**WANADA
Leadership, Past
& Present**

Last week's Annual WANADA Chairman's dinner honored these distinguished WANADA leaders, from left: Vince Sheehy, 2001-2003; current WANADA Chairman Jack Fitzgerald, Immediate Past Chairman Dennis Rippeon, Richard Snyder, 1999-2000, and Morty Zetlin, 1985-86.

Thoughts for the Week...

Being in politics is like being a football coach. You have to be smart enough to understand the game, and dumb enough to think it's important.

--Eugene McCarthy, 1916-2005

It is well. I die hard, but I am not afraid to go.

--Last words of George Washington, Dec. 14, 1799

Happy Birthday, Mike.

--Former WANADA CEO Mike Murphy would have been 96 today, Dec. 14, 2005.

He died at age 94 in 2004.

Enclosures:

- Optional Christmas and New Year's Day closing signs
- SoberRide posters