

Headlines...

NADA to participate in FTC's inquiry into dealer F&I practices
VADA and GM come to terms on facilities upgrade legislation
WANADA promotes Washington as the "Public Policy Auto Show" in Geneva
It may be legal for employees to complain about working conditions using social media
Vehicle scrappage rate more than doubles in U.S.
Sad to report...
Staying ahead ...

Save the Date! May 16
2011 WANADA Open
Lakewood Country Club
Rockville, MD

NADA to participate in FTC's inquiry into dealer F&I practices

First informal hearing set for early April in Detroit



The Federal Trade Commission (FTC) will commence a series of informal discussions next month to explore consumer protection issues relating to the purchasing and financing of cars and trucks. It has requested that NADA representatives participate as industry experts. (See related story in March 8, WANADA Bulletin).

The first of the meetings will take place in Detroit on April 12, 2011, and are authorized under newly expedited rulemaking powers that it received under the Finance Reform law. In particular, FTC regulators are seeking to expand their understanding of the car buying process and vehicle financing issues to determine what additional regulations, if any, may be necessary to protect consumers.

"NADA will present a strong case that dealer-assisted financing increases access to, and decreases the cost of, credit for car buyers," said Gary Reynolds, chairman of NADA's Regulatory Affairs Committee. "Additionally, dealer representatives will highlight both the actions of dealers and NADA to increase financial literacy among consumers as well as our long-standing and ongoing efforts to promote regulatory compliance among franchised dealers," Reynolds said.

NADA spearheaded the dealer effort in Congress last year to ensure that dealer F&I operations did not become part of the Finance Reform law and the bank-related regulatory reach of the newly created Bureau of Consumer Finance Protection.

VADA and GM come to terms on facilities upgrade legislation

“GM gets belt to go with its suspenders”

VADA and GM have reached an agreement regarding franchise relations legislation the association had successfully sponsored in the 2011 Virginia General Assembly which provided dealers with relief on OEM facility upgrade requirements. GM had been concerned the measure would negatively impact its EBE program, even though VADA had insisted that it did not. Just the same, GM notified its Virginia dealers it was rescinding its EBE program in the Commonwealth, effective March 31, 2011, because of the new law.

This week, sponsors of the legislation introduced an amendment to specifically set forth that the measure did not apply to GM’s EBE program. In return, GM has sent a follow up to its Virginia dealers stating the EBE program will continue. The governor is expected to sign the amended legislation in early April

“GM wanted a belt to go with its suspenders, and we provided one,” said dealer attorney Michael Charapp, who worked with VADA on crafting the law “The legislation never applied to its EBE program and this amendment makes that clear,” he said.

WANADA promotes Washington as the “Public Policy Auto Show” on the global circuit to OEMs in Geneva last week



Public Policy Show advocates with Chinese automaker, BYD: (from the left) Paul Lin, BYD; Phil Brady, president NADA; George Doetsch, chairman of WANADA, Apple Ford; Wang Chuan-fu, chairman BYD; Robert Fogarty, WAS chairman, Sport Automotive; Stephen Wade, chairman NADA; and Gerard Murphy, WAS producer and WANADA president.

A contingent of WANADA leadership and organizers of The Washington Auto Show (WAS) travelled to the Geneva Auto Show last week to meet with OEM exhibitors and industry leaders about Washington’s position as the public policy show among annual new vehicle expositions around the world.

“The Geneva Show is one of the top venues for auto shows internationally, so attending press days there afforded our WANADA team an

unparalleled opportunity to interact with automakers and auto show organizers at the highest levels related to The WAS position *vis-a-vis* U.S. lawmakers,” said Barbara Pomerance, WAS communications and media relations director.

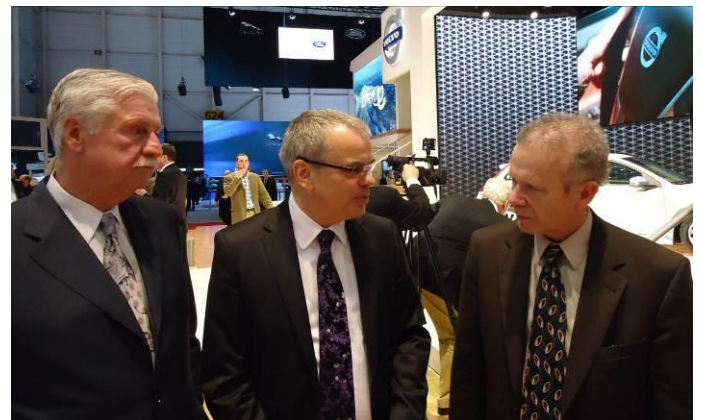
Part of the WAS visit included a meeting with the OICA board, which oversees credentialing for auto shows around the world. Specifically, WAS representatives met with OICA’s Exhibition Committee, chaired by Laurence Massenet of France, which establishes policy for participation by automobile manufacturers in international motor shows. OICA also establishes the *Calendar of International Exhibitions*, which are auto shows it recognizes.



Left to right; George Doetsch, Apple Ford, Barbara Pomerance, WAS media director, and Bernhard Koehler, COO Fisker Automotive, Inc.

That was just the beginning of Washington's whirlwind visit to Geneva with WAS officials meeting with key leadership at Saab, Volvo, KIA, China's BYD (Build Your Dreams), India's Tata Motors, Ford, General Motors, Jaguar/Land Rover and others. A meeting with Bernhard Koehler, founder and COO of Fisker Automotive, proved productive, with Fisker giving serious consideration to participation in the 2012 Washington Auto Show.

WAS organizers met with a wide array of other OEM notables and auto show operatives in Geneva, to include Stefan Jacoby, president of Volvo Cars; James O'Sullivan, president of Mazda North America; Mike O'Driscoll, managing director, Jaguar Cars/ Land Rover; and Gary Temple, president of Jaguar/Land Rover, North America.



Left to right; Stephen Wade, NADA chairman, Stefan Jacoby, president Volvo Cars, and Gerard Murphy, WAS producer



Capping off the WAS contingent's fast-paced visit was a meeting with Don Beyer, the U.S. Ambassador to Switzerland, who, with his wife, Megan, hosted the group for an elegant dinner at the U. S. Embassy residence in Bern. Don, of course, is a principal in Don Beyer Volvo of Northern Virginia.

From left to right; Ambassador Don Beyer and wife Megan; Stephen Wade, chairman NADA; Bob Yoffe, WAS manager; Robert Fogarty, WAS chairman; and Gerard Murphy, WAS producer.

It may be legal for employees to complain about working conditions using social media

In what is being seen as a groundbreaking case by labor officials and lawyers, the National Labor Relations Board (NLRB) has accused a company of illegally firing an employee after she criticized her supervisor on her Facebook page. Such activity, the NLRB claims, is protected activity and employers would be violating the law by punishing workers for such statements.

The labor relations board last week filed a complaint against an ambulance service, American Medical Response of Connecticut, that fired an emergency medical technician, accusing her, among other things, of violating a policy that bars employees from depicting the company "in any way" on Facebook or other social media sites in which they post pictures of themselves.

Lafe Solomon, the board's acting general counsel, said "This is a fairly straightforward case under the National Labor Relations Act — whether it takes place on Facebook or at the water cooler, it was employees talking jointly about working conditions, in this case about their supervisor, and they have a right to do that."

That act gives workers a federally protected right to form unions, and it prohibits employers from punishing workers — whether union or nonunion — for discussing working conditions or unionization. The labor board said the company's Facebook rule was "overly broad" and improperly limited employees' rights to discuss working conditions among themselves.

Moreover, the board faulted another company policy, one prohibiting employees from making “disparaging” or “discriminatory” comments when discussing the company or the employee’s superiors and co-workers.

The board’s complaint prompted Morgan, Lewis & Bockius, a law firm with a large labor and employment practice representing hundreds of companies, to send an advisory this week to its clients, saying “all private sector employers should take note,” regardless “of whether their work force is represented by a union.”

The firm went on to say that, “employers should also review their Internet and social media policies to determine whether they are susceptible to an allegation that the policy would *reasonably tend to chill employees*” in the exercise of their rights to discuss wages, working conditions and unionization.

Vehicle scrappage rate more than doubles in U.S.

Experian Automotive, which specializes in tracking new and used vehicle sales in the U.S., said this week that Americans are scrapping vehicles at an ever higher rate and that in the last quarter of 2010, the rate jumped to its highest level since 'Cash for Clunkers' in 2009.

The scrappage rate in Q4 2010 for cars increased by 28.3 percent, compared with Q3 2010, correspondingly, the rate for light trucks in Q4 2010 more than doubled, rising by 58.2 percent over the previous quarter, Experian reported. For all of 2010, the annual scrappage rate was 5.3 percent for cars and 3.5 percent for light trucks, the company said, noting that in total numbers that came to slightly over 10.1 million units scrapped in 2010.

Experian also reported that the number of vehicles in operation increased slightly to 239,811,984 passenger cars and light trucks with light trucks representing 50.4 percent of those vehicles. Additionally, Experian said that the average age of vehicles is up 3.3 percent, from 9.6 years in Q4 2009 to 9.9 years in Q4 2010. Moreover, the "Detroit 3" (GM, Ford, Chrysler) vehicle share stands at 61.3 percent of the total market.



Sad to report...

Charlie Stringfellow of Brown Automotive lost his father, Charles Strother Stringfellow, who lived in Florida. Mr. Stringfellow was 92.

Contributions in his memory can be made to St. Mark's Episcopal Church, 4129 Oxford Ave., Jacksonville, FL, 32210.

Joe Paul of Early, Cassidy and Schilling lost his daughter-in-law, Erica Paul, married to his son, Michael, formerly of Pallone Chevrolet.

Erica succumbed to a long term illness she had been fighting for some time. Contributions to her memory can be made to the Memorial Sloan Kettering Cancer Center, www.mskcc.org.

The WANADA community extends its sincerest sympathy to Charlie, Joe, Michael and their families at this sad time.

For more information, please contact Trish Frisbee in the WANADA offices at (202) 237-7200.

Staying ahead ...

People with a high opinion of themselves usually have been educated beyond their level of intelligence.

--Mother Angelica