

THE WANADA BULLETIN

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

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Thought for the Week...

Morty Zetlin inducted into Arlington Business Hall of Fame



2013 Arlington Business Hall of Fame inductee Morty Zetlin (left) with Chamber Chair David DeCamp at Sheraton Pentagon City.

Morton J. Zetlin, longtime dealer principal at Mercedes-Benz of Arlington, was inducted into the Arlington Business Hall of Fame at a ceremony at the Arlington Chamber of Commerce last week.

A longstanding leader of Arlington's vibrant business scene, as he has been in Metropolitan Washington's automobile business, Morty Zetlin and two others joined ten former Hall of Fame inductees over the years to be so honored by the Arlington Chamber.

Indeed, he began his car business career in the 1950s at American Service Center, the forerunner of M-B of Arlington, selling Studebakers and used cars for the dealer, his father-in-law, Saul Brooks. In those early years, Zetlin was also attending classes at the prestigious Georgetown University School of Foreign Service.

When the dealership was franchised to sell Mercedes-Benz in 1957, Zetlin opted for a career in the automobile

business as opposed to diplomacy, sticking with Mercedes-Benz and the store where he became a general partner and dealer principal in the 1970s.

Subsequently, he became active in WANADA's leadership, serving as a founding member of the Automotive Consumer Action Program (AUTOCAP), where, among other things, he and other dispute resolution panelists were featured in a *Parade Magazine* article in the late 1970s. In the mid-1980s, Zetlin chaired WANADA's Board and The Washington Auto Show; then later became NADA director for Metropolitan Washington.

As referenced above, Zetlin is now one of 13 Arlingtonians to be inducted into the Chamber's Business Hall of Fame, an honor he can add to being named a TIME Magazine Dealer of the

Year, which, like this most recent recognition, salutes not only business success, but leadership in industry and community. Others so honored by the Arlington Chamber were Joseph Wholey and the late Kenneth Haggerty, DDS, both of whom were recognized for distinguished service on the Arlington County Board of Supervisors.

WANADA wishes Morty Zetlin all the best on the well-deserved recognition!

AIADA Auto Summit speakers forecast wild sales year

Executives from import nameplate OEMs told their counterpart dealers at the American International Auto Dealers Association Auto Summit last week to expect a fruitful, but intensely competitive vehicle sales year in 2013, ending in 15.1 million to 15.3 million sales.

“Summer’s going to be bloody,” said Hyundai Motor America sales vice president David Zuchowski. “Everybody’s got inventory and everyone will be pushing hard to sell it,” he said.



Automakers and dealers have a lot of inventory to sell.

Last week’s AIADA Summit featured an array of notable speakers, including former U.S. Trade Representative Ron Kirk and Rep. Mike Kelly (R-Penn.), himself a Hyundai dealer. In addition to Hyundai’s Zuchowski, executives on a featured automaker panel came from Kia, Mercedes and Toyota.

Along with a number of U.S. dealer associations affiliated with the Automotive Trade Associations’ network, WANADA was represented at the AIADA Summit by Jack Fitzgerald, former WANADA chairman of Fitzgerald Auto Malls, Gerard Murphy and John O’Donnell, WANADA president and executive vice president, respectively. Joining Jack Fitzgerald on the AIADA Board are 17 other import brand dealers from across the U.S., including Paul Ritchie, former chairman of MADA, of Hagerstown Honda.

Import brand dealers who attended the Summit from across the U.S. made time to call on their members of Congress while in Washington to advance AIADA’s national and international dealer agenda, a central component of which is free trade advocacy. In addition this year, AIADA along with NADA is concerned with federal regulatory overreach by such things as the new Consumer Finance Protection Bureau’s current venture into dealer arranged financing.

Va. AG fixes title tax rate problem that the July 1 increase would have caused

The looming problem of which title tax to apply on vehicle sales in Virginia when the rate rises from 3% to 4% on July 1 is *resolved*, thanks to Attorney General Ken Cuccinelli, whose written opinion last week set the matter to rest. In his May 22, 2013 letter to DMV Commissioner Rick Holcomb and Motor Vehicle Dealer Board Director Bruce Gould and others, Cuccinelli set aside a 25 year old AG opinion, which provided that the title tax in effect at the time of title processing at the DMV, not the time of sale or ownership transfer, would apply. This

caused considerable concern among Virginia dealers contemplating the prospect of selling vehicles prior to July 1, 2013, where the 3% rate was collected, but the 4% rate would be due, unless the paperwork was at the DMV before the rate change date.

From the AG's May 22 letter:

“It is my opinion that the proper tax rate to impose on a vehicle sales transaction in Virginia is the tax rate in effect at the time of the sale when the ownership...of the vehicle is transferred...after the tax is imposed on the sales transaction. The tax is then owed and is paid and collected when the vehicle is titled by the DMV.”

As rationale for his action, Cuccinelli cited a changed automobile business from 25 years ago and a “plain meaning” of the word *sales* in the law.

The title tax increase from 3% to 4% on July 1, accordingly, should transition far better for all concerned than otherwise would have been the case.



Nearly 60 dealership employees experienced significant loss in last week's tornado.

Two ways dealers can help Oklahoma tornado victims

Dealers have two ways to help victims of last week's tornadoes in Moore, Okla.

The Metropolitan Oklahoma City Auto Dealers Association has its own charity, the Car Dealers Care Foundation; set up to help employees who have experienced extreme hardships. Contributions will help 58 employees (so far) who have experienced total loss or significant loss from the tornadoes and next, employees' extended families who are affected. The Foundation is giving affected individuals an initial \$1,500 check to help them pay rent and other expenses. Checks can be sent to: Car Dealers Care Foundation,

Attention: Tornado Relief, 1710 North Broadway Ave., Oklahoma City, OK 73103.

Dealers and employees can also donate to NADA's Charitable Foundation, which has an Emergency Relief Fund available to affected dealership employees as well. To donate online, click [here](#).

NADA, automakers oppose car rental recall bill

NADA and the Alliance of Automobile Manufacturers testified in support of one another at a Senate subcommittee hearing last week against a bill that would require rental car companies to take recalled cars out of service until they have been repaired. Supporting the bill are the National Highway Traffic Safety Administration, the car rental association, and a host of consumer advocate groups.

“Not all ‘safety recalls’ render a vehicle unsafe to operate,” said NADA Chairman Peter Welch in written testimony. “We agree that recalls which require immediate repairs to systems such as steering, fuel delivery, accelerator controls or other crucial components should not be rented to

the public until the defect is remedied.” But many recalls are for more minor problems or problems that only apply in certain regions, he added.

Welch also called the bill “overly broad in that it regulates auto dealerships that operate small rental or loaner fleets in the same manner as multi-national rental car giants.” Many dealers who have just one model in their loaner fleet could suffer economic hardship as a result of the bill, NADA and others pointed out.

Another objection voiced by both NADA and the automakers: Dealers might have to wait in line behind rental car companies to get recall parts. This point drew a rebuke from Sen. Barbara Boxer (D-Calif.) an advocate of the legislation: “If these rental car companies get first dibs at the fix, how does that hurt my (consumer) constituents? Who do you think is renting these cars?”

Indeed, senator, but who do *you* think makes possible the consumer’s ability to get convenient, readily available rental car transportation when the his/her car is in for repairs? Oh, that’s right, it’s the dealership! Stay tuned.

New Hampshire passes *Dealer Rights* legislation

The New Hampshire House has overwhelmingly passed a Dealer Bill of Rights that may be worth emulating in other states. The state senate passed a different version earlier this year. Now the upper chamber must decide whether to go with the amended bill or work out a compromise.

The version passed last week would:

- Limit manufacturer-required facility upgrades to every 15 years. After 15 years, the automaker would have to prove an upgrade was necessary.
- Give dealers facility site control and exclusivity in a franchise agreement or renewal.
- Give dealers some say in choosing their floor plan and auto loan lending sources.
- Require transparency and/or uniformity in incentive programs, market area changes, sales performance calculations and performance reports.
- Require warranty parts reimbursement at retail rate, written in such a way as to discourage OEM attempts to ignore it.

Only two CUVs pass frontal crash test by the insurance industry

The 2014 Subaru Forester is the first vehicle to *ace* every aspect of the difficult small overlap frontal crash test conducted by the Insurance Institute for Highway Safety (IIHS). The Forester won a rating of “good” and the 2013 Mitsubishi Outlander Sport won “acceptable.” The other 11 CUVs earned poor or marginal ratings.



The Forester achieved highest rating in the small overlap front crash test.

IIHS added the test last year. It replicates what happens when the front corner of a vehicle strikes another vehicle or an object like a tree or utility pole. Most vehicles today are designed to do

well in the government's full-width front crash test and in IIHS's moderate overlap front test, but that's no guarantee they will do well in a small overlap crash.

Two-thirds of the CUVs tested had poor ratings for structure, and about half were poor or marginal for restraints and kinematics, meaning the crash dummy movements weren't well controlled to prevent contact with hard surfaces.

DC area drivers tell Ford surveyors they want to drive green cars

When Ford surveyed 200 Washington area drivers in April and May, nearly 7 in 10 said they are likely to buy or lease an environmentally friendly car in the future. Other findings:

- More than three-quarters of respondents (76 percent) are satisfied with their primary vehicle's fuel economy, but the vast majority (95 percent) expect new cars today to have better gas mileage than they did five years ago.
- Nearly three-quarters are more concerned about climate change now than they were five years ago.
- Many admit (61 percent) they are confused about the different types of green cars available, and 46 percent say they don't know the difference between a hybrid and a plug-in hybrid.

By popular demand, WANADA's flu shot program returns

Registration required by August 24, 2013

Registration is now open for WANADA's seasonal flu shot program for dealership employees. With the flu annually infecting more than 40 million people, resulting in workplace disruptions averaging four to five work days per employee, the program is a popular, well received WANADA employee benefit.

Once again, WANADA's flu shot program will be available on-site at WANADA dealerships and administered by Norvar Health Services. The on-site service will be available for adults aged 18 and older. For adults younger than 65, the fee will be \$23.00 per shot, with a minimum of 20 participants required at each location.

Adults 65 and older will have a choice of getting the regular flu shot or the high-dose flu shot, which may offer better protection against the flu. The fee for the high dose shot will be \$38.00. Human immune defenses become weaker with age, which places older people at greater risk of severe illness from influenza. Also, aging decreases the body's ability to have a good immune response after getting influenza vaccine. A higher dose of antigen in the vaccine gives older people a better immune response against flu. However, whether or not the improved immune response leads to greater protection against influenza disease after vaccination is not yet known.

An ongoing study designed to determine the effectiveness of high-dose flu vaccine in preventing illness from influenza compared to regular-dose flu vaccine is expected to be completed in 2014 to 2015. The Centers for Disease Control does not express a preference of one vaccine over another at this time.

To have your dealership participate, register online at www.norvarhealthservices.com under "Scheduling." Alternatively, fax the registration form included at the end of this Bulletin to (202) 315-3842 by August 31. Because of the popularity of this program, you are encouraged to

register early. Any request received after August 24 may be subject to an increased fee and to vaccine availability to Norvar Health Services.

Norvar Health Services will begin conducting on-site visits after Labor Day. All scheduling will be done by Norvar upon submission of your registration. Norvar will contact the dealer's designated representative with the scheduled date/time and forward all appropriate forms. Norvar will invoice the dealership directly for all flu shots administered via the program, subject to the 20-shot minimum.

If you have questions about the program, contact Joe Koch at WANADA at (202)237-7200 or jk@wanada.org.

Thought for the Week...

British Prime Minister David Cameron praised the actions of Ingrid Loyau-Kennett, a cub scout leader who confronted the Muslim terrorists last week, immediately after they brutally and senselessly murdered an off-duty British soldier on the street in front of her.

"They told her they wanted to start a war in London and she replied, '*you are going to lose, it is you against many,*' " Cameron said.

"She speaks for all of us."

NORVAR HEALTH SERVICES

**Flu Clinic Registration Form
Please fax to: 202-315-3842**

Organization: _____

Address: _____

Event Address: _____

Point of Contact Name: _____

Point of Contact Tel: _____

Email: _____

Estimated Number of Regular Flu Doses: _____

Estimated Number of High-Dose Flu Doses: _____

Preferred Day of the week: _____

Alternative Day: _____

Preferred Time: _____

Alternative Time: _____

Comments: _____

Submitted By: _____