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Small time thief targets personal property at area dealerships

Thought for the week...

*The WANADA offices
will be closed for the
Memorial Day Holiday
and will reopen on
Tuesday, May 31*

Import auto dealers come to town for annual AIADA Summit to review the international auto dealers government relations agenda for the U.S.

America's import auto dealers and members of the Automotive Trade Associations (ATAE) came to Washington this week for the annual American International Automobile Dealers Association (AIADA) International Auto Industry Summit, a two-day affair to hear from key members of Congress, pundits and industry leaders on the issues facing the U.S. new vehicle market and their impact on the retail auto industry.

**American International
Automobile Dealers®**

The always enlightening conference was highlighted by the first public speech since his announced candidacy for president of former Minnesota governor Tim Pawlenty, who promised a "new way forward" for America if he were elected.

Joining Gov. Pawlenty was Rep. Fred Upton (R-MI), chairman of the House Energy and Commerce Committee and Congressional Auto Caucus, who lamented Congress's current inability to forge workable compromises on a whole host of critical issues, to include the nation's debt and regulatory crisis. Sen. Scott Brown the newly installed Republican senator from Massachusetts who replaced Ted Kennedy also stopped by the conference.

Attendees additionally heard from Pulitzer Prize winning journalist Paul Ingrassia on the future of the U.S. auto industry and from a panel of industry executives who saw slow, but steady progress ahead for industry sales and reasonable regulation of the industry.

Supporting AIADA in its conference was Global Automakers organization whose CEO, Mike Stanton, called for balancing green technology with fuel site infrastructure and real car business demand.

Other pressing issues for conferees were the prospect of California staying in the air quality standards business along with the prospect of 50-50 mpg requirements by 2025.

Mike Kelly, car dealer and congressman, receives AIADA's Dealer Advocacy Award



Rep. Mike Kelly (R-PA)

Pennsylvania auto dealer and first term U.S. Representative Mike Kelly (R) was presented with AIADA's Advocacy Award during the association's 5th Annual International Auto Industry Summit in Washington, D.C. this week.

"Rep. Kelly has taken dealer involvement – which is the cornerstone of AIADA's work in Washington, D.C. – to a new level. His leadership in the dealer community, and now in the halls of Congress, has shed light on the federal policy and legislative issues that impact dealers' ability to serve as economic engines in their local communities," said AIADA President Cody Lusk. "I can think of no one more deserving

of AIADA's Advocacy Award."

As a 53-year resident of Butler, Penn., Rep. Kelly employs over 100 people from the community at his dealership that includes Hyundai and Kia franchises. Previously, he served as chairman of the Hyundai Eastern Region Dealer Council, vice chairman of the Hyundai National Dealer Council, and secretary and treasurer of Hyundai's "Hope on Wheels" program which has donated over \$14 million to combat childhood cancer.

In 2010, he campaigned successfully to represent Pennsylvania's third congressional district in the U.S. House of Representatives where he has emphasized policies promoting fiscal discipline that will help America's small business community grow and thrive. Rep. Kelly currently serves on the House Committee on Oversight and Government Reform, the Education and Workforce Committee, and the Committee on Foreign Affairs.

AIADA's Grassroots Advocacy Award is presented by its grassroots initiative, the Legislative Action Network, to recognize members who have worked to improve awareness in Washington, D.C. of issues impacting America's international automobile franchises. AIADA seeks to connect auto dealers with the legislative process, enabling them to be heard on concerns that impact their businesses.

Hyundai/Kia now 6th largest automaker in U.S.

R.L. Polk announced this week that Hyundai/Kia would sell eight percent of all new vehicles in the U.S. this year, making it the sixth largest automaker in the U.S. It took the Korean automaker less than 25 years to reach this level and firmly places it among the giants of the industry, joining the likes of Ford, Chevrolet, Toyota, Honda, Dodge and Nissan.

Hyundai/Kia is experiencing faster market growth than any other offshore-based company selling vehicles in the U.S., having surpassed the growth rate of Honda, Toyota and Nissan.

Fiat 500 engine deemed “Best” for 2011

The winner of the coveted International Engine of the Year for 2011 is Fiat’s 0.9-liter twin-cylinder gasoline engine also known as the TwinAir. A blue ribbon panel comprised of 76 journalists and industry experts from 36 different countries, were convinced by the 875 cc unit's low emissions, high fuel economy and impressive output, awarding it three additional honors: “Best New Engine 2011,” “Best Green Engine 2011,” and “Best Sub 1-Liter Engine.”



Currently available in a turbocharged configuration developing 85-horsepower, the TwinAir is offered on the Fiat 500 and 500C, which are now being made available in the U.S.

“Fiat has now produced one of the all-time great engines,” said Dean Slavnick, editor of Engine Technology International and co-chairman of the International Engine of the Year Awards. “Its triumph is a clear signal that less is more: people want low-emission, fuel-efficient, yet powerful engines and just two cylinders certainly seem to provide a comprehensive solution!”

MADA holds legislative, legal, and regulatory briefing for Maryland dealers across the state

WANADA sits in on Gaithersburg session this week

Maryland dealers from the D.C. suburbs attended the Gaithersburg session of a briefing MADA is taking across the state related to legislation passed into law by the 2011 General Assembly impacting the automobile business. Additionally, the briefing included an overview of state and federal regulatory developments and a discussion of hot button legal issues of importance to dealers.

Joining MADA CEO and lawyer Peter Kitzmiller, was dealer lawyer and WANADA Kindred line member Mike Charapp, who together presented the material.

Topping the list of new laws passed by the General Assembly was the cap increase in the processing fee dealers can charge car buyers to handle vehicle purchase paperwork rising from \$100 to \$200 this July, with an elevator from \$200 to \$300 in 2014. The briefing focused upon the various disclosure requirements dealers charging the fee must comply with by state law.

In the legal report, dealers were alerted to the threat of class action lawsuits brought by plaintiffs lawyers against dealers for a variety of dealer missteps in violation of consumer protection and workplace law. Specific areas referenced were the Maryland laws mandating dealer disclosure of prior use to used car buyers and damage, body or mechanical, to new car buyers.

In the regulatory realm, the briefing provided an important review of dealer obligations under the FTC Used Car Rule with regard to window sticker postings, the state and federal requirements on what must be disclosed to buyers on the sale of demonstrators, requirements of dealer advertised disclaiming freight charges from the advertised price, disclosure requirements in vehicle transactions where negative equity is involved and Truth-in-Lending requirements.

Dealers were also alerted to the upcoming car business scrutiny by the FTC pursuant to the passage of the new Finance Reform law that will *not* include dealers in the regulatory scheme of the soon to be formed Bureau of Consumer Finance Protection (BCFP).

General advice on dealers taking full advantage of state franchise protection laws was dispensed as well, rounding out a legal and regulatory briefing for dealers that was as comprehensive as it was timely and useful. Covered, too, was the shift in federal policy by the Department of Labor away from the overtime pay exemption for service advisors to include the steps dealers can take to keep service advisors exempt along with vehicle sales representatives and vehicle repair technicians.

WANADA works shoulder to shoulder with MADA as well as VADA and NADA on the development of and compliance with statutes and regulations impacting dealers at the federal and state level and appreciates the good work of the association's government relations advisors Rifkin, Livingston, Levitan and Silver on Maryland matters and Charapp and Weiss on Virginia matters.

Jack Fitzgerald receives Community Leadership Award from the Assn. for Safe International Travel

Jack Fitzgerald (Fitzgerald Auto Malls) was honored earlier this week by the Association for Safe International Travel (ASIRT) for his efforts to improve child safety in automobiles and his ongoing support of road safety efforts throughout Montgomery County and the State of Maryland.

Jack was one of five honorees at the organization's awards dinner and received ASIRT's 2011 Community Leadership Award for his ongoing efforts to ensure the proper installation of child safety seats, an effort he has spearheaded through his stores since 1998.

ASIRT is a non-profit, humanitarian organization that promotes road travel safety through education and advocacy around the world. It was founded in 1995 by the parents of Maryland resident Aron Sobel, who along with 22 other passengers from many countries died in a bus crash along a



Jack Fitzgerald

narrow, badly-maintained road with a sharp curve and no guard rail in Turkey. Following the accident, Ambassador Marc Grossman, U.S. Ambassador to Turkey at the time, recommended the creation of a road safety organization to protect both American citizens abroad and residents of countries around the world. ASIRT seeks to dramatically reduce the risk of travelers to and citizens of countries throughout the world.

Fitzgerald was presented the award by NADA general counsel Andy Koblenz, a member of ASIRT's leadership and past award recipient. On hand for the occasion was David Strickland, administrator of the National Highway Traffic Safety Administration, and House Democratic Caucus leader Rep. Chris Van Hollen (Md).

Honda of Dulles sells AutoNation's 8 millionth vehicle

AutoNation celebrated the sale of its eight millionth vehicle, an automotive retail industry first, at the grand opening of Honda of Dulles on May 24, 2011. To commemorate the occasion, AutoNation chairman Mike Jackson, and founder H. Wayne Huizenga, presented the keys to a new Honda Fit to Wendy Byrd Kang, a United States Army civil affairs specialist who recently returned from being deployed in Kabul, Afghanistan.



Honda of Dulles (formerly Leesburg Honda) is located at 21715 Auto World Circle, in Sterling,

Oil execs see continued rise, not drop, in crude oil prices and prices at the pump

Despite newspaper headlines to the contrary, Americans will likely see higher gasoline over the course of the year, according to a survey of 550 energy industry executives.

The survey, conducted by the KPMG Global Energy Institute, found that 64% of the respondents anticipating crude oil will reach \$121 a barrel this year – about 20% more than it is currently trading, meaning U.S. motorists now paying an average of \$4 per gallon for self-serve regular will be paying more, not less, before the year is out. The findings also suggest continued demand for high mileage vehicles, which are already in short supply.

KPMG found a third of the executives surveyed predicted oil prices would peak between \$121 and \$130 a barrel, and another third saw even higher prices coming. A full 17% foresaw a high of as much as \$140, while 9% thought oil would reach a peak of \$150. On the fringe, 6% thought crude would go even higher.

Meanwhile, only a third thought oil prices would peak at no more than \$120.

“While we have seen some very recent declines due to selloffs, these variations reflect persistent instability, and our survey findings confirm that we may have not seen peak levels on crude,” said John Kunasek, national leader of the KPMG U.S. energy practice, and executive director for the KPMG Global Energy Institute

Two Dealer Alerts:

Car thief using the *test drive* to steal high end vehicles Small time thief targets personal property at area dealerships

Alert 1. *Grand Theft Auto.* WANADA members should be on the lookout for a white male in his early 20s wearing an earring in each ear who is targeting high end dealerships to steal a car taken on a test drive. The perpetrator stole an AMG Mercedes last week from a local dealer.

His modus operandi is to pull into the dealership in a late model high end car (which is also stolen) and asks to go on test drive. He will say he is a graduate student at the local university and his father is buying him a new car. The ID he produces is false. He will leave the car he pulled up in the dealership and steal the test drive vehicle. Anyone with additional information, contact Jake Kelderman at WANADA at (202) 237-7200.

Alert 2. *Misappropriation of dealership office equipment* (as reported via a WANADA Special Bulletin, May 25). A WANADA dealer member with stores in Prince Georges and Alexandria has advised the association of an individual with theft on his mind wandering around customer areas and offices in the service and sales departments misappropriating small items left on tables and desks.

The individual believed responsible for the thefts is described as a stocky, middle aged African-American male, dressed in a sweatshirt style jacket and jeans and sometimes donning a Tupak-celebrity T-shirt. The mode of operation of the perpetrator is as follows: He enters a dealership through the service department and walks around to the sales department and looks around for items he can steal. He targets laptops and other pieces of electronic equipment. Cable locks do not deter him; he just snaps them off their chassis.

He may or may not have a backpack on him the first time he enters a store. He will then leave and come back into the store with a backpack and steal the items he saw on his first encounter. He has been known to come back to a store multiple days in a row. He also normally hits the store early in the day, after service has opened, but before sales personnel are around.

He has been seen driving a gold GMC Jimmy, a gold Ford Fusion and a black Toyota Sequoia. He is very bold, preferring to walk towards groups of people, rather than avoiding them. He is also willing to talk to employees directly, sometimes posing irrational questions.

The dealer says that the incidents and description of the individual believed to be involved have been reported to the police. For more information contact, Jeff Parker, Passport Automotive Group, 703-906-9380 or jeffrey.parker@passportauto.com.

Thought for the week...

Getting to heaven isn't automatic.

-- Jack Fitzgerald's father