

Headlines

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Tuesday AM, Aug. 21, Bethesda Marriott

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Thought for the week...

WANADA dealer briefing on ObamaCare

Timely and important employer info on a complicated law!

Tuesday, AM, Aug. 21, Bethesda Marriott

The Congressional sponsors who passed The Patient Protection and Affordable Care Act of 2010 (PPACA, a.k.a. ObamaCare) no less than the Supreme Court justices who reviewed it this spring, were all loath to read the 2,000 *plus* pages that comprise President Obama's *signature* public policy. But here we are just the same, with an all-encompassing federal law that's moving forward quickly toward a 2014 implementation date that *significantly* impacts employers and employees as it does consumers, taxpayers, health care providers and insurance companies.

With the vast workplace implications of ObamaCare in mind, WANADA has assembled a distinguished panel of knowledgeable professionals from various sectors who will take WANADA dealers and their key managers through the various administrative and legal aspects of this new and complicated law. This panel consists of: Richard Morris, CPA, MST, Councilor, Buchanan & Mitchell; Rodger Bayne, vice president, Group Benefit Services (GBS); Tammy Killion, Esq., Groom Law Group; and David Regan, Esq., director, NADA Legislative Affairs.

“With the sheer magnitude of this law, there is much confusion and misinformation right now about what employers are required to do and what they need to be thinking about for their people,” said Gerard Murphy president of WANADA. “WANADA's job is to take care that our dealers have the best information available on the health care law so everyone will know how to proceed as the federal government and states roll this out,” he said.

This briefing is being billed as *timely and important* by WANADA for its members, and as such it is being offered on a *complimentary* basis (no charge) for dealer executives who sign up (courtesy of WANADA Employee Benefits Programming). Arrangements are set for 9 to Noon, Tuesday, August 21, 2012 at the Bethesda Marriott. For information contact Kristina Henry at 202-237-7200 or kh@wanada.org. To sign up, click [HERE](#).

NADA's Paul Taylor sees stiff competition ahead for auto sales



Expect an auto industry shootout for the rest of the year as the competition gets serious, says Paul Taylor, chief economist for the National Automobile Dealers Association.

“There will be knock-down, drag-out competition, because all of the automakers have good inventories, except for a couple with bottlenecks,” Taylor said at the annual Center for Automotive Research Management Briefing Seminar in Traverse City, MI.

Taylor said dealers will have almost enough of everything in stock for the rest of the year and that gives bargaining power to consumers. That is in contrast to the first half of the year, when U.S. inventories were sparse, especially for Asian automakers still feeling the ill effects of natural disasters in the Northern Pacific part of the region in 2011, said Taylor.

Taylor said that the first half of 2012 was hard for some dealers, because “you can’t sell what you don’t have,” noting that there were a lot of inventory difficulties because of the earthquake and tsunami in Japan and the floods in Thailand,” which, for example, took Honda’s days’ supply from 33 a year ago to 44 in May to 53 in June, he noted.

Taylor said the auto industry is recovering faster than the national economy and that car sales will go over 14 million this year, *but how far over* is an unknown.

Hyundai and Kia sales in the U.S. would be higher this year were it not for capacity constraints in South Korea, Taylor said, noting that Subaru faces the same problem. But other automakers and their dealers have sufficient stocks. “The inventory shortages are over and that means there will be more competition to get customers’ attention,” he said.

Preventing an outright sales explosion are some stubborn economic negatives, however. Those include 8.3% unemployment, weak consumer confidence and a housing market that has not fully recovered, Taylor said.

Strong housing prices spur vehicle sales, he said. “Housing prices were in a free-fall a few years ago. Now, prices have found a *bottom* in most states, although we are still seeing some difficulties west of the Rockies. But overall, prices were up 0.5% in the first quarter of 2012.”

Auto sales will also be aided by easier credit and reasonable gasoline prices, Taylor noted. He said the midsize car segment will be the “standout” of 2012. “We are seeing the strongest growth there, as households look for a vehicle that meets their needs and delivers good fuel economy.”

WANADA's used Vehicle Trading Network hosts member briefing ADESAOpenLane supported wholesaling site listing hundreds of vehicles

WANADA's exclusive online Vehicle Trading Network (VTN) continues to gain members as dealers in the area more and more embrace the online technology as a critical element in their basket of tools for managing used vehicle inventory.

The VTN, which is FREE to WANADA dealer members, is specifically targeted to facilitate the trading of front-line ready used inventory that is either aged or off- brand. WANADA dealer participants receive a 20% to 40% discount on “sell and buy fees,” depending upon volume, as well as discounts on third party inspection fees.



ADESA EVP Tom Kontos at the WANADA online VTN seminar in Dulles, VA

ADESAOpenLane operates the site for WANADA and hosted a briefing for VTN members this week at its auction facility near Dulles, VA, featuring the company’s EVP for customer strategies and analytics, Tom Kontos. Kontos told the dealers that the Internet’s role in the used vehicle market was becoming “the great equalizer” in dealer competitiveness and that by 2015 as much as 50% of all wholesale transactions will be via the Internet versus the 20% today. “The efficiency you gain by managing your inventory electronically cannot be underestimated,” he said.

Those sentiments were echoed by Steve Gerhartz of the Passport dealership group, who noted that “as third party condition reports of used vehicles improve, you will see more and more online sales.” It’s what you would expect, he said, “because you know exactly what you are getting when you buy these vehicles and how much of any reconditioning costs you are going to have.” Passport regularly posts inventory on the WANADA VTN and is one of its primary users.

WANADA members need only their AuctionNet member number to get registered onto the VTN, which will then automatically download used vehicle inventory (including photos and descriptions) from the dealership’s inventory system. The used vehicle manager can then select vehicles for posting. All transaction details/paperwork are handled by ADESAOpenLane and critically, each WANADA VTN member is supported by an ADESAOpenLane staff member who helps facilitate transactions and resolve issues as they arise.

For more information on the WANADA VTN and to register click [HERE](#), or contact WANADA’s Billy Painter at 202-237-7200 or bp@wanada.org or ADESAOpenLane’s Rick Gayle at 202-236-2270 or rgayle@openlane.com

NADA leaders to meet in Washington as tax issues loom

First Annual Conference in past 11 without NADA President Phil Brady

The annual NADA Washington Conference is coming to town on Tuesday, September 11 for two days of briefings from key elected officials and political experts. NADA says this year’s Conference will be particularly meaningful as it will provide an opportunity to “lay the foundation” on dealer tax issues ahead of the broader tax reform debate that will occur as the new Congress forms and deals with the consequences of the expiring Bush-era tax rates scheduled for the end of the year.



This year’s Conference will be the first in 12 years that NADA president Phil Brady will not preside over. Brady is leaving the association next week to become senior vice president of

government affairs for Phillips 66 where he will be tasked with reorganizing the oil giant's Washington presence.

Among other things Brady led NADA, through the bankruptcies of Chrysler and GM and the "Cash for Clunkers," efforts by the federal government to revive the auto industry, as well as numerous contentious industry relations issues between dealers and OEMs. Memorably, he presided over the NADA Washington Conference in 2001 (9/11) which, like this year, was held September 11th. Back then, of course, the conference adjourned early!

In his resignation letter to NADA dealers, Brady said he was particularly proud of the fact that over the last ten years more than 90 percent of the dealers in this country have been members of NADA, "giving us a grassroots constituency second to none."

WANADA's annual flu shot program for dealer employees

Registration required by August 24, 2012

Registration is now open for WANADA's seasonal flu shot program for dealership employees. With the flu annually infecting over 40 million people each year, resulting in workplace disruptions averaging 4-5 work days per employee, this is a popular, well received WANADA employee benefit.

Once again, WANADA's flu shot program will be available onsite at WANADA dealerships and administered by Norvar Health Services, the association's longstanding contactor for this service. The onsite service will be available for adults ages 18-64 and the fee will be \$24.00 per shot, with a minimum of twenty (20) participants required at each location.

To have your dealership participate, please return the registration form included at the end of the Bulletin via fax to 202-237-7779 by Aug. 24, 2012. *With the popularity of this program you are encouraged to register early!* Any request received after Aug. 24 will be subject to an increased fee, as well as subject to vaccine availability by Norvar Health Services.

Norvar Health Services has already received their vaccine and will begin conducting onsite visits shortly after Labor Day next month. All scheduling will be done by Norvar upon receipt of their registration form to WANADA. 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, please contact Martha Kowalski at WANADA on 202-237-7200.

Thought for the week

"I wanted to connect with the audience and give my family and country a good ride."

--Julie Zetlin, 2012 Olympian, Rhythmic Gymnast
Daughter of Mark Zetlin, Mercedes-Benz of Arlington

WANADA DEALER EMPLOYEE
ONSITE FLU SHOT PROGRAM
FALL, 2012

Our dealership is interested in participating in this year's OnSite Flu Shot Program. We understand that shots will be administered onsite by Norvar Health Services medical professionals to ADULTS ONLY beginning September 4, 2012, at a cost of \$24.00/shot. Norvar Health Services will order enough vaccine for my organization if we commit to this program by August 24, 2012. After this date, price/availability is subject to change. We understand that a minimum of twenty (20) participants/location is required to schedule an onsite flu shot program. We also understand that minor children are not eligible to participate in this flu shot program.

DEALER ORGANIZATION _____

ADDRESS WHERE PROGRAM WILL BE ADMINISTERED _____

DEALERSHIP POINT OF CONTACT

NAME _____

PHONE # _____

FAX# _____

E-MAIL _____

ESTIMATED NUMBER OF ADULT FLU SHOT PARTICIPANTS _____

BEST DAY OF WEEK FOR PROGRAM _____

ALTERNATIVE DAY OF WEEK _____

BEST TIME OF DAY FOR PROGRAM _____

ALTERNATIVE TIME OF DAY _____

SUBMITTED BY _____

TITLE _____

FAX BACK TO:

Flu Shot Fax Line
(202) 237-7779

AS YOU ARE AWARE, THE CENTER FOR DISEASE CONTROL (CDC) AS WELL AS SLOW AND/OR DISRUPTED MANUFACTURING PROCESSES HAVE INTERRUPTED THE VACCINE SUPPLY SEVERAL TIMES IN RECENT YEARS. WANADA CANNOT BE HELD RESPONSIBLE FOR INTERRUPTION IN THE SCHEDULING SHOULD THIS OCCUR AGAIN THIS YEAR. SHOULD RESCHEDULING BECOME NECESSARY FOR ANY REASON, THE RESCHEDULING IS DONE BY MUTUAL AGREEMENT BETWEEN YOUR DEALERSHIP AND NORVAR HEALTH SERVICES.

WANADA DOES NOT SCHEDULE THE DATES FOR THE SHOT PROGRAM NOR IS WANADA RESPONSIBLE FOR ASSURING SUPPLIES OF THE VACCINE.