



BUD SMAIL

WESTERN PA'S NADA DIRECTOR'S MESSAGE

February 2010

NADA Launches '100 Trucks for Haiti' Campaign

Relief workers need light trucks immediately to help get food and medicine to earthquake victims all over Haiti.

Relief efforts have ramped up following the creation of the Clinton Bush Haiti Fund. But delivery of food, water and medical supplies has been constrained by a lack of trucks to distribute supplies throughout the capital of Port-au-Prince and the communities around the country.

Speaking at the World Economic Conference late January in Davos, Switzerland, President Bill Clinton said Haiti needed 100 light trucks "yesterday."

In response, NADA is calling on all dealers around the country to answer this urgent need for trucks to deliver food and medical supplies to earthquake victims in Haiti. Already, NADA and Starling Chevrolet in St. Cloud, Florida, have pledged trucks.

Weeks after the earthquake, the needs are staggering. But this is one big way dealers can have a tremendously positive impact on Haiti's relief efforts. "The road to recovery in Haiti is long, but America's new car and truck dealers can make difference," said NADA Chairman John McEleney.

To ensure that the people of Haiti can move along the path to recovery, we urgently need your help in mobilizing a fleet. The most critical need is for rough-terrain vehicles, small trucks, cargo trucks and pick-up trucks, new or used. They are more maneuverable and better suited to deliver supplies to the diverse regions of Haiti. Help us mobilize 100 Trucks for Haiti and get critical supplies moving to where they are needed most. If you can make a tax-deductible contribution of a small truck or cargo truck or a light pick-up truck, email trucks@clintonfoundation.org.

NADA in Communication with Toyota over Recall's Impact on Dealers

NADA has been in close contact with Toyota since it announced it would suspend the manufacture and sale of eight of its most popular models because of an unresolved mechanical flaw with their accelerators. Immediately following the announcement, NADA issued the following statement to the media:

"Toyota is doing the right thing. The safety of the customer is of paramount concern. Toyota has a reputation for resolving problems quickly. We certainly hope that's the case in this situation as well.

"This is creating a very difficult situation for dealers, in an already tough market. NADA is working with Toyota to identify a plan to help get dealers through this. For the consumer, Toyota has set up a toll-free number to answer customer's questions. That number is 1.800.331.4331."

NADA is encouraging Toyota dealers to check to see if they have business interruption insurance, more specifically Contingent Business Interruption. Such a policy is designed to provide coverage when you have to suspend your business operations as a result of a covered loss to your independent supplier.

NADA also sent a memo to all Toyota dealers Jan. 27 urging them to carefully review materials and all future communications from Toyota on the recall. The memo, [available here](#), also provides information on the relevant provisions of the federal Motor Vehicle Safety Act (the "Safety Act") and National Highway Traffic Safety Administration regulations that govern safety-related vehicle defect recalls. It also urges dealers to consult legal counsel regarding their obligations under federal, state and local law related to this issue.

In NADA news...

- **NADA University Announces Preferred Partners**

The NADA University Learning Hub will provide training programs for dealership staffs in key business functions using a wide variety of online and instructor-led courses, Webinars, and workshops focused on business management, legal compliance, customer relations, human resources, and fixed and variable operations. In addition to a broad selection of all-new NADA online courses, dealers will have access to industry-leading trainers who have been selected as Preferred Partners. Among the leading trainers selected as NADA University Preferred Partners and participants in the Learning Hub are:

- Alan Ram, president and founder, Proactive Training Solutions (sales, telephone, management, Internet and BDC training);
- Grant Cardone, chief executive officer, Grant Cardone (sales training);
- Ron Reahard, president, Reahard & Associates (F&I training);
- Don Reed, chief executive officer, Dealer Pro Training (fixed operations training);
- Jeff Cowan, president, Jeff Cowan's Pro Talk (service advisor training)

- **NADA Compensation Study 2009 Mailed to Members**

Employee compensation and benefits are among dealers' most significant expenses, and a motivated and skilled staff is critical to business success. *NADA Compensation Study 2009* serves as a resource to help dealers assess their situation and balance those needs. This year's guide contains two valuable additions: NADA Chief Economist Paul Taylor has significantly expanded the introductory analysis section to provide greater insight into the data; and a new section covers pay plans.

- **Future NADA Management Guides to be Delivered Online**

With the February launch of NADA University, member publications be available online only at NADA University's Resource Toolbox. With a new, easier-to-use format, you'll have an executive summary, electronic routing to the staff you choose, and online tracking to ensure the material was reviewed and understood. NADA University includes significant new training, resources, and technology – much of which will be provided free to NADA and ATD members and their staffs. We need current, correct email addresses in order to deliver this unprecedented new training and education resource. Be there when we launch NADA University! Please go to www.nada.org/membership now to update your profile and make sure we have your correct email address.

In legislative and regulatory news...

FTC Issues Guidelines on Endorsements and Testimonials

The Federal Trade Commission recently announced guidance for advertisers regarding the use of endorsement and testimonial ads. The guidance addresses endorsements by consumers, experts, organizations and celebrities, as well as the disclosure of important connections between advertisers and endorsers. Dealers should consult this guidance before using a celebrity or consumer endorser in their advertisements. Also, the revised guides add new examples to illustrate the principle that "material connections," such as employment, payments or free products between advertisers and endorsers – connections that consumers would not expect – must be disclosed. As a result, dealers, dealership employees or anyone who receives any payment or free product from the dealer must consult these guides before blogging about their own dealership or competitors, or perhaps even commenting on a "blog" or other online forum about their own business or their competitors. [Click here](#) for details on the new guidelines.

FTC and FRB Release Final Risk-Based Pricing Rule

The Federal Reserve Board and the Federal Trade Commission have released their long-awaited joint Final Risk-Based Pricing Rule. The rule, which implements section 311 of the FACT Act of 2003 and takes effect January 1, 2011, generally applies to dealers who obtain a credit report regarding a consumer and then enter into a credit transaction with that consumer. Covered dealers must issue a Risk-Based Pricing Notice (RBPN) to those consumers to whom the dealer extends credit on terms that are “materially less favorable” than those entered into with a “substantial proportion” of the dealer’s other credit customers. Because of the difficulty in determining which customers fit into this ill-defined category, NADA recommended – and the agencies adopted – an Exception Notice that dealers and other creditors may issue in lieu of the RBPN. The criteria for using the Exception Notice and other elements of the Risk-Based Pricing Rule are explained in a preliminary NADA summary [available here](#).

The NADA Convention in Orlando was very successful. There were approximately 15,000 attendees, 464 vendors on the exhibit floor, and 108 workshops. I had the opportunity to speak to several dealers and they felt it was very worthwhile attending this year’s convention.

Help NADA communicate with you faster and more efficiently. Go to nada.org Member Update page (under member services) and give us your email address. Also, if you don’t already receive NADA HEADLINES, a free daily email summary of the latest automotive news from major U.S. publications, sign up at nada.org (Newsroom/Industry News)

If you have any questions or concerns or ideas that you feel should be passed on to NADA – please give me a call. I can be reached at **724.838.7444** or fax at **724.830.8025** or email cbsmail@smailauto.com with any suggestions that you may have.

NADA will continue to work in these challenging times for the best interest of all dealers, and will make every effort to keep you informed as events unfold.

Thank you for staying involved with your association.