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To: Mike Linn and Keith Whann
From: Sante Esposito
Michael Esposito
Subject: June 2010 Monthly Report

“Wall Street/Consumer” Financial Services Reform Bill

After extensive and intense negotiations involving NIADA and related associations, an agreement was reached on the Consumer Financial Reform Bill exempting auto dealers from increased oversight with respect to dealer-assisted financing (see page 133 of “T10” attachment). To get to that result, advocacy activities over the past month included numerous meetings, strategy phone conference calls, letters (see Owen letter attached), talking points (see attached), legislative alerts, etc. The agreement does grant increased powers to the FTC regarding dealer oversight. Accordingly, we will continue to monitor implementation of the legislation. Congressional approval/Presidential signing is expected this week. Federal Advocates wishes to commend the NIADA team – Mike Linn and the headquarters staff for overall coordination; Keith Whann for his expertise and valued input; and the entire NIADA membership for their political/grassroots support.

Senate Motor Vehicle Safety Act of 2010

On June 9, 2010, the Senate Committee on Commerce, Science and Transportation marked up and order reported S.3302, the so-called “Toyota Bill.” In earlier drafts of the Bill and just prior to markup, language was included (section 310) which would have specified that a dealer may not sell or lease a used passenger motor vehicle (both wholesale and retail sales) until the dealer first notifies the purchaser or lessee in writing of any recall notices. Working primarily with/through Senator Thune, his staff (Brenden Plack), and Committee staff (Alex Hoehn-Saric and Chris Herndon), and as a result of concern raised by General Counsel Keith Whann and his proposed suggestion, language was included in the final reported version of the bill exempting wholesale transactions from the section’s application. While an initial “victory,” the remaining provision is still very troublesome and we continue to advocate on behalf of NIADA’s interest pending further action on the Senate Bill and/or on a House companion bill.

White House Reform Request

This month, NIADA sent a letter (Federal Advocates assisted in its drafting) to President Obama requesting “the opportunity to work with you to reform our industry in common-sense ways that achieve real safeguards for consumers, that promote accountability and transparency, and that work.” The initial response from The White House was to “not meet at this time.” Our sense is that they did not want to meet while the auto dealer issue was pending in the Consumer Finance Reform bills.

NIADA Annual Convention

On June 15-17, Federal Advocates had the opportunity to attend NIADA’s 2010 Annual Convention in Las Vegas. Federal Advocates made a general introductory presentation before the Board of Directors and participated in an issues discussion with General Counsel Keith Whann at the opening of the general education session. The Convention also afforded Federal Advocates the opportunity to meet NIADA members; hear presentations/discussions of various issues; and attend the trade show.

NIADA Congressional Database

As previously reported, the Association has developed a database which would link NIADA members to specific congressional districts/states. This provides the Association with an easily accessible and extremely important tool for advocacy in Washington, D.C. The database was first activated, and successfully so, to exert pressure on Congressman Watt to not offer his anti-auto dealer amendment during House consideration of the Frank’s bill. A second round went out to Senator Tester urging support for an amendment to the Senate bill. In addition, as part of NIADA’s effort to secure Senate support for the Brownback amendment and his Motion to Instruct Conferees, Association members were contacted to solicit their Senators’ support.

PAC

As previously reported, the Association is pursuing the advisability and feasibility of creating a PAC so as to be in a position of making political contributions to key Members of Congress.