



1701 Pennsylvania Avenue
Suite 300
Washington, DC 20006
Phone: (202) 351-6855
Fax: (202) 351-6855
www.federaladvocates.com

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

“Wall Street/Consumer” Financial Services Reform Bill

On July 22, President Obama signed into law the so-called “Wall Street Reform Bill.” As reported previously, the new law exempts auto dealers from increased oversight with respect to dealer-assisted financing. To get to that result, advocacy activities over the past month included numerous meetings, strategy phone conference calls, letters (see Brownback Floor Statement attached), talking points, legislative alerts, etc. The law does grant increased powers to the FTC regarding dealer oversight. Also, it requires coordination with the Department of Defense to ensure that Service Members and their families are treated fairly by automobile dealers. NIADA is taking an active role in addressing this issue (see August 5 D.C. visits agenda attached). Accordingly, we will continue to monitor implementation of the new law.

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. This issue is also a topic of discussion per the proposed August 5 D.C. meetings.

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. The White House has not responded to recent follow-ups on this issue.

D.C. Visit

On August 5 Keith Whann, General Counsel, and Federal Advocates will be meeting with various individuals on implementation of the Wall Street Reform Bill and the status of the Senate Motor Vehicle Safety Act of 2010 (see attached itinerary).