



May, 2011

www.nhada.com

# Dateline: NH

a publication of the New Hampshire Automobile Dealers Association

Ready for the summer hiring season?  
Page 18.

## NHADA Has Accomplished Much

Roger Groux, NHADA Chairman

Looking back over the last couple of years, I would like to give credit to our hard working staff, executives, and board members for the magnificent job they have done in bringing us through some very difficult economic times. Some two-plus years ago at the onset of the economic downturn, your board of directors made the decision to broaden and diversify our membership. That objective has proved to be very rewarding. While we unfortunately lost several franchised members to the federal government's auto restructuring program, we have, in a period of economic downturn, been able

*Accomplishments – continued on page 3*

## Annual Safety Inspection Repeal Bill Still Alive in the NH Senate: Get Involved!

*Ask your Senator to oppose this bill and vote for public safety!*

Daniel Bennett, Vice President of Government Affairs

As of the print date for this publication, the bill HB 540, sponsored by Representative Keith Murphy (R-Bedford), to move safety inspections from annual to every other year is still alive in the NH Senate.

The bill is one that will significantly alter the way NH citizens maintain their vehicles. It involves the doubling of inspection sticker costs and a potential amendment that ties biennial inspections to EPA review and approval of NH's emissions testing program. Legislatively and politically it is proving to be a very complicated issue.

### Not in NHADA's eyes!

This bill is about public safety and keeping our citizens and users of our roadways safe.

- In 2010, 19 percent of all vehicles failed their NH safety inspection.
- In 2010, close to 80,000 vehicles failed for faulty brakes.
- In 2010, over 78,000 vehicles failed for faulty steering and front-end issues.
- In 2010, over 40,000 vehicles failed for tires.
- Studies show that safety inspections and periodic vehicle maintenance and inspection programs (PMVI) benefit the public, reduce accidents, and save lives!

*Safety Inspections – continued on page 11*

## Town Meetings Will Bring You News, A Raffle, and Workers' Compensation Trust Rebates

NHADA is reaching out to you, our association members, in May, seeking input on matters important to the association. We will hold our traditional town meetings to update you on developments in Concord. (It's been an interesting year so far!)

These NHADA town meetings are open to NHADA dealers, owners, key managers, and association partners only.

We will provide you with the most current news on the state Legislature and its budget work; ADPAC and DEAC, our political action committees; the exciting NHADA Family Convention in June; our valuable NHADA-endorsed programs; consignments, and much more.

*Town Meetings – continued on page 6*

## 90th Anniversary

# NHADA Family Convention, June 26-28, Omni Mount Washington Resort in Bretton Woods

*Celebrate Your Past and Prepare for Your Future!"*  
see Page 12 ~ Online: [www.nhada.com/Convention](http://www.nhada.com/Convention)

*Photo courtesy of Mount Washington Resort.*

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Published monthly at Bow, New Hampshire, by the New Hampshire Automobile Dealers Association. Mailing address: P. O. Box 2337, Concord, NH 03302-2337, 603-224-2369/ 800-852-3372.

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ADVERTISING RATES

Full Page: Color \$700 B&W \$575
1/2 Page: Color \$450 B&W \$375
1/3 Page: Color \$375 B&W \$300
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Welcome New NHADA Members

Brutus Auto Repair & Service

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624-8881

Owners: Ralph and Michelle Brutus

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283-5500

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448-6930

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and Joanne Moulton

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dba Danny's Automotive

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Route 114 South

Henniker, NH 03242

428-3204

Owners: Daniel R. Aucoin

and Heidi J. Aucoin

F.B. Spaulding Co.

244 Main Street

Lancaster, NH 03584

788-2281

Owner: Robert Snowman

SAVE THE DATE, Upcoming Seminars

May 17 NH Title Regulations

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to substantially increase our membership and still maintain the high-quality level of our member services.

While the number of new franchised car and truck dealers has declined to less than 150, we have managed to increase the overall size of NHADA to 570-plus members. In the last year alone we have added 47 new members!

The increased size and diversification of our group allowed us to endure a difficult economic period while improving our political influence and effectiveness significantly! Even now we are fighting a two-front legislative battle with the inspection bill and the electronic vehicle registration bill.

In addition to successfully increasing our membership, NHADA and its affiliates did much belt tightening through this economic downturn by working with four fewer staff members than three years ago, reducing expenses, freezing salaries, and reducing benefits.

Currently our associated companies are doing very well. NHADA product sales are up. The insurance division has increased enrollment from last year, signing up eight new groups in the month of February alone.

The Association Partnership Program continues to grow year after year and has seen a marked increase in revenue - to its highest level ever. We thank our partners and endorsed companies for their support and for sticking with us during this period.

Our AutoCAP complaint resolution program has received 115 complaints in the last year, which led to resolutions in over 90 percent of cases, saving both consumers and our members time and effort.

The Worker's Compensation program, despite facing rising medical costs, continues its fine work. I'm sure many

participating members will enjoy receiving their rebates during the May town meetings (see related article on page 6).

At a time when outside contributions have plummeted, the NH Automotive Education Foundation's goal of having all high schools compliant with the National Automotive Technical Education Foundation (NATEF) program is in reach. Thousands of dollars in scholarships are given away each year. Additionally, the community college system is putting the finishing touches on a recruitment video, another long-standing goal. And we continue to educate you and your employees on timely compliance matters.

From an environmental assistance standpoint, our members continue receiving national recognition as we work to assist them in becoming more sustain-

able while keeping them compliant with regulations. Finally, our communications have expanded technologically and in size, quantity, and most of all, in quality, during the past few years.

I would also like to thank all of the directors of the various boards, who have unselfishly volunteered so much of their own time and effort to making our association so meaningful and productive.

In closing I am impressed by the job that our dedicated staff of 30 employees and our voluntary boards have done. While others retreated and downsized, we managed to expand NHADA and make it a far stronger organization.

I thank them all, and I am very proud of the job they have done.

Yours Truly,
Roger Groux, NHADA Chairman

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**From Your  
NADA Director**



Jack Tulley



NADA is urging its 16,000 members to support the Japan Earthquake and Pacific Tsunami fund of the American Red Cross.

To jumpstart the campaign, the NADA Charitable Foundation announced on March 15 a \$100,000 donation to the Red Cross' special Japan fund. The Red Cross set up the fund to support disaster relief efforts in Japan after the devastating earthquake and tsunami.

To facilitate dealer donations to Japan relief efforts, NADA and the American Red Cross have launched a microsite (visit <http://bit.ly/hCUNsY>) dedicated to NADA contributors. Checks can also be mailed to:

American Red Cross, Japan  
Earthquake and Tsunami Relief,  
PO Box 37242,  
Washington, DC 20013.

**“NADA Testifies Before House Subcommittee on Perils of Multiple Fuel Economy Standards**

NADA's director from Alabama, Forrest McConnell, testified on behalf of NADA and dealers during a Congressional hearing in early March on the Environmental Protection Agency's authority to regulate greenhouse gas emissions from tailpipes.

McConnell told a House Energy and Commerce Subcommittee that a redun-

**NADA Launches “Japan Relief” Campaign**

dant set of three fuel-economy standards could hurt auto sales by increasing costs and restricting vehicle availability, directly affecting the nation's fragile economic recovery and hurting job creation. (Online visit: <http://bit.ly/hQuodX>.)

Currently, automakers must comply with three different programs administered by the National Highway Traffic Safety Administration (NHTSA), EPA, and the California Air Resources Board.

McConnell urged Congress to return to a single standard that takes into account national factors, such as jobs, safety, and consumer demand as it will more effectively increase fuel savings, enhance economic growth, and protect the environment.

NADA has endorsed legislation currently under review by the House Energy and Commerce Committee that will better balance fuel and emissions reductions without needlessly increasing the cost of new cars and trucks.

In a letter to committee chairman Rep. Fred Upton (R-MI), David Regan, NADA vice president for legislative affairs, urges support for H.R. 910, the Energy Tax Prevention Act, because beginning in Model Year 2017 it “would return regulation of motor vehicle fuel economy to a single national standard,” with rules set by Congress under the Corporate Average Fuel Economy (CAFE) program. (Online see <http://bit.ly/eeJP2A>.)

**In other legislative and regulatory news ...**

**FTC Asks NADA to Participate in Upcoming Panels on Vehicle Purchasing and Financing**

The Federal Trade Commission (FTC)

has requested that NADA representatives serve as industry experts at a series of informal discussions the agency will be holding to explore consumer protection issues relating to the purchasing and financing of cars and trucks. The FTC announced the discussions on March 9; the first will take place in Detroit on April 12.

The commission explained that, in connection with the expedited rule-making authority it received under the Dodd-Frank financial reform act, it is seeking to expand its understanding of the car-buying process and vehicle financing issues to determine what additional regulations, if any, may be necessary to protect consumers.

**Scam Alert: Bogus Website and Fake Survey Have No Connection to NADA**

Dealers are still receiving e-mail messages from “NADA Dealer Services,” ([nadaneews@nadadealerservices.com](mailto:nadaneews@nadadealerservices.com)), which refer to an “AdTrack” survey described as an “NADA program” that rates automotive direct mail companies. NADA did not conduct such a survey, and NADA does not have an “AdTrack” program. The email, website, and survey *have no connection with NADA*. NADA's legal affairs department is taking action to stop these misrepresentations.

**In other NADA news...**

**• NADA Guide Analyst: Rising Cost of Fuel Will Impact Used-Vehicle Prices**

Rising gasoline prices will play a significant role in determining the price of used cars and trucks – including trade-in values – across all vehicle segments, said Jonathan Banks, executive automotive

NADA – continued from previous page

analyst for the NADA Used Car Guide. (Online visit <http://bit.ly/hbDDvs>.)

Gasoline prices climbed more than 35 cents during March, driven by speculation that the country will experience a shortage in oil supply because of disruptions in oil production in the Middle East and new concerns after the devastating earthquake and tsunami in Japan.

**• NADA Foundation Program Reaches 500th Ambassador**

Gary H. Reynolds, NADA director from Connecticut, first got involved with the NADA Charitable Foundation about six years ago at the request of Bob Mallon, the foundation's chairman. In 2005, Reynolds contributed \$10,000 and named his father the family's first ambassador. He would

then go on to contribute an additional \$70,000 for seven more ambassadorships for his grandfather, great-grandfather, great-great grandfather, himself, and each of his three children. The latest \$10,000 gift is in the name of his daughter, Kathryn, who became the foundation's 500th ambassador.

“This is a major milestone for the foundation,” Mallon said. “I've always said the first 500 will be the hardest. The

next 500 will be easier,” he added.

**• Enroll Now for Spring Dealer Academy 2011 Classes**

Spring 2011 classes include: Dealer Candidate Academy, starting May 9 or June 6, and General Dealership Management Academy, starting May 16.

Visit <http://bit.ly/eRxiW> to download an application for those programs.

NADA – continued on page 7, bottom

**DEAC**  
DIVERSITY EDUCATION ACTION COMMITTEE

- DEAC is one of the top-20, all-time, financial supporters of U.S. House and Senate candidates.
- DEAC is one of the top-five association political action committees in the nation in terms of both total fundraising and candidate donations.
- DEAC contributed \$2.5 million to House and Senate candidates during the 2010 congressional election cycle.
- DEAC financially supported 364 candidates that ran for Congress in 2010.
- 86 percent of DEAC-supported candidates won their races in 2010.
- In 2010, New Hampshire raised \$25,580 for DEAC, finishing seventh overall in the DEAC state rankings.
- The \$25,580 was raised by 39 contributors; of those seven were DEAC Presidents Club members.

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## Claims Corner

Peter Sheffer, WCT Director

The NHADA Workers' Compensation Trust Board of Trustees is very pleased to be able to approve a \$3.5 million rebate.

The NHADA-WCT staff and, most importantly, members have worked very hard to prevent injuries from occurring and have actively managed claims when injuries do occur.

Members' dedication to risk management in these difficult financial times is the reason that the WCT is able to release these funds for this year's rebate. Taking the time to hire the right person for the job, performing pre-placement drug test-

ing, training the new hires, and members' emphasis on safety are all critical to controlling workers' compensation costs.

Equally important to controlling WCT costs are immediate and continued claim

management after an injury occurs.

Contact with the NHADA-WCT Nurse Case Manager on the date of the injury allows the claims department to initiate the management of the claim

Town Meetings – continued from page 1

## NHADA TOWN MEETING

Did we mention there will be a Worker's Compensation Trust (WCT) update? WCT rebate checks will be distributed to those who attend, so RSVP (see below).

You might also be the lucky winner of a \$50 cash card; one will be given at each of our four town meetings, but you'll have to be there to win.

Meetings planned for Friday, May 6, include Portsmouth, 9-11 a.m., Great Bay Community College, 320 Corporate Drive, Pease; and in North Conway, 2-4 p.m., North Conway Grand Hotel, Route 16 at Settlers' Green. Monday, May 9, we host a town meeting in Manchester from 9-11 a.m. at the Executive Court Banquet Facility,

1199 South Mammoth Road, and another in Claremont from 2-4 p.m. at the Common Man Inn & Restaurant, 21 Water Street.

Further details and the registration form are available online at <http://bit.ly/e5Y32a>.

In order for us to reserve the appropriate space, and prepare your rebate for the event, we ask that you let us know if, and where you plan to attend. Seating is limited. Register for a town meeting by filling out the pdf (available online, see above) and emailing or faxing it back – attn: Kathy Mercer, 603-225-4895. The town meeting schedule is included on the form. 📌



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WCT Rebates – continued from previous page

before the paperwork is received. Medical treatment with the best and most appropriate medical provider is the key to successful outcomes.

Successful outcomes – employees who can return to their regular work and play – are what we all strive for. Helping the injured worker transition back to full-duty work through temporary alternate-duty programs has proven to be the most successful way of achieving that mutual goal.

This year's rebate is based on actuarial analysis of claim costs for fund years 2005 through 2010. Each fund year stands alone, and the members' experience for each fund year drives their rebate.

The experience of the fund as a whole also enters into the equation. If one or more members' claims costs exceed their premium for a given fund year, then the other members absorb those costs for that fund year. The member who exceeds their premium will not receive a rebate out of that fund year, but other years hopefully were better, which would provide for a rebate.

The most recent year's claims are still developing at the time the rebate is determined, so little or no rebate may be released for that year. For that reason, no money has been released for the 2010 fund year.

As claims develop, hopefully for the

good, and reserves are reduced, money becomes available to be returned to members in the form of the rebate in future years. Therefore, rebates distributed in 2011 included money released from claim years as far back as 2005 but did not include any money from the 2010 fund year.

Members must be ever vigilant in their risk and claims management practices in order to control workers' compensation

costs. The better the members' claims performance, the better the rebate.

For more information on risk management best practices, please contact Brian Duplessis at 800-852-3372 or by email at [bduplessis@nhada.com](mailto:bduplessis@nhada.com).

To learn more about claims management best practices, please contact Peter Sheffer at 800-852-3372 or reach Peter by email at [psheffer@nhada.com](mailto:psheffer@nhada.com). 📌

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Individual Academy classes (e.g., Financial, Parts, Service and Variable Parts 1 & 2) are also open to department managers who may attend a week of classes even if they don't have a student in the academy program. An application is available at <http://bit.ly/hlIHGc>. You may also call 800-557-6232, ext. 2, or email [academy@nada.org](mailto:academy@nada.org) for an application. 📌

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To learn more contact Protective's New Hampshire representative, **George Spatt**.

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Protective's Dealer Participation Programs, total as of May 2010. Lifetime Engine Warranty, Limited Warranty, Vehicle Service Contracts (VSCs) and GAP are backed by Lyndon Property Insurance Company in all states except NY. In NY, VSCs are backed by Old Republic Insurance Company. GAP, Lifetime Engine Warranty and Limited Warranty are not available in NY. Credit Insurance is backed by Protective Life Insurance Company in all states except NY, where it is backed by Protective Life and Annuity Insurance Company.

**From Your  
AIADA Director**

**American International  
Automobile Dealers**



Peggy Proko

Dear Friends,  
As the weather warms and spring takes hold, events in Washington, D.C., are heating up. AIADA anticipates an active spring as Washington continues to spar over the federal budget, pending free trade agreements, and energy issues.

More than ever, it is important for New Hampshire's international nameplate dealers to remain informed on the latest happenings in Congress and to communicate our message to our members of Congress.

In light of all that is happening in Washington, I hope you will join me there on May 25 and 26 for AIADA's 5th Annual International Auto Industry Summit. The event brings timely and relevant speakers and includes an informative atmosphere, with an exceptional setting for dealers to connect with their members of Congress.

This year's event, held at Washington's Capital Hilton, will feature former Minnesota Governor and presidential hopeful Tim Pawlenty, Pulitzer Prize winning journalist and author Paul Ingrassia, and Congressional speakers Sen. Scott Brown (R-MA) and Rep. Fred Upton (R-MI). We'll also hear from Kia, Subaru, Toyota, and VW executives as part of the always-popular automaker panel moderated, by *Automotive News* editor Jason Stein.

As part of the event, AIADA will also arrange for dealers to travel to Capitol Hill

**With Washington In High Gear,  
Stay Informed**

on Thursday afternoon to meet one-on-one with their elected officials.

Register for the summit at [www.AIADA.org/events](http://www.AIADA.org/events) or call 800-GO-AIADA.

**Free Trade Gains Speed**

Momentum is growing in Congress to send pending trade agreements with South Korea, Panama, and Colombia to Congress before July 1. Despite trending support for the agreements, Congressional opposition still exists, primarily due to concerns over the interests of union workers. Although both sides of the aisle would like to ratify the Korea-U.S. Free Trade Agreement (KORUS), Republican members of Congress insist that President Obama must send pending agreements with Colombia and Panama to Congress for approval simultaneously. They argue that ratification of KORUS will allow the other agreements to fall by the wayside.

**Energy Tax Provision Passes House**

In April, the U.S. House passed the Energy Tax Prevention Act, introduced by Rep. Fred Upton (R-MI), which would block the Environmental Protection Agency (EPA) from regulating greenhouse gas emissions under the Clean Air Act. Allowing the EPA and states like California to overrule the National Highway and Traffic Safety Administration (NHTSA) will create a patchwork of emissions regulations. These would be difficult and costly for automakers to meet. AIADA supports one national emissions standard, which is what Rep. Upton's House bill was intended to accomplish.

**SBA Floor Plan Financing Re-Launch**

Finally, as a reminder, the Small Business

Administration (SBA) announced in early February that it has re-started its floor-plan financing program for small dealerships. The re-launch increases the loan limits from \$2 million to \$5 million. The improved process took into consideration many concerns that were brought to the attention of the SBA by dealers and lending institutions. NH Sen. Jeanne Shaheen was instrumental in establishing the program. Visit <http://1.usa.gov/eRAm5> for more information on how to apply.

Thank you for your support of AIADA. Sincerely, Peggy

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## NH House Finishes First Half of Legislative Session

Peter J. McNamara, Esq., President

The New Hampshire House of Representatives finished a busy and productive first half of the legislative session with numerous bills being passed. Unfortunately, some of their accomplishments got lost in the media clutter. Below are a few excerpts taken from the House's listing of 2011 Session accomplishments of an overall business friendly House:

- Passed a small business tax cut to protect reasonable compensation from the business profits tax (HB 557).
- Passed legislation eliminating a tax on gambling winnings that was costing the state revenue (HB 229).
- Passed a cigarette tax reduction to make New Hampshire more competitive in

the region and enhancing cross-border sales (HB 156).

- Passed a constitutional amendment to require a supermajority in the House and Senate to raise taxes or borrowing (CACR 6).
- Passed legislation to create an innovative business job growth function in the New Hampshire Business Finance Authority to promote venture capital and job growth throughout the state (HB 605).
- For the first time in NH history, which included more than 50 attempts in the legislature, the House passed a constitutional amendment to expand local control of education funding by returning authority to

elected officials (CACR 12).

- Passed a budget that (1) focused first on determining what will be the expected revenue; (2) did not increase taxes or fees; (3) does not downshift onto local property taxpayers; and (4) does not increase borrowing (HB 1 & 2).
- Passed an education funding formula that maintains existing levels of aid to communities and allows additional targeted aid to needy cities and towns (HB 337).
- Passed a bill to allow local communities to enact tax and spending caps (HB 341).
- Passed numerous bills reducing regulations on business, which in turn will help to create more jobs for New Hampshire workers (HBs 26, 30, 95, 109, 117, 133, 136, 141, 142, 143, 155, 173, 230, 248, 262, 276, 289, 291, 322, 333, 381, 404, 441, 450, 488, 503, 540, 570, 617, 651).

Dennis Roberts Jr. of Hillsboro Ford has been elected to a three-year term on the **NHAD Services, Inc.** Board of Directors. Dennis Roberts Sr. is stepping down as is Chairman Doug Miles of Seacoast Volkswagen, Inc. David Hammer of Contemporary Chrysler Dodge, Inc. was elected the new chairman.

### Equipment Sale – McGreevy Automotive, Inc. of Belmont

Neil McGreevy is retiring and making available for sale equipment from his auto body, service, reconditioning, and car wash operations. Those interested parties may contact Neil at 603-524-4437 or by email at nem603@aol.com. We wish the McGreevys a happy and prosperous future.

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Safety Inspections – continued from page 1

Many of our neighboring states including Maine, Massachusetts, Vermont, Pennsylvania, and New York all have annual safety inspections.

A study conducted by the Institute for Research in Public Safety and the National Highway Transportation Safety Administration indicates mechanical defects and/or worn equipment on vehicles are causative or aggravating factors in 12.6 percent of crashes; that is over 850,000 accidents annually that could have been avoided.

Safety inspections are a snapshot on the day of the inspection not an analysis of whether the vehicle will maintain its road worthiness for 12 months, extending this to 24 months is incredibly dangerous and risky.

There is no consumer backlash against the program and customers are accepting of the annual inspection that serves as a preventive maintenance review.

During House and Senate testimony, you and your businesses reputation were attacked with words like “gouging customers” and “unscrupulous mechanics.” You should want to defend against that thinking!

- Tires fail if they have less than “2/32-inch” tread depth left in a groove in the center of the tire.
- Brake pads fail if they have less than “2/32-inch” of stopping surface left at their thinnest point.
- “2/32-inch” is less than the thickness of a penny! Requiring a vehicle to pass today with barely that amount of life left on its brakes and tires and sending it out on the road for 24 months before a safety check undeniably creates a dangerous situation for NH citizens and the motoring public!

**Question:** What can you do?

**Answer:** Get involved!

- Contact your Senator. Talk with them. You and your technicians are the true experts on the safety of vehicles on the road.
- Ask your Senator to oppose HB 540 and vote for public safety!
- You can find your Senator here: <http://www.nhada.com/whosmylegislator.cfm>.

• The Senate will vote in the next few upcoming weeks. Keep up the pressure on this critical issue. Encourage your staff to reach out to their Senator as well!

Let us know if there is anything we can do to help you in fighting for this important cause. Contact Dan Bennett at [dbennett@nhada.com](mailto:dbennett@nhada.com) or call Dan at 800-852-3372. 📌

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## NHADA Family Convention and 90<sup>th</sup> Reunion June 26-28, 2011

*Omni Mount Washington Resort, Bretton Woods, NH*

*Jean Conlon, Meetings Coordinator*

There is something for everyone at the NHADA Family Convention! The New Hampshire Automobile Dealers Association, founded in 1921, has a proud history, yet it continues to look forward to ensuring the profitability and viability of its member companies in the years ahead.

A general session to be filmed by WMUR-TV will focus on "The State of the Automotive Economy," nationally and in New Hampshire, with a look to the future. Participants will include NADA Chairman Stephen Wade, AIADA President Cody Lusk, and manufacturers' representatives.

Breakout sessions will address the business needs of NHADA members.

We will celebrate the past with a "Roaring Twenties" theme night, topped off with a Speakeasy casino, and fireworks! Guests are encouraged to dress the part, and accessories will be distributed to ensure that everyone is "the cat's meow" or "the bee's knees!"

Group activities include a golf tournament, bocce ball tournament, guided cross-country mountain bike tour, motorcycle



*Photos courtesy of Mount Washington Resort.*

poker run (bring your bike!), cocktail receptions, and a performance by Tony Pace.

There is something for every generation at the NHADA Family Convention, with events and activities for adults, teens, and kids! Check out the brochure for the agenda.

In addition, the Omni Mount Washington Resort is newly updated. New renovations include a new outdoor pool, a beautiful spa, one of the longest zip-line tours in New England, a new state-of-the-art conference facility, a rooftop garden, high-speed internet service, a business center, and renovated guest rooms with air conditioning.

If, by May 20, you register online at [members.nhada.com](http://members.nhada.com), you will receive a 10 percent discount on the NHADA single and couple registration fees. Plus, you will be entered in the "Early Bird" raffle. Winners will receive hotel refunds or NHADA registration refunds!

Continue a great tradition and bring your family – camaraderie, celebration, sharing, and discussion are what make NHADA strong!

For additional information, check out [www.nhada.com/convention](http://www.nhada.com/convention) or contact Jean Conlon at 800-852-3372 or email [jconlon@nhada.com](mailto:jconlon@nhada.com).



## Urge Legislators to Support Career and Technical Education

*Peter J. McNamara, Esq., President*

The boards of directors of the NHADA and the NH Automotive Education Foundation urge you to call and write your state legislators to urge them to save Career and Technical Education (CTE) by keeping funding for CTE programs and fighting the move in Concord to make cuts.

The financial health of your service shop is tied directly to having the ability to hire quality technicians. NHADA and its members benefit today from a CTE education pipeline that begins in high school, runs through NH community colleges, and ends with the highly trained, locally grown talent that works in many shops throughout the state. Many current budget proposals in Concord will effectively destroy this valuable conduit. There are proposals to sever the CTE pipeline in several ways:

1. Tuition and transportation for CTE and alternative education students will be reduced by \$1 million in fiscal year 2012 and then by \$2 million in 2013.
2. Funding for Career Technical Student Organizations (CTSOs) is completely eliminated in FY 2012 and 2013.
3. Money for alternative education will be reduced from \$3 million to zero in FY 2012 and 2013.
4. Finally, the first three cuts jeopardize \$6 million in federal Perkin's funding because the state will be unable to demonstrate "maintenance of effort." Put another way, if New Hampshire won't support CTE, neither will the feds.

In the 1990s, New Hampshire faced a severe shortage of automotive technicians. Now we have an excellent program that is the envy of many states. If these foundations are ripped down, it will take years to rebuild. Don't let New Hampshire go backwards. Please reach out to your state legislators today.

How can you help? I encourage you to write and call your state legislator and ask them *not* to cut any CTE funding. Explain to

them how important these programs are to your livelihood. A letter mailed to them and a phone call will have a larger impact than email.

You can determine your legislator and obtain contact information at this web page: [www.nhada.com/whosmylegislator.cfm](http://www.nhada.com/whosmylegislator.cfm).

The local high school or the regional school that serves your town will have more specific information on how the cuts will affect them.

If you have any questions, please email me at [pmcnamara@nhada.com](mailto:pmcnamara@nhada.com) or call me at 800-852-3372.

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Our 90th anniversary celebration brings with it important beginnings too. Behind the scenes we have upgraded our member management systems and websites. Now, online, you have the ability to automatically register and pay for events and change basic details about your membership, visit [members.nhada.com](http://members.nhada.com). More features will follow. We wanted you to know that we are modernizing your association, bringing you more value and greater convenience.

– Nat Stout, Communications Director

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## Benefits Corner

Laurie Churchill, Account Producer

The Affordable Care Act was enacted on March 23, 2010. It contains some tax provisions that take effect this year. Here are some of the provisions now in effect.

### •W-2 Reporting Delayed Further For Some Employers

The Internal Revenue Service has recently issued additional interim guidance in Notice 2011-28 related to reporting the cost of employer-sponsored health insurance coverage on employees' W-2s.

The release extends the transition relief period for employers who file fewer than

## Understanding the Affordable Care Act

250 W-2s. For these employers, reporting is now required starting with W-2s for the 2013 tax year, which would be issued in 2014.

Additionally, the release provides more clarification on how employers can calculate the cost of coverage to meet this reporting requirement. This is referenced in questions 24 - 27 and question 31 in the Notice 2011-28.

The guidance reaffirms that this is a reporting requirement only and does not impact employees' taxable wages.

You can find detailed information about W-2 reporting under "Affordable Care Act Tax Provisions" at [www.irs.gov](http://www.irs.gov).

be reimbursed from flexible spending arrangements or health reimbursement arrangements unless a prescription is obtained. The change does not affect insulin, even if purchased without a prescription, or other health care expenses such as medical devices, eye glasses, contact lenses, co-pays and deductibles. The new standard applies only to purchases made on or after Jan. 1, 2011, so claims for medicines or drugs purchased without a prescription in 2010 can still be reimbursed in 2011, if allowed by the employer's plan. A similar rule goes into effect on Jan. 1, 2011 for Health Savings Accounts (HSAs).

### • Health Coverage for Older Children

Health coverage for an employee's children under 27 years of age is now generally tax-free to the employee. This expanded health care tax benefit applies to various work place health plans. These changes immediately allow employers with cafeteria plans – plans that allow employees to choose from a menu of tax-free benefit options and cash or taxable benefits – to permit employees to begin making pre-tax contributions to pay for this expanded benefit. This also applies to self-employed individuals who qualify for the self-employed health insurance deduction on their federal income tax return.

You can find more detailed information under "Affordable Care Act Tax Provisions" at [www.irs.gov](http://www.irs.gov).

### • Small Business Health Care Tax Credit

This new credit helps small businesses afford the cost of covering their employees and is specifically targeted for those with low- and moderate-income workers. The credit is designed to encourage small employers to offer health insurance coverage for the first time or maintain coverage they already have.

In general, the credit is available to small employers that pay at least half the cost of single coverage for their employees.

### • Changes to Flexible Spending Arrangements

Effective Jan. 1, 2011 the cost of an over-the-counter medicine or drug cannot

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**Auto Auction of New England** celebrates its anniversary Thursday, June 9. A portion of the proceeds from sales that day will benefit NHADA's affiliate non-profit NH Automotive Education Foundation.

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## Collision Corner

Daniel Bennett, Environmental Specialist

As you all know by looking at the ingredients section of the Material Safety Data Sheets for your clear coat products, there are some very serious and intense chemicals used to make that product.

There are two main ways to dispose of waste clear coat after it has hardened:

1. Dispose of it in the trash as solid waste;
2. Manage it as hazardous waste, store it properly, and have it hauled away by a licensed hauler.

Both *may* be compliant, if you can, in

*Is it solid waste?  
Is it hazardous waste?*

## Are You Properly Managing Your Clear Coat Waste?

fact, prove the wastes' status through a hazardous waste determination, a step you should do prior to either disposal method.

Hazardous waste determinations of all wastes are always the responsibility of the generator, your vendor – or NHADA can assist. Ultimately, though, the responsibility falls on you and your business to comply.

The steps to complete a hazardous waste determination on your clear coat are:

1. Review material safety data sheets (MSDS) of clear coat, catalyst, hardener, or anything that is added to the clear coat.
2. Compare ingredients on MSDS to Env-Hw 403.06 Toxicity Characteristics, sometimes called the "D list."
3. If none of the ingredients on the MSDS matches a contaminant from the toxicity characteristics list, and you determine that your waste is non-hazardous, you should:

- a. Document how you determined that the waste clear coat is non-hazardous waste, including signature and date.
- b. Save the document in your files.
- c. Manage the waste clear coat as solid waste (trash).

4. If an ingredient on the MSDS matches a contaminant for the toxicity characteristics, the waste clear coat can be managed as hazardous waste or be tested to determine if it is hazardous. For example, some auto body clear coat products contain methyl ethyl ketone, also known as MEK.

- a. Request a TCLP test for the metal or organic ingredient from an environmental laboratory.

\* Call a couple of labs for a quote.

A list of labs is available at <http://1.usa.gov/fXZO0b>.

- b. Only test the waste clear coat. Do not test the clear coat product in its original liquid state.
- c. Compare the test results to the maximum concentration/regulatory level in Env-Hw 403.06.
  - i. If the results are at, or greater than, the regulatory limit, the waste clear coat must be managed as a hazardous waste.
  - ii. If the results are less than the regulatory limit, the waste clear coat can be managed as a solid waste.
- d. Save the test results in your files.

Additional testing may be needed depending on if the waste clear coat is mixed or comes into contact with other hazardous waste.

If you change your clear coat product line, or if the product formula changes (with a hardener or activator), the hazardous waste determination must be completed again.

This can all be found at a fact sheet located here: <http://1.usa.gov/g8oVCl>.

A great deal of collision repair information is posted through the New Hampshire Department of Environmental Services Small Business Technical Assistance Program (NHDES SBTAP), managed by Sara Johnson. Their very helpful website for auto body/collision repair is: <http://1.usa.gov/aT0Vfy>.

If you would like NHADA to assist you with your clear coat waste determination, contact Dan Bennett at [dbennett@nhada.com](mailto:dbennett@nhada.com) or call 800-852-3372. Dan is available if you have questions on this article and issue or any other collision repair-related environmental matter. 📌

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## Spring is Here... Are You Ready for The Summer Hiring Season?

Laurel Van Buskirk, Esq.

It's the same thing every year. Spring takes its time getting here, yet summer comes quickly. Soon, prom season will be upon us and college students will be starting to come home from school. For many employers, the few weeks left before summer signals the impending arrival of a glut of applications from high school and college students looking for summer jobs. Employers that routinely employ summer help need to be vigilant to ensure compliance with employment laws with respect to the student work force. Conducting some routine housekeeping measures



Laurel Van Buskirk, Esq.

now can help manage risk in the months ahead.

### Youth Work Rules

Youth work-rules are routinely enforced by both the NH and U.S. Departments of Labor. Consequently, employers must be aware of the youth employment rules that apply to their companies as compliance with state and federal youth employment laws are essential. Employers should ensure that any individuals responsible for summer hiring are aware of the state and federal rules pertaining to youth employment and that all supervisors are properly trained with respect to the scope of appropriate work for minors, as well as with respect to scheduling issues.

### Age Restrictions

Generally, New Hampshire law prohibits employers from hiring or employing minors under the age of 12 (unless they are employed at work defined as "casual" or in the door-to-door delivery of newspapers). N.H. R.S.A. 276-A:4, V. Under federal law, however, the minimum age for employment in most non-agricultural work is 14, 29 C.F.R. § 570.2. Again, there are exceptions for casual work and newspaper delivery. Thus, most non-agricultural employers may not hire any minor under the age of 14. The burden of showing compliance with this age restriction will be on the employer, not the minor. Employers must take steps to ensure that only minors of the appropriate age are hired. Note: While the minimum age requirements do not apply for children who work for their parents, grandparents or guardians, minors working for their parents are still

prohibited from engaging in certain occupations and must comply with restrictions on working hours.

### Papering the File

Under New Hampshire law, minors under the age of 16 must obtain a New Hampshire Youth Employment Certificate, N.H. RSA 276-A:4, II. This certificate is issued by the minor's school or superintendent's office after the minor is offered a job and must be kept on file by the employer.

New Hampshire employers cannot employ a 16- or 17-year-old without written permission from a parent or legal guardian giving them permission to work. Employers are required to keep this signed written document on file, N.H. RSA 276-A:4, VIII.

### Age Appropriate

Employers must also be careful to employ minors only in age-appropriate occupations. Under Federal law, children under 18 are prohibited from working in certain dangerous or hazardous jobs, including, but not limited to, operating power-drive hoisting apparatus, mining, meat packing or processing, using power-drive circular saws or band saws, wrecking, demolition or ship-breaking operations, roofing, or excavation. See Id., 29 C.F.R. §§570.50-570.68.

Appropriate work for minors between the ages of 14 and 16 is even more limited. Under Federal law, suitable work for minors under 16 includes work in offices, retail stores, restaurants, movie theaters, amusement parks, and gasoline service stations. See 29 C.F.R. §§ 570.2; 570.33; 570.34. However, minors under 16 cannot work in warehouse, communications

*Hiring Season – continued on page 20*

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Hiring Season – continued from page 18

or public utilities jobs, construction or repair jobs, or jobs in which they drive a motor vehicle or operate power-driven machinery or hoisting apparatus (other than typical office machines). They cannot bake, cook (except with gas or electric grilles that do not involve cooking over an open flame), work with freezers or meat coolers, or work in meat processing areas, or operate, set-up, adjust, clean, oil or repair power-drive food slicers, grinders, choppers, cutters, or bakery mixers. See Id., 29 C.F.R. §§570.50-570.68. In addition, even in permitted retail, food service and gasoline service establishments, certain dangerous work is prohibited. See 29 C.F.R. §570.34(b). New Hampshire law is consistent with federal law on these hazardous job designations. Employers in the retail, service, and hospitality industries should take the time to review the state and federal rules and regulations that specify the types of jobs minors can work.

To the extent minors work in establishments in which prohibited equipment may be in use, employers must specifically tell minors to avoid those work areas and that they are forbidden from using any such equipment. Other employees and supervisors should also be aware of those restrictions.

For more information about jobs suitable for minors, see Prohibited Occupations for Non-Agricultural Employees online at <http://1.usa.gov/fMTXp0>.

**Scheduling**

Under New Hampshire law, minors under 16 years of age may not start work before 7 a.m. or work later than 9 p.m., N.H. RSA 276-A:4, IV. However, from Labor Day through May 31st, federal law restricts minors under 16 years of age from working past 7 p.m. See 29 C.F.R. § 570.35.

Under federal and New Hampshire

child labor laws, 14- and 15-year-olds are restricted from working more than three hours per day on a school day and eight hours a day on non-school days. Federal law prohibits minors under 16 from working more than 18 hours per week during the school year and more than 40 hours per week during vacations and summer breaks. See 29 C.F.R. § 570.35.

Although there are no federal restrictions on hours worked for 16- and 17-year-olds, New Hampshire laws impose restrictions on the hours 16- and 17-year-olds may work. New Hampshire limits 16- and 17-year-olds from working more than 30 hours during a school week, and more than six consecutive days. During vacations and summer breaks, 16- and 17-year-olds may work no more than 48 hours per week, N.H. RSA 276-A:4, VI-VII.

Ultimately, it is the employer's responsibility to ensure, not only that minors are not scheduled for hours restricted under state or federal law, but that they do not actually work during restricted hours.

Additionally, NH employers are required to post in a conspicuous place in every room where youths are employed a printed notice stating the hours of work, the time allowed for dinner or other meals,

and the maximum number of hours any youth is permitted to work in any one day. See N.H. RSA 276-A:20.

**Penalties**

Employers violating youth employment laws risk criminal and civil penalties, including fines and imprisonment. Under federal law, employers are subject to a civil money penalty of up to \$11,000 per worker for each violation of the child labor

*Hiring Season – continued on page 22*

**Volkswagen Dealership Sold**

Nancy Phillips Associates announces the sale of Dana Automotive, Inc. an exclusive Volkswagen dealership located in Northampton, MA, to Andrew Feuerstein, former owner and operator of BMW of Greenwich in Greenwich CT. Dana Goodfield, the owner of Dana Automotive, Inc., was active in the Massachusetts State Auto Dealers Association throughout his automotive career and served most recently as president. Nancy Phillips Associates seeks dealerships to represent for sale to a large portfolio of pre-qualified dealership purchasers. For a confidential discussion contact Nancy at 603-658-0004.



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**Comparing European and American Franchise Systems**

*Nancy Phillips, owner of Nancy Phillips Associates*

I've just returned from another trip to Ireland where I go often to watch my 16-year-old daughter ride cross country on horseback while I get to do some interesting work within the Irish automotive industry. This time I met with Susan Sheridan of the Society of the Irish Motor Industry (SIMI). We spent some time talking together about the differences between the franchise systems in Europe and the United States.

While you can be happy that for now you are a dealer in the US when it comes to the freedom to sell or purchase a franchised dealership, you might want to think about how the system works in other countries and how it is gradually moving in that direction in this country as well – despite those state laws we have all worked so hard to strengthen over the years.

Today in Europe under the current block exemption (European Regulation), which expires in May of 2013, a dealer has the right to sell his or her dealership and transfer the attendant franchise rights only to another dealer of the same brand. This of course is highly restrictive and allows the franchisor near total control in determining who operates its franchise. If an acceptable same-brand dealer is not found, then the franchise reverts back to the franchisor who then appoints whomever they wish. This leaves the original dealer with only hard assets to sell should the new dealer want them. There is no goodwill or blue-sky for the business value.

And it gets worse. Under the new block exemption for vehicle sales taking effect on June 1, 2013 no dealer will have the right to sell their business with “assignabil-

ity” of franchise rights to anyone, same brand dealer or not, without the right of the franchisor to implement reversion back to itself.

This is good for the franchisor. It generally results in higher vehicle sales per outlet, fewer second-tier outlets, better facilities, and better dealers. We see increasingly here in the US the power of the franchisor to select its own dealers through rights of first refusal, facility upgrade requirements, and so on. Perhaps dealers here should look to Europe when thinking about exit strategies and making long-term plans. We just might be moving in that direction. ▲

*Nancy Phillips is principal owner of Association Bronze Partner Nancy Phillips Associates, an automobile dealership broker and specialist. View Nancy's blog at [www.nancy-phillips.blogspot.com](http://www.nancy-phillips.blogspot.com).*

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### NHDMV Tip

Dan Bennett, NHADA & Denise Bodwell, NHDMV

NHADA recently received a message from the NH Department of Motor Vehicles reminding NHADA members of an on-going issue that has popped up regarding inspection stickers provided by NH dealers.

**The issue:**

- The consumer, at the time of registration, wants the second person on the title application to be first.
- This action will cause the inspection sticker to be in the wrong month.
- This has caused the consumer to then obtain another inspection to reflect this change.

**NHDMV Suggestion:**

- NH dealers should inquire with the new owners what month the registration would like to be and process the title accordingly.
- Dealers should ask if the customers are transferring their plates – the first person on the old registration must be the first person on the title application. The measure may lessen the issue at some level. If you have any questions on this issue please feel free to contact Dan Bennett at NHADA, call 800-852-3372 or email dbennett@nhada.com.

### 2010 - 2011 Unemployment Rates by Area

	Dec	Jan	Feb
United States	9.1%	9.8%	9.5%
New England	8.0%	8.9%	8.7%
Connecticut	8.6%	9.6%	9.6%
Maine	7.5%	8.4%	8.5%
Massachusetts	8.0%	8.9%	8.7%
New Hampshire	5.3%	6.1%	5.8%
Rhode Island	10.9%	11.9%	11.8%
Vermont	5.6%	6.3%	6.0%

Hiring Seasons – continued from page 20

laws. In addition, employers are subject to a civil money penalty of \$50,000 for each violation that causes the death or serious injury of any minor employee and that penalty may be doubled, up to \$100,000, when the violations are determined to be willful or repeated.

Federal law also provides for a criminal fine of up to \$10,000 upon conviction for a willful violation of child labor laws. For a second conviction for a willful violation, the act provides for a fine of not more than \$10,000 and imprisonment for up to six months, or both.

**Other Considerations**

Teenagers and young adults often have limited work experience and may not understand what is appropriate or “normal” behavior in the workplace.

As such, young workers may be more susceptible or vulnerable to sexual harassment and discrimination in the workplace and may not understand how to report such conduct.

Employers should consider taking special care to train young employees on company policies and reporting procedures for discrimination and harassment upon hire. By encouraging young employees to come forward and report any problems as they arise, employers will have the opportunity to take appropriate action before the situation grows worse.

*Silver-level Association Partner Devine Millimet originally published this article by the firm’s attorney, Laurel Van Buskirk, in their free Friday E-Mail Alert. Inquiries may be sent by email to employment@devinemillimet.com.*

### Safety/OBD II Inspections Statistics

Safety Inspection Results	Mar '11	% of Total	YTD '11	% of Total
Total *	125,698	100.00%	322,816	100.00%
Passed	95,109	75.70%	244,550	75.80%
Corrected	15,854	12.60%	40,834	12.60%
Rejected	7,492	6.00%	19,190	5.90%
Untested	7,243	5.80%	18,242	5.70%
OBD II Inspection Results (1996 and newer)				
Total	110,779	100.00%	286,982	100.00%
Passed	94,966	85.57%	245,584	85.60%
Rejected	11,238	10.10%	29,525	10.30%
Untested	4,575	4.10%	11,873	4.10%

**\* Total numbers include OBD II Inspections**

Statistics provided by Gordon-Darby

## Watch Out for Market Area Changes By Manufacturers

Peter J. McNamara, Esq., President

Some manufacturers (including GM and Ford) have notified their dealers about changes to the dealer’s relevant market areas or area of responsibility. Paying attention to such a change is critical as much of a dealer’s performance is measured against this artificial market area.

For your information, the New Hampshire Dealer Bill of Rights RSA 357-C:3, III(o), makes it an unfair method of competition and an unfair and deceptive practice for any manufacturer to:

“... change the relevant market area set forth in the franchise agreement without good cause. For purposes of the subparagraph, good cause shall include, but not be limited to, changes in the dealer’s registration pattern, demographics, customer convenience, and geographic barriers.”

This section allows a dealer to chal-

lenge a manufacturer’s attempt to revise the dealer’s market area and requires the manufacturer to come forward and prove that the manufacturer has a good reason for doing so.

In addition, some manufacturers allow dealers to appeal the market area change but only within a limited period of time. I understand that GM is allowing dealers only 60 days to go through their internal appeal process. Please note the internal appeal process is separate from what is permitted under the Dealer Bill of Rights. You should review closely any communications from your manufacturer with your attorney especially those that modify your franchise or sales and service agreement. It is usually well worth the cost in long run.

If you have any questions on this matter, or any other, please don’t hesitate to contact me at 800-852-3372 or send an email to pmcnamara@nhada.com.

**BRONZE ASSOCIATION PARTNER**

### Liftech Automotive Equipment

Sales and service of automotive shop equipment

For more information, please contact Mark Noel at 736-6051 or by email at marknoel@liftechautoequip.com.



### Title Statistics Report Ending March 31, 2011

New Hampshire Department of Safety, Division of Motor Vehicles

	Mar'11	Mar'10	'11 YTD	'10 YTD
Titles Issued for New and Demo Vehicles:	8,416	7,120	20,968	17,718
Titles Issued for Used Vehicles:	18,354	18,696	46,954	47,501
TOTAL TITLES ISSUED:	26,770	25,816	67,922	65,219
Titles Issued with a Lien:	11,936	10,315	29,487	25,513
Titles Issued with no Lien:	14,834	15,501	38,435	39,706
Salvage Titles Issued:	1,118	974	3,009	2,670
Salvage Tags Issued:	225	287	498	690
Titles Issued for Heavy Trucks More than 15 Years Old:	36	27	83	82
Titles Issued for Heavy Trucks 15 Years Old or Less:	96	119	323	349
Titles Issued for Trailers:	398	610	1,079	1,288
Titles Issued for Motorcycles:	823	1,219	1,491	1,884
Titles Issued for Motor Homes:	35	47	86	105

# 2011 NHADA Association Partners

(as of April 21, 2011)

## PLATINUM

Comcast Spotlight  
NHAD Services, Inc. - Insurance  
NHAD Services, Inc. - Products Division

NHADA Workers' Compensation Trust  
WMUR-TV/WMUR.com New Hampshire  
Zurich

## GOLD

Bank of America Merrill Lynch

New Hampshire Union Leader

## SILVER

American Fidelity Assurance Company  
AutoTrader.com  
Bonnette, Page & Stone Corp.  
Cars.com  
Devine Millimet  
Enterprise Holdings  
Manheim New England

Northeast Delta Dental  
O'Connor & Drew, P.C.  
Southern Auto Auction  
St. Mary's Bank  
Tyler, Simms & St. Sauveur, CPAs, P.C.  
Wells Fargo Dealer Services  
Windward Petroleum/Exxon Mobil

## BRONZE

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Aftermarket/Royal Administration  
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Albin, Randall & Bennett  
AmSan New England  
Amy Martineau (American Hardware Insurance)  
Anthem Blue Cross and Blue Shield in New Hampshire  
Auto Auction of New England  
Auto Use  
Bedford Strategies and Solutions  
Bellwether Community Credit Union  
BG Products/Warehouse Distributors of New England  
Clean Harbors Environmental Services  
cm&b, Inc.  
CompPartners (BOAC, MVOH, SOAC, St. Joseph's B & H)  
Cook, Little, Rosenblatt & Manson, p.l.l.c.  
CUDL Autosmart  
DealerTrack Inc.  
Environmental Equipment of New England, LLC  
F & I Resources  
FairPoint Communications  
G&K Services  
GeoInsight, Inc.  
Global Payments

Heritage Propane  
Holmes Law Offices PLLC  
Huntington Auto Finance  
Jewett Construction Co., Inc./  
Jewett Automotive Design & Construction  
JM&A Group  
JPMorgan Chase Bank  
Liftech Automotive Equipment  
Lift Works Corp. / Sullivan Tire Inc.  
Lynnway Auto Auction  
Macdonald Page & Co LLC  
Nancy Phillips Associates, Inc.  
Protective  
Rath, Young and Pignatelli, P.C.  
Resources Management Group  
Sanel Auto Parts Co.  
ScanPoint  
Seacoast Media Group  
STAPLES® Advantage  
Strategic Benefit Advisors, Inc.  
TD Bank  
Tire Warehouse  
TR2 Corp/LSI Industries  
Tri State Fire Protection LLC  
Trivantus, Inc.  
Wiggin & Nourie, P.A.  
Willis of Northern New England, Inc.

To become a 2011 NHADA Partner, please call Jean at 800-852-3372.