


October 4, 1993

M E M O R A N D U M

TO: SENATOR DOLE  
FROM: NINA OVIEDO   
SUBJECT: AIADA SPEECH -- LUXURY TAX

FYI -- Senators Exon and Kerry introduced legislation repealing the luxury tax on autos (too little -- much too late). They introduced the legislation on September 8, 1993 hoping to woo Mercedes into building their plant in Nebraska. As was announced a few days ago, even Kansas lost out. Mercedes selected Alabama. I suspect that Exon's and Kerry's interest will wane. (See Marcie's memo regarding Mercedes.)

AIADA members know that you have always had the lead on this issue. Nonetheless, they may ask you to cosponsor the bill.

I thought you might be interested in the attached editorial by Tom Nemet on the AIADA.



AUGUST 30, 1993

Automotive News

13

# Nemet blames AIADA for luxury-tax woes

TOM NEMET

## comment



Tom Nemet owns Nemet Motors (Jaguar-Volvo-Nissan) in Jamaica, N.Y. He is a past chairman of AIADA.

### THRESHOLD FOR LUXURY TAX

	8/7/90	8/28/90	10/18/90	10/30/90	10/12/90	10/21/90
Cars	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Boats	30,000	100,000	100,000	100,000	100,000	100,000
Jewelry	5,000	5,000	5,000	5,000	5,000	10,000
Furs	500	500	500	500	10,000	10,000
Planes	0	0	100,000	250,000	100,000	100,000
Stereos	1,000	0	0	0	0	0

that doing so would save money.

The accompanying table shows the threshold for the luxury tax on various items as the legislation moved through Congress.

Every industry but ours got the proposed tax eliminated (stereo makers) or the initial threshold raised substantially (boats, airplanes, jewelry and furs). Our industry's threshold started at \$30,000 and stayed there.

Why? Apparently AIADA's letter-writing campaign didn't do much good. Clearly, the industry's failure to produce a unified, coordinated message, backed up with political support, gave Congress the excuse it needed to stick it to foreign-car dealers.

The results of the inept 1990 campaign were felt most acutely this year when FAIRTAKE, the National Automobile Dealers Association and others worked toward repeal.

Since the car threshold was so low in comparison to the other industries, our industry generated roughly 90 percent of all luxury tax receipts. If we had been successful in having our threshold raised, as did the other industries, the chances are that the revenues generated would not have been as great and we would have had our luxury tax eliminated as did the other industries.

According to *The New York Times*, the tax on cars raised \$136 million out of a total of \$151 million in the first six months of 1992. As far as

Congress was concerned, the tax was working. And since Congress perceived the domestic industry as preferring indexing to repeal, it had a ready excuse not to help.

Perhaps most important, since most members of Congress who cared to check (and there were plenty who did) found that AUTOPAC no longer had the vast resources available prior to 1990, the foreign-car dealers' voice was no longer being heard as it had been in the past 20 years — such as when we faced domestic content or the Gephardt amendment.

In the end, we got the worst end of the deal — higher taxes on our customers and no relief in the showroom.

Sounds like a bad grade B movie. Maybe AIADA will release it on video. Along with a press release telling us how effective its letter-writing and in-house lobbyists were in 1993 and how it did it all itself without expensive lawyers and lobbyists and saved a lot of money.

Dealers who care need to understand that the trade association is no longer doing its job, isn't spending their money wisely, is wasting dues on videos and press releases and can't be counted on to produce results.

The only way that AIADA will ever get the message is if you stop sending in your dues and demand a change.



Thurs, Oct 7



AMERICAN  
INTERNATIONAL  
AUTOMOBILE  
DEALERS  
ASSOCIATION

September 27, 1993

The Honorable Bob Dole  
United States Senate  
Washington, DC 20510

Dear Senator Dole:

We are looking forward to having you speak to our members on Thursday, October 7 at 1:00 p.m. in the Mansfield Room of the Capitol as part of our *Washington Leadership Conference* which begins October 6.

The 50 participants in this program are the state leaders for our grass roots program, AIADA's **Legislative Involvement Program**. They have the responsibility for recruiting key contacts for every Member of Congress in their respective states. A number of the participants also serve as Directors on our Board.

This is the first time we have brought these leaders together as a group. The grass roots program is only a year old and these are the dealers who are making it the success that it is.

These primarily small business men and women own international and domestic-line make automobile dealerships. Their businesses range in size from one-franchise operation employing less than 25 people to "mega dealerships" with many locations and franchises and thousands of employees. Many of them have at least one domestic ("Big Three") franchise, as well.

The focus of the two-day meeting is the importance of building a solid constituent-member/staff relationship and their participation in the legislative process. Your presentation immediately precedes their visits to their Members of Congress and they would appreciate your leadership perspective on the Washington environment and the trade and tax issues that concern their businesses and the international automobile industry. It would be helpful if you would mention examples of how constituents have worked with you on issues, or any suggestions for building relationships with their Members of Congress.

The Honorable Bob Dole  
September 27, 1993  
page 2

The issues they will be discussing with their Members of Congress are detailed in the enclosed packet.

We hope that you will be able to join us for lunch beginning at 12:30 p.m. Katherine Hoehn, of my staff, will be in touch with Yvonne Hopkins to arrange the details.

Please do not hesitate to call me if you have any questions. Thank you for agreeing to address these industry leaders and for sponsoring our luncheon in the Mansfield room.

Sincerely,

A handwritten signature in dark ink, appearing to read "Walter E. Huizenga". The signature is fluid and cursive, with the first name "Walter" being more prominent.

Walter E. Huizenga  
President

Enclosure



# **Grass Roots Leadership Conference**

## **October 6-7, 1993**

### **JW Marriott Hotel, Washington, D.C.**

## **Schedule of Events**

### **Wednesday, October 6**

Arrive in Washington, D.C. by 4:00 p.m. for hotel check-in

- |           |  |
|-----------|--|
| 4:00 p.m. | Dealer Involvement Committee Meeting - JW Marriott   |
| 5:45 p.m. | Transportation to The City Club  |
| 6:00 p.m. | Reception and Dinner at The City Club  |
| 8:00 p.m. | Dinner Program<br>Welcome: Lee Maas, Chairman, AIADA<br>Introductions: Charles M. Smith, Chairman, Dealer<br>Involvement Committee<br>Speaker: Vin Weber, President, Empower America |
| 9:00 p.m. | Return to the JW Marriott Hotel  |

### **Thursday, October 7**

- |  |   |
|--|---|
| 7:30 a.m.                                | Breakfast at the JW Marriott<br>Speaker: Senator Jim Sasser (D-TN)                          |
| 8:45 a.m.                                | General Session<br>Advanced Grass Roots Training led by Dr. Kevin Gottlieb                  |
| 12:00 noon                               | Transportation to the U.S. Capitol  |
| 12:30 p.m.                               | Reception and Luncheon, Mansfield Room, U.S. Capitol<br>Speaker: Senator Robert Dole (R-KS) |
| 2:00 p.m.                                | Senate/House Appointments   |
| 4:00 p.m.                                | Transportation to the JW Marriott   |
| 4:30 p.m.                                | Quorum Call (Wrap-up) at the JW Marriott  |
| Depart Washington, D.C., after 5:30 p.m. |   |

AIADA provides transportation to all off-site meeting locations.

updated 9-26-93



## AIADA Position on the Auto Excise Tax

*The Omnibus Budget Reconciliation Act of 1993 repealed four of the so-called luxury taxes (boats, planes, jewelry and furs), but did not repeal the luxury tax on automobiles. This 10 percent Auto Excise Tax is imposed on the retail sale price in excess of \$30,000. Senators Exon (D-NE) and Kerrey (D-NE) have introduced legislation (S.1443) to repeal the tax. Congressman Hoagland (D-NE) has introduced companion legislation (HR.3039) in the House.*

**Congress should repeal the Auto Excise Tax.**

► **The Auto Excise Tax is NOT FAIR.**

It is fundamentally unfair and inequitable to impose a so-called "luxury tax" on just one industry. On what logical basis is a \$35,000 automobile taxed as a luxury, but no luxury tax is levied on a \$1,000,000 plane, a \$300,000 yacht, a \$250,000 diamond necklace or even an \$80,000 fur coat? With the price of automobiles today, it is also questionable whether many Americans would agree that a \$35,000 automobile is a "luxury."

► **The Auto Excise Tax is BAD TAX POLICY.**

There is no sound tax policy basis for taxing autos priced in excess of \$30,000. It makes no sense to establish a national sales tax, with all of its administrative costs and burdens, on just one product. And passage of the Clinton tax package, with its substantial tax increases on high-income individuals, has eliminated the need to tax consumption of so-called luxury autos to ensure progressiveness in the tax code. In fact, 90 percent of the new taxes imposed by the Clinton tax package will be paid by individuals earning more than \$100,000 annually.

► **The Auto Excise Tax is NOT WORKING.**

The original stated intent of the luxury tax was to tax the purchases of high-income individuals. But automobile customers have proven that this tax does not work. High-income individuals do not have to pay the tax. They can either choose to not make the purchase or they can force the dealer to pay the tax to make the sale. This tax is an unfair burden on the small business automobile dealer. Congress repealed all luxury taxes on the books in 1965 and all but one in 1993. History clearly shows that luxury taxes do not work as intended and, instead, cause harmful unintended consequences for American small businesses.

9/17/93





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## 25% DUTY ON MPVs

### POSITION PAPER

**Background:** President Clinton and Congress are being pressed to impose a 25 percent tariff on import Multipurpose Passenger Vehicles (MPVs) -- minivans and sport-utility vehicles. Efforts to reclassify these vehicles as trucks, thereby raising their tariff from 2.5 percent to 25 percent, were defeated in the last Congress. President Clinton has reportedly instructed the U.S. Treasury Department to look into the issue.

#### *AIADA Position on the 25 Percent Tariff*

- **Increased prices and reduced consumer choice.** Classifying import MPVs as cargo vehicles would raise the tariff on these vehicles from 2.5 to 25 percent (a 1,000 percent increase), adding an average of \$3,700 to their price and effectively eliminating them from the U.S. market. American consumers would then have fewer choices in the marketplace.
- **Forcing thousands of Americans out of work.** Eliminating these vehicles from the U.S. market will cost thousands of jobs at American dealerships. Ironically, these jobs would be sacrificed to protect jobs in Canada, where more than half of Chrysler's best selling minivans are made.
- **Price-gouging middle class American consumers.** Eliminating import competition would give the Big Three a monopoly marketshare in these vehicles, resulting in price-gouging of American consumers. Middle class Americans would pay an estimated \$1,300 more per domestic vehicle, more than \$2 billion annually.
- **Regulatory consistency.** Even if all MPVs were classified as trucks, regulations for cars and trucks would not be consistent. MPVs are now required to meet many passenger car safety standards.
- **Government revenue.** If these vehicles are priced out of the market, it would result in a loss of revenue for the U.S. Treasury, not a gain. As severe price increases reduce sales, government revenues will decline.

3/1/93





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The American International Automobile Dealers Association (AIADA) represents more than 10,000 American-owned businesses that sell and service international nameplate automobiles. AIADA's 23-year history attests to its total commitment to be its members' voice before Congress, the White House, federal regulatory agencies, the automobile industry and the American public.

#### The international automobile industry in the U.S.

The international automobile industry in the United States continues to play an integral role in the lives of a growing number of Americans and provides a significant contribution to the nation's economy. In 1992, the industry provided jobs for more than 400,000 Americans through U.S. manufacturing, dealerships, parts suppliers and related businesses. In that same year, international automobile dealerships alone accounted for 280,000 U.S. jobs.

Today, the automobile industry in the U.S. is truly a global enterprise. Over the past few years, General Motors has been the number one importer of vehicles into the U.S., while last year Honda built and sold more passenger cars in the U.S. than did Chrysler. With increased competition, partnerships between the Big Three and international automakers are now commonplace. In total, imported automobiles are sold at more than 95 percent of all U.S. dealerships.

#### International automobile dealer issues.

AIADA focuses on the implications of U.S. trade policy for international nameplate automobile dealers. Issues that the association closely follows include: quotas and tariffs for international nameplate automobiles; discriminatory domestic content requirements; tax, fuel economy and clear air legislation; U.S. trade retaliation targeting international nameplate vehicles; charges of dumping and unfair trade; and other trade policy developments.

The association frequently testifies before House and Senate Committees and government agencies on these issues. When the occasion requires, AIADA sends special envoys to Japan, Germany, the European Community and to the Multilateral Trade Negotiations in Geneva to ensure that the voice of the American international automobile dealer is heard in international automobile policy decisions. AIADA also sponsors research studies to illustrate the significant positive impact of the international automobile industry on the U.S. economy, employment and consumers.

May 1993





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ASSOCIATION

## INTERNATIONAL AUTOMOBILE DEALER U.S. EMPLOYMENT

STATE	LOCATIONS	EMPLOYMENT
Alabama	117	4,446
Alaska	18	684
Arizona	90	3,420
Arkansas	68	2,584
California	926	35,188
Colorado	116	4,408
Connecticut	154	5,852
Delaware	28	1,064
District of Columb	2	76
Florida	411	15,618
Georgia	207	7,866
Hawaii	32	1,216
Idaho	54	2,052
Illinois	303	11,514
Indiana	125	4,750
Iowa	79	3,002
Kansas	71	2,698
Kentucky	94	3,572
Louisiana	85	3,230
Maine	56	2,128
Maryland	157	5,966
Massachusetts	219	8,322
Michigan	162	6,156
Minnesota	102	3,876
Mississippi	82	3,116
Missouri	117	4,446
Montana	42	1,596
Nebraska	47	1,786
Nevada	37	1,406
New Hampshire	75	2,850
New Jersey	292	11,096
New Mexico	59	2,242
New York	449	17,062
North Carolina	244	9,272

Thurs, Oct 7



“BUILDING THE WINNING TEAM” • OCTOBER 6 AND 7, 1993

## WEDNESDAY, OCTOBER 6

### JW MARRIOTT

#### Calisthenics

3:00 –	<i>Handing Out The Equipment</i>	Information and Congressional Appointments Desk
6:00 p.m.	Registration	Ballroom (B) Level
4:00 p.m.	<i>Coaches Meeting</i> Dealer Involvement Committee	State Room, Mezzanine (M)
5:45 p.m.	<i>Bonfire Rally</i> Depart for The City Club	Pennsylvania Avenue Exit (P)

### THE CITY CLUB, 555 13TH STREET, NW

6:00 p.m.	<i>Team Meeting</i>	Reception
6:45 p.m.	<i>Training Table</i> Lee S. Maas Charles M. Smith	Dinner Opening Remarks Introduction
8:00 p.m.	<i>Scouting Report</i> Vin Weber, President, Empower America	Winning with Grass Roots Lobbying

## THURSDAY, OCTOBER 7

### JW MARRIOTT, RUSSELL-HART ROOMS, MEZZANINE (M) LEVEL

7:30 a.m.	<i>Training Table</i>	Breakfast
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#### The Offense

7:50 a.m.	<i>AIADA Multiple Formation Offense</i> Walter E. Huizenga	Opening Remarks
8:00 a.m.	<i>Fundamentals are the Key</i> Senator Jim Sasser (D-TN)	Being Effective in Washington



**JW MARRIOTT, SALON II, BALLROOM (B) LEVEL**

8:45 a.m.	<i>Going over the Game Plan-Part I</i> Dr. Kevin C. Gottlieb, Assistant Coach	Grass Roots - Part I
	<i>Field Conditions</i> <i>Team Rundown - Tale of the Tape</i> <i>MVP's</i> <i>Home Field Advantage</i> <i>First Downs Yield Touchdowns</i> <i>AIADA Playbook</i> <i>Training Discipline</i> <i>Blocking and Tackling/No Turnovers</i>	The Washington Environment Program Status Outstanding State Activities Taking the Message Back Home Working the Staff How to Get There Your Part in the Legislative Process Your Visit on Capitol Hill
10:00 a.m.	Break	
10:10 a.m.	<i>Going over the Game Plan - Part II</i> Dr. Kevin C. Gottlieb, Assistant Coach	Grass Roots - Part II
	<i>The Draft</i> <i>Holding Onto the Ball</i>	Ideas Session: Recruitment, Meeting Tips When You Get Home
<b>The Defense</b>		
10:45 a.m.	<i>Building An International Defense</i> A Panel Discussion	Meeting the Objections Head On! Answers To Questions That Members of Congress Ask Dealers Most Often
	<i>Defensive Coordinator, Kjell Bergh</i>	
	<i>Pass Defense: "Why Don't the Japanese Buy More U.S. Cars?"</i> C. Douglas Smith, Toyota Motor Sales U.S.A., Inc.	
	<i>Run Defense: "Why don't the Japanese Buy More U.S. Parts?"</i> Earl C. Quist, Toyota Motor Sales U.S.A., Inc.	
	<i>Special Teams: "How do transplants help us if the money all goes back to Japan?"</i> Edrie Irvine, Nissan North America, Inc.	
11:15 a.m.	<i>The Huddle</i> Walter E. Huizenga, Coach Katherine D. Hoehn, Assistant Coach	The Message You Convey Today
11:30 a.m.	Adjournment	

**JW MARRIOTT, PENNSYLVANIA AVENUE EXIT (P) LEVEL**

12:00 Noon	<i>Rally at the Team Bus</i>	Depart by Bus for Luncheon
<b>U.S. CAPITOL</b>		
12:30 p.m.	<i>Pre-game Meal</i>	Luncheon, Mansfield Room, S-207
1:00 p.m.	<i>The Coin Toss</i> Senator Bob Dole (R-KS)	Washington Update
1:30 p.m.	<i>The Kick-Off</i> Walter E. Huizenga	Departure for Congressional Appointments

**JW MARRIOTT, SALON II, BALLROOM (B) LEVEL**

3:00 - 6:00 p.m.	<i>Victory Celebration in the Locker Room</i>	Report on Congressional Visits
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**SPEAKERS**



**U.S. SENATOR BOB DOLE**, Senate Minority Leader, has a distinguished record of public service that spans four decades. A decorated and wounded combat veteran of World War II, this tough, commonsense Republican conservative from the plains of Western Kansas has experience few can match. He has been the Senate Majority Leader, the Chairman of the Senate Finance Committee, a two-time candidate for President, his party's nominee for Vice President, a member of the House of Representatives, the Chairman of the Republican Party, a state legislator and a county attorney. In 1992, Senator Dole was re-elected by the people of Kansas to an unprecedented fifth term in the U.S. Senate. He currently serves on the Joint Taxation, Agriculture, Nutrition & Forestry, Finance, and Rules & Administration Committees. Scripps Howard News Service has called Senator Dole "a legislator par excellence—a master of the art of compromise, a bare-knuckles negotiator and a believer in the possible."



**DR. KEVIN C. GOTTLIEB** is President of Kevin Gottlieb and Associates, Inc., a firm which assists organizations in the formation of grass roots networks to participate in the public policy process. During a decade in the U.S. Senate, Dr. Gottlieb worked on the personal staff of two Senators as well as for two major Senate legislative committees and one election campaign committee. In addition, he managed three state-wide U.S. Senate election campaigns and one presidential exploratory committee. Gottlieb's extensive background and training in legislation, public policy and politics uniquely qualify him to design, create and implement grass roots networks for individual companies, entire industries and non-profit organizations. As educator and trainer, he arranges and teaches programs for executives seeking to understand the public policy process and to act in it. Dr. Gottlieb received his Ph.D. from the Maxwell School of Public Affairs at Syracuse University, where he is a professor in the Department of Public Administration.



**U.S. SENATOR JIM SASSER** is serving his third term. This Tennessee Democrat was reelected to the seat in 1988, with 66 percent of the vote, winning 94 of Tennessee's 95 counties. Chairman of the powerful Senate Budget Committee, the first Tennessee senator to chair a major Senate committee in nearly 40 years, Sasser also serves on the Appropriations, Banking, Housing & Urban Affairs, Governmental Affairs and Joint Organization Committees. As Chairman of the Budget Committee, Sasser stands at the forefront of the economic debate in Congress to find fair, viable approaches to lowering the budget deficit. He has consistently fought attempts to cut Social Security and Medicare benefits, and been instrumental in formulating legislation to meet the critical health care needs of older Americans. Throughout his Senate career, Senator Sasser has also consistently voted to strengthen our drug interdiction laws. "He has a disarming, easygoing air about him. But he's tough as nails."—*U.S. News and World Report*.



**VIN WEBER** is president of Empower America, a non-profit organization which he established early this year with former Secretary of Housing and Urban Development Jack Kemp, former Education Secretary William Bennett, former Ambassador Jeane Kirkpatrick, Governor of Massachusetts Bill Weld, and others to advocate policies that emphasize individual responsibility and accountability in approaching the problems of the economy, social welfare and education. A sought-after policy analyst, Mr. Weber appears frequently on major television network political talk shows. His commentaries are heard on National Public Radio, and he is a syndicated columnist for *National Review*. In 1980, Mr. Weber was first elected to represent Minnesota's Second District Republicans in the U.S. House of Representatives, retiring from the House in the spring of 1992. Mr. Weber is also a principal in The Weber Group, Inc., formed in January 1993 to provide strategic advice to businesses interested in the governmental process of the legislative and executive branches of government.



**Information and Congressional Appointments** Located on the JW Marriott's Ballroom (B) Level, next to the UP escalator. AIADA staff members can confirm your appointments, assist you in making appointments, and answer your questions. Hours: Wednesday, 3:00 to 6:00 p.m.; Thursday 7:30 a.m. to 12:00 noon.

## October 6

**Dinner** We will be walking to the City Club, 555 Thirteenth Street, N.W., one block from the JW Marriott. Please meet at the Pennsylvania Avenue exit for departure at 5:45 p.m.

## October 7

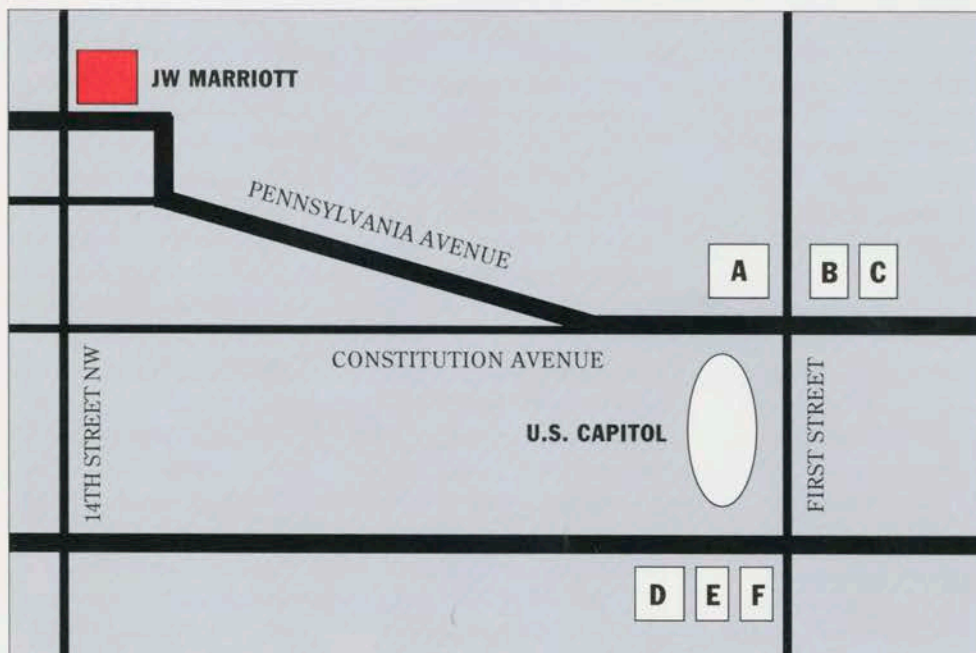
**Check Out** If you are departing Washington on October 7, please check out of your room before breakfast. If you have baggage to store, bring it to the **Information and Congressional Appointments Desk** before 10:00 a.m. AIADA will store your bags, which must be picked up by 6:00 p.m. at the Victory Celebration in the Locker Room in Salon II, Ballroom (B) Level.

**Luncheon** Transportation will be provided to the luncheon at the Capitol, departing the JW Marriott, Pennsylvania Avenue Exit, at 12:00 noon on Thursday. There will be **no bus** returning from the Capitol. Cabs, however, are readily available outside any of the congressional office buildings.

**Victory Celebration in the Locker Room** Please take a few minutes to drop by this informal session and report on your Congressional visits. It is important that you provide an overview of them and request any follow-up with your members or staff. Salon II, Ballroom (B) Level, 3:00 to 6:00 p.m.

**Transportation to the airports** is simplest by taxicab. Hotel staff can assist you at the 14th Street entrance to the hotel.

<b>Pertinent Telephone Numbers:</b>	JW Marriott	(202) 393-2000
	The City Club	(202) 347-0818
	AIADA	(703) 519-7800



**AMERICAN INTERNATIONAL  
AUTOMOBILE DEALERS ASSOCIATION**

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**AIADA**  
**1993 Washington Leadership Conference**  
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### Mr. Craig Michaels

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Bedford, OH 44146  
(216) 439-8600  
State Legislative Director  
ACUR, HON, VOL, TOY, INF, POR, AUDI

### Mr. Ron Miller

Nucar Mazda, Isuzu  
172 N. Dupont Highway  
New Castle, DE 19720  
(302) 674-8900  
State Legislative Director  
MAZ, ISU

### Mr. Rick Morrison

#### Mrs. Janet Morrison

Eero Volkswagen of Anchorage, Inc.  
935 Gambell  
Anchorage, AK 99501  
(907) 272-5522  
State Legislative Director - Rick  
Key Contact - Janet  
VW, POR, AUDI, ISU

### Mr. David Mossy

Mossy Nissan  
12150 Old Katy Road  
Houston, TX 77079  
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NIS

### Mrs. Alecia Beck Mullen

Beck Toyota  
8055 U.S. 31 South  
Indianapolis, IN 46227  
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TOY

### Mr. Ronald N. Napoli

Toyota North  
255 Kisco Avenue  
Mt. Kisco, NY 10549  
(914) 666-5181  
Dealer Involvement Committee  
BMW, LEX, TOY

### Mr. Jim Norton

Jim Norton Buick-Isuzu  
223 E. 8th Street  
Tulsa, OK 74119  
(918) 582-2151  
State Legislative Director  
ISU, TOY

### Mr. Joseph D. O'Brien, Jr.

O'Brien Automotive Group  
1601 Fort Jesse Road at Veterans  
Parkway  
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(309) 454-1222  
Dealer Involvement Committee  
HON, HYUN, MIT

## Washington Leadership Conference Participants (cont.)

**Mr. Kent B. Petersen**  
Petersen Motor Co., Inc.  
900 W. Riverdale Road  
Ogden, UT 84405  
(801) 621-8070  
State Legislative Director  
NIS, HON

**Mr. Steven R. Pieper**  
Heishman BMW, Inc.  
3154 Jefferson Davis Hwy.  
Arlington, VA 22202  
(703) 684-8500  
AUDI, BMW, PORS

**Mr. Frank Pohanka**  
Pohanka Auto Center  
5200 Jefferson Davis Highway  
Fredericksburg, VA 22408  
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State Legislative Director  
NIS, HON

**Mr. Don Reichert**  
Reichert Nissan-Isuzu  
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Key Contact  
NIS, ISU, TOY

**Mr. Buzz Rodland**  
Rodland Toyota  
6816 Evergreen Way  
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Key Contact  
TOY

**Mr. Dan Rowe**  
Precision Toyota  
3500 E. Speedway Blvd.  
Tucson, AZ 85716  
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Key Contact  
TOY

**Mr. Paul Ruge**  
Ruge's Subaru, Inc.  
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State Legislative Director  
SUB

**Mr. Robert Russel**  
R & H Motor Cars  
P.O. Box 689  
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Owings Mills, MD 21117-4149  
(410) 363-3900  
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TOY, MB

**Mr. Joseph Sage**  
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3550 Cahuenga Blvd West  
Los Angeles, CA 90068  
Arrival October 5, one night  
(818) 769-8100  
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NIS

**Mr. Charles Scott**  
Regal Nissan, Inc.  
1090 Holcomb Bridge Road  
Roswell, GA 30076  
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Key Contact  
NI, AUDI



**Washington Leadership Conference  
Participants (cont.)**

**Mr. Jim Simon**

Simon and Fischer Honda  
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HON

**Ms. Kathy Sims**

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State Legislative Director  
HON

**Mr. Ron Slyter**

Sierra Toyota, Inc.  
2596 E. Fry Blvd.  
Sierra Vista, AZ 85635  
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State Legislative Director  
Key Contact  
TOY

**Mr. Charles Smith**

Acura Southwest  
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Houston, TX 77074-1101  
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Dealer Involvement Committee  
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ACUR, HON, HYUN, ISU, MAZ, MIT,  
NIS

**Mr. Bob Swanson**

Bankston Nissan of Irving  
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NIS, SAAB

**Mr. Morrie Wagener**

Morrie's Imports  
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Minnetonka, MN 55343  
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ALF, HYUN, MAZ, SAAB, SUB

**Ms. Cindy Wagener**

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ALF, HYUN, MAZ, SAAB, SUB

**Mr. Wayne Williams**

Williams Auto World  
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Lansing, MI 48912  
(517) 484-1341  
State Legislative Director  
AUDI, BMW, MB, POR, SUB, VW

**AIADA**  
**1993 Washington Leadership Conference**  
**Manufacturers and Related Industry Participants**

**Ms. Anne Carlson**

Nissan North America, Inc.  
750 17th Street, N.W., Suite 901  
Washington, D.C. 20006-4607

**Dr. William C. Duncan**

Japan Automobile Manufacturers  
Association, Inc.  
1050 17th Street, N.W.  
Washington, D.C. 20036

**Mr. Tom Green**

NADA Legislative Affairs Group  
412 First Street, S.E.  
Washington, D.C. 20003

**Ms. Toni Harrington**

Honda North America  
955 L'Enfant Plaza North, S.W.  
Suite 5300  
Washington, D.C. 20024

**Mr. Charles Ing**

Toyota Motor Sales U.S.A., Inc.  
1850 M Street, N.W., Suite 600  
Washington, D.C. 20036

**Ms. Edrie Irvine**

Nissan North America, Inc.  
750 17th Street, N.W., Suite 901  
Washington, D.C. 20005

**Mr. John H. Kelly**

B.M.W.  
c/o C.C.I., Suite 105  
1025 Thomas Jefferson Street, N.W.  
Washington, D.C. 20007

**Mr. Bill Kendall**

Kendall & Associates  
50 E Street, S.E., Suite 301  
Washington, D.C. 20003

**Mr. Morry Markowitz**

Association of International Automobile  
Manufacturers, Inc. (AIAM)  
1001 19th Street, Suite 1200  
Arlington, VA 22209

**Mr. C. Alan Marlette**

Automotive Trade Association  
Executives (ATAE)  
8400 Westpark Drive  
McLean, VA 22102

**Ms. Barbara Nocera**

Honda North America  
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Suite 5300  
Washington, D.C. 20024

**Ms. Anna Maria Stephens**

Mitsubishi Motor Sales of America  
1250 I Street, Suite 300  
Washington, D.C. 20005

**Mr. C. Douglas Smith**

Toyota Motor Sales U.S.A., Inc.  
1850 M Street, N.W., Suite 600  
Washington, D.C. 20036

10-5-93



TO: Senator Dole  
FR: Kerry

RE: American International Automobile Dealers Association  
Thursday, October 7  
1:00  
Mansfield Room

\*You will be speaking to an audience of approximately 40-50 people, comprised of auto dealers from across the nation, and the AIADA Board of Directors Legislative Involvement Committee.

\*Their lunch in the Mansfield Room was arranged through the assistance of your office.

\*They are looking for 5-10 minutes of informal remarks on NAFTA, health care, and other issues of the day, followed by Q&A.

\*You might want to mention your meeting last month in Detroit with the executives from the "Big 3."

Thurs, Oct 7



AMERICAN  
INTERNATIONAL  
AUTOMOBILE  
DEALERS  
ASSOCIATION

September 27, 1993

The Honorable Bob Dole  
United States Senate  
Washington, DC 20510

Dear Senator Dole:

We are looking forward to having you speak to our members on Thursday, October 7 at 1:00 p.m. in the Mansfield Room of the Capitol as part of our *Washington Leadership Conference* which begins October 6.

The 50 participants in this program are the state leaders for our grass roots program, AIADA's **Legislative Involvement Program**. They have the responsibility for recruiting key contacts for every Member of Congress in their respective states. A number of the participants also serve as Directors on our Board.

This is the first time we have brought these leaders together as a group. The grass roots program is only a year old and these are the dealers who are making it the success that it is.

These primarily small business men and women own international and domestic-linemake automobile dealerships. Their businesses range in size from one-franchise operation employing less than 25 people to "mega dealerships" with many locations and franchises and thousands of employees. Many of them have at least one domestic ("Big Three") franchise, as well.

The focus of the two-day meeting is the importance of building a solid constituent-member/staff relationship and their participation in the legislative process. Your presentation immediately precedes their visits to their Members of Congress and they would appreciate your leadership perspective on the Washington environment and the trade and tax issues that concern their businesses and the international automobile industry. It would be helpful if you would mention examples of how constituents have worked with you on issues, or any suggestions for building relationships with their Members of Congress.



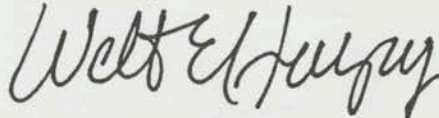
The Honorable Bob Dole  
September 27, 1993  
page 2

The issues they will be discussing with their Members of Congress are detailed in the enclosed packet.

We hope that you will be able to join us for lunch beginning at 12:30 p.m. Katherine Hoehn, of my staff, will be in touch with Yvonne Hopkins to arrange the details.

Please do not hesitate to call me if you have any questions. Thank you for agreeing to address these industry leaders and for sponsoring our luncheon in the Mansfield room.

Sincerely,

A handwritten signature in dark ink, appearing to read "Walter E. Huizenga". The signature is fluid and cursive, with the first name "Walter" being more prominent.

Walter E. Huizenga  
President

Enclosure

# **Grass Roots Leadership Conference**

## **October 6-7, 1993**

### **JW Marriott Hotel, Washington, D.C.**

## **Schedule of Events**

### **Wednesday, October 6**

Arrive in Washington, D.C. by 4:00 p.m. for hotel check-in

- |           |  |
|-----------|--|
| 4:00 p.m. | Dealer Involvement Committee Meeting - JW Marriott   |
| 5:45 p.m. | Transportation to The City Club  |
| 6:00 p.m. | Reception and Dinner at The City Club  |
| 8:00 p.m. | Dinner Program<br>Welcome: Lee Maas, Chairman, AIADA<br>Introductions: Charles M. Smith, Chairman, Dealer<br>Involvement Committee<br>Speaker: Vin Weber, President, Empower America |
| 9:00 p.m. | Return to the JW Marriott Hotel  |

### **Thursday, October 7**

- |            |   |
|------------|---|
| 7:30 a.m.  | Breakfast at the JW Marriott<br>Speaker: Senator Jim Sasser (D-TN)                          |
| 8:45 a.m.  | General Session<br>Advanced Grass Roots Training led by Dr. Kevin Gottlieb                  |
| 12:00 noon | Transportation to the U.S. Capitol  |
| 12:30 p.m. | Reception and Luncheon, Mansfield Room, U.S. Capitol<br>Speaker: Senator Robert Dole (R-KS) |
| 2:00 p.m.  | Senate/House Appointments   |
| 4:00 p.m.  | Transportation to the JW Marriott   |
| 4:30 p.m.  | Quorum Call (Wrap-up) at the JW Marriott  |

Depart Washington, D.C., after 5:30 p.m.

AIADA provides transportation to all off-site meeting locations.

updated 9-26-93





## AIADA Position on the Auto Excise Tax

*The Omnibus Budget Reconciliation Act of 1993 repealed four of the so-called luxury taxes (boats, planes, jewelry and furs), but did not repeal the luxury tax on automobiles. This 10 percent Auto Excise Tax is imposed on the retail sale price in excess of \$30,000. Senators Exon (D-NE) and Kerrey (D-NE) have introduced legislation (S.1443) to repeal the tax. Congressman Hoagland (D-NE) has introduced companion legislation (HR.3039) in the House.*

**Congress should repeal the Auto Excise Tax.**

► **The Auto Excise Tax is NOT FAIR.**

It is fundamentally unfair and inequitable to impose a so-called "luxury tax" on just one industry. On what logical basis is a \$35,000 automobile taxed as a luxury, but no luxury tax is levied on a \$1,000,000 plane, a \$300,000 yacht, a \$250,000 diamond necklace or even an \$80,000 fur coat? With the price of automobiles today, it is also questionable whether many Americans would agree that a \$35,000 automobile is a "luxury."

► **The Auto Excise Tax is BAD TAX POLICY.**

There is no sound tax policy basis for taxing autos priced in excess of \$30,000. It makes no sense to establish a national sales tax, with all of its administrative costs and burdens, on just one product. And passage of the Clinton tax package, with its substantial tax increases on high-income individuals, has eliminated the need to tax consumption of so-called luxury autos to ensure progressiveness in the tax code. In fact, 90 percent of the new taxes imposed by the Clinton tax package will be paid by individuals earning more than \$100,000 annually.

► **The Auto Excise Tax is NOT WORKING.**

The original stated intent of the luxury tax was to tax the purchases of high-income individuals. But automobile customers have proven that this tax does not work. High-income individuals do not have to pay the tax. They can either choose to not make the purchase or they can force the dealer to pay the tax to make the sale. This tax is an unfair burden on the small business automobile dealer. Congress repealed all luxury taxes on the books in 1965 and all but one in 1993. History clearly shows that luxury taxes do not work as intended and, instead, cause harmful unintended consequences for American small businesses.

9/17/93





AMERICAN  
INTERNATIONAL  
AUTOMOBILE  
DEALERS  
ASSOCIATION

## 25% DUTY ON MPVs

### POSITION PAPER

**Background:** President Clinton and Congress are being pressed to impose a 25 percent tariff on import Multipurpose Passenger Vehicles (MPVs) -- minivans and sport-utility vehicles. Efforts to reclassify these vehicles as trucks, thereby raising their tariff from 2.5 percent to 25 percent, were defeated in the last Congress. President Clinton has reportedly instructed the U.S. Treasury Department to look into the issue.

#### *AIADA Position on the 25 Percent Tariff*

- **Increased prices and reduced consumer choice.** Classifying import MPVs as cargo vehicles would raise the tariff on these vehicles from 2.5 to 25 percent (a 1,000 percent increase), adding an average of \$3,700 to their price and effectively eliminating them from the U.S. market. American consumers would then have fewer choices in the marketplace.
- **Forcing thousands of Americans out of work.** Eliminating these vehicles from the U.S. market will cost thousands of jobs at American dealerships. Ironically, these jobs would be sacrificed to protect jobs in Canada, where more than half of Chrysler's best selling minivans are made.
- **Price-gouging middle class American consumers.** Eliminating import competition would give the Big Three a monopoly marketshare in these vehicles, resulting in price-gouging of American consumers. Middle class Americans would pay an estimated \$1,300 more per domestic vehicle, more than \$2 billion annually.
- **Regulatory consistency.** Even if all MPVs were classified as trucks, regulations for cars and trucks would not be consistent. MPVs are now required to meet many passenger car safety standards.
- **Government revenue.** If these vehicles are priced out of the market, it would result in a loss of revenue for the U.S. Treasury, not a gain. As severe price increases reduce sales, government revenues will decline.

3/1/93





AMERICAN  
INTERNATIONAL  
AUTOMOBILE  
DEALERS  
ASSOCIATION

The American International Automobile Dealers Association (AIADA) represents more than 10,000 American-owned businesses that sell and service international nameplate automobiles. AIADA's 23-year history attests to its total commitment to be its members' voice before Congress, the White House, federal regulatory agencies, the automobile industry and the American public.

#### The international automobile industry in the U.S.

The international automobile industry in the United States continues to play an integral role in the lives of a growing number of Americans and provides a significant contribution to the nation's economy. In 1992, the industry provided jobs for more than 400,000 Americans through U.S. manufacturing, dealerships, parts suppliers and related businesses. In that same year, international automobile dealerships alone accounted for 280,000 U.S. jobs.

Today, the automobile industry in the U.S. is truly a global enterprise. Over the past few years, General Motors has been the number one importer of vehicles into the U.S., while last year Honda built and sold more passenger cars in the U.S. than did Chrysler. With increased competition, partnerships between the Big Three and international automakers are now commonplace. In total, imported automobiles are sold at more than 95 percent of all U.S. dealerships.

#### International automobile dealer issues.

AIADA focuses on the implications of U.S. trade policy for international nameplate automobile dealers. Issues that the association closely follows include: quotas and tariffs for international nameplate automobiles; discriminatory domestic content requirements; tax, fuel economy and clear air legislation; U.S. trade retaliation targeting international nameplate vehicles; charges of dumping and unfair trade; and other trade policy developments.

The association frequently testifies before House and Senate Committees and government agencies on these issues. When the occasion requires, AIADA sends special envoys to Japan, Germany, the European Community and to the Multilateral Trade Negotiations in Geneva to ensure that the voice of the American international automobile dealer is heard in international automobile policy decisions. AIADA also sponsors research studies to illustrate the significant positive impact of the international automobile industry on the U.S. economy, employment and consumers.

May 1993



AMERICAN  
INTERNATIONAL  
AUTOMOBILE  
DEALERS  
ASSOCIATION

## INTERNATIONAL AUTOMOBILE DEALER U.S. EMPLOYMENT

STATE	LOCATIONS	EMPLOYMENT
Alabama	117	4,446
Alaska	18	684
Arizona	90	3,420
Arkansas	68	2,584
California	926	35,188
Colorado	116	4,408
Connecticut	154	5,852
Delaware	28	1,064
District of Columb	2	76
Florida	411	15,618
Georgia	207	7,866
Hawaii	32	1,216
Idaho	54	2,052
Illinois	303	11,514
Indiana	125	4,750
Iowa	79	3,002
Kansas	71	2,698
Kentucky	94	3,572
Louisiana	85	3,230
Maine	56	2,128
Maryland	157	5,966
Massachusetts	219	8,322
Michigan	162	6,156
Minnesota	102	3,876
Mississippi	82	3,116
Missouri	117	4,446
Montana	42	1,596
Nebraska	47	1,786
Nevada	37	1,406
New Hampshire	75	2,850
New Jersey	292	11,096
New Mexico	59	2,242
New York	449	17,062
North Carolina	244	9,272



SPEAK

Thurs, <sup>P.</sup> Oct 7  
Mansfield Rm.  
1:00 pm.AMERICAN  
INTERNATIONAL  
AUTOMOBILE  
DEALERS  
ASSOCIATION

September 17, 1993

The Honorable Robert Dole  
United States Senate  
Washington, DC 20510in back  
on call.

Dear Senator Dole:

On October 6 and 7, 1993, our key political members, State Legislative Directors, will meet in Washington, D.C. for the first annual *Grass Roots Leadership Conference*. Approximately 60 dealers, representing every state and our Board of Directors' Legislative Involvement Committee, will be attending.

We appreciate your sponsoring our luncheon meeting in the Mansfield Room on October 7 and would like to extend an invitation to you to address these key leaders at about 1:00 p.m. They would appreciate your leadership perspective on the trade and tax issues that concern their businesses and the international automobile industry.

- \* If you are unable to commit to formal remarks, the proximity of these rooms to your office and the Senate floor might enable you to visit with the group for 5 to 10 minutes sometime during the luncheon, 12:30 to 1:45 p.m.

Thank you for your consideration of this request. If you or any member of your staff wishes to contact me or Katherine Hoehn, the coordinator of this conference, we can be reached at (703) 519-7800. And, as always, thank you for your continued support of our industry.

Sincerely,

Walter E. Huizenga  
President

cc: David Shepherd

9/20 confirmed w/ Katherine 1:00