

Headlines...

Hot off the press: Dealer performance standards bill passes the House in MD

NADA, automakers applaud Trump's promise to review CAFE rule

Trump's budget and the auto industry

Gov. Hogan says he'll veto Maryland paid sick leave bill

WANADA's 100th anniversary gala is fast approaching – April 1

In Maryland, revised electronic safety inspection receipt

***In Memoriam:* Alvin J. Brooks, M-B Arlington & M-B Alexandria**

Thought for the Week...

Hot off the press:

Dealer performance standards bill passes the House in MD

Late last night, the full House of Delegates in Maryland passed the dealer-sponsored legislation HB 1120 that better defines performance standards automakers require of their dealers' franchisees. The legislation now goes over to the Maryland Senate where it must also pass to go forward to the governor for his signature into law.

WANADA appreciates the good work of MADA and our government relations advisors at Rifkin/Weiner/ Livingston, LLC for marshalling this helpful franchise legislation through the Maryland General Assembly to this point. All will be kept advised of further developments on this good news.



President Trump told auto companies he will review CAFE standards if the industry would create more U.S. jobs. Photo by Gage Skidmore.

**NADA, automakers applaud Trump's promise to review CAFE rule
But Maryland and Northeast states could follow stricter California rule**

NADA, the Auto Alliance and the Detroit-based automakers praised President Trump's decision to review the fuel economy standards approved by the Obama administration in its waning days. For now, it looks as if automakers will have a reprieve. But there are several caveats.

The biggest one is that California can write its own stricter emissions rules. And at least a dozen states, including Maryland, DC and several Northeastern states, have agreed to follow them. More on that later.

First, here's what happened last week. Trump flew to Michigan to announce that he would reopen the review of fuel economy standards. In 2012, automakers were anxious for a single national standard, and they agreed to one requiring an industry fleet average of 54.5 mpg by 2025. The standard called for a midterm review that the Environmental Protection Agency (EPA), National Highway Traffic Safety Administration (NHTSA) and California Air Resources Board (CARB) would conduct in consultation with the auto industry.

Those three agencies issued a draft report last May saying that automakers were on target to meet the requirements, though the real world figures might be closer to 50.1 mpg because of the shift in consumer buying preferences to sport-utilities and light trucks. NADA, the automakers and several industry groups spoke out against the draft report's conclusion. But a few days before Trump's inauguration, EPA issued the rule in final form, keeping the 54.5 mpg goal, leaving the auto industry extremely unhappy.



In Ypsilanti for the announcement, front row from left: GM CEO Mary Barra, Trump, Ford CEO Mark Fields, FCA CEO Sergio Marchionne and DOT Secretary Elaine Chao.

Last week, Trump announced not that he would roll back the rule – though that could come later, in light of his and EPA Administrator Scott Pruitt's concern about over regulation. The administration is simply reviving the review process. The auto industry supports that step strongly.

NADA continued to emphasize the rule's effect on vehicle affordability. In his statement applauding the Trump administration's action, NADA President Peter Welch said, "Maintaining vehicle affordability is critical to actually building on the progress the industry has already made on increasing fuel economy and lowering vehicle emissions. As dealers, our top priority will always be ensuring that working men and women have the ability to purchase the fuel-efficient cars and trucks they need at prices they can afford."

Correspondingly, Mitch Bainwol, president of the Auto Alliance, touched on several issues of concern to the auto industry and to consumers. "Now we will get back to work with EPA, NHTSA, CARB and other stakeholders in carefully determining how we can improve mileage and reduce carbon emissions while preserving vehicle safety, auto jobs and affordable new cars and trucks."

One advantage the Obama administration rule had from the industry's point of view is that it set a single national standard. Automakers and dealers didn't have to worry about selling different cars in different states. If, as many expect, the 2025 deadline is moved back, there will again be

one rule for California and the states that follow it (including Maryland and DC) and another rule for the rest of the country.

California still has a waiver allowing it to create its own stricter clean air rules through 2025 – though the Trump administration may try to revisit that waiver. California Gov. Jerry Brown has said he plans to file a lawsuit, with New York, challenging Trump’s move to reopen the midterm review of fuel economy rules.

Trump made clear during his speech in Michigan the reopening of the midterm review, for which, in return, he expects automakers to create U.S. jobs. “We’re going to do some wonderful work with you, but you’re going to have to help us with jobs,” he said. Trump’s previous statements have shown that he may not clearly understand the global nature of the auto industry. He believes one key to creating new jobs is cutting regulations.

EPA Administrator Pruitt, who has often talked about EPA’s regulatory overreach, said in a statement, “These standards are costly for automakers and the American people. We will work with our partners at DOT to take a fresh look to determine if this approach is realistic.”

Some Japan-based automakers, including Toyota and Nissan, have said they will continue with their plans to build more fuel-efficient and alternative fuel vehicles, regardless of the Trump administration’s actions.

Trump’s budget and the auto industry



Judging from Trump’s budget, funding for infrastructure improvement will not be a priority in the next fiscal year.

The first point to note about President Trump’s proposed national budget is that it is not apt to pass Congress in its current form. That is typically true of presidential budgets, but it is even more so now, partly because this budget lacks many specifics. Even Republicans in Congress, including some of Trump’s biggest backers, attacked the budget the day it was presented.

Still, the budget offers a strong political statement for the new administration and so is worth studying as a guide to its priorities – though none should be surprising.

The Transportation Department takes a 13 percent cut. That means infrastructure projects would be put on the back burner. TIGER grants (Transportation Investment Generating Economic Recovery) – a program offering funding for local surface transportation projects, created as part of the Obama administration’s 2009 stimulus program – would be eliminated. Such projects are popular in Congressional members’ districts, so that cut might not survive.

It’s not clear which other DOT programs could take a hit. But there will surely be staff cuts as Trump follows through on his pledge to cut federal agency personnel. Would that mean fewer federal workers to write needed regulations for autonomous vehicles? Fewer employees at NHTSA to focus on recalls? Stay tuned.

As has been widely publicized, EPA is slated to take the biggest budget hit, cutting 3,200 jobs. Having fewer workers at the EPA to write regulations could be a help to dealers unhappy with the agency's regulatory overreach. On the other hand, a diminished staff at the EPA could cause confusion as fewer people try to manage the regulations that are still in place.

Gov. Hogan says he'll veto Maryland paid sick leave bill

Bills requiring that all employers with more than 15 workers offer paid sick leave have passed both the Maryland House and Senate, but Gov. Larry Hogan has said he will veto either version.

Hogan's bill, which is stuck in committee, would require businesses with 50 or more employees to offer five days of paid sick leave. He called the House and Senate bills "dead on arrival" and said they would kill businesses and jobs. Hogan's bill offers tax incentives to smaller companies that offer sick leave; the House and Senate bills do not.

The House bill requires employers to offer seven days of paid sick leave, the Senate bill requires five. There are other differences in the two bills would have to be reconciled before a final version is sent to Governor Hogan. It is not clear that the Senate has the 29 votes needed for a veto.



Frank Caliendo (above) and "Satisfaction/The International Rolling Stones Show," below.

WANADA's 100th anniversary gala is fast approaching — April 1

Prepare to don your evening clothes and head downtown to the Mayflower Hotel in Washington Saturday evening, April 1, for WANADA's extravaganza – its 100th anniversary gala. Festivities for the *black tie* event will include a reception, dinner and entertainment by comedian Frank Caliendo and "Satisfaction/The International Rolling Stones Show." During dinner, a commemoration of the last 100 years in the retail auto industry in DC will be offered.

After dinner, be ready to be entertained. WANADA is bringing famed comedian and impressionist Frank Caliendo. A fixture on TV for the past 10 years, Caliendo has comedy specials that run regularly on TBS and Comedy Central. He is a regular on the late night talk show circuit, performing on *The Late Late Show with Craig Ferguson*, *Jimmy Kimmel Live*, *The Tonight Show*, *The View*, *Late Show with David Letterman* and as a special correspondent for *Super Bowl XXXIX*.



The evening's finale will be the Billboard and Pollstar highly rated show, "Satisfaction/The International Rolling Stones Show." Entering its 15th year, this acclaimed production is known for the most authentic cast and costuming of its kind. The likes of Rolling Stones Mick Jagger and Keith Richards bring a colorful performance to more than 50 years of classic hits.

All in all, a great evening is planned, and no WANADA dealer or Kindred-line member should miss it. Individual tickets for the Gala are \$400, and a table of ten is \$3,500. To register, click [here](#). Please email Kathy Teich at kt@wanada.org for registration and detailed information. For sponsorship information, email Bob Storin at rs@wanada.org. Kathy and Bob can also be reached at the WANADA office, 202-237-7200

WANADA thanks the sponsors of the Centennial Gala for their generous support. The Marquee Sponsor is BG Products, with supporting sponsors Architects Group Practice; Councilor, Buchanan & Mitchell; M&T Bank; Payroll Network; Penney Design Group; RBC Wealth Management; SunTrust; and WellNet.

In Maryland, revised electronic safety inspection receipt

Effective March 7, 2017, Maryland Safety Inspection Stations began issuing a new type of paper electronic safety inspection receipt when a vehicle passes the Maryland Safety Inspection. For a sample of the new version of the inspection receipt, click [here](#).

Dealers and tag and title services will continue to verify the inspection through Maryland State Police e-Inspection search website at this address <http://egov.maryland.gov/msp/vsi/Lookup#/>.

To ask additional questions, email the MVA at mvablcsd@mva.maryland.gov.

In Memoriam:

Alvin J. Brooks, M-B Arlington and M-B Alexandria, formerly American Service Center

Per its notice to membership over the weekend, WANADA is sad to report the passing of longtime Washington Area dealer and association member, Alvin J. Brooks of Mercedes-Benz of Arlington and Mercedes-Benz of Alexandria, formerly the American Service Center. He succumbed to a long term illness last weekend at the age of 84 and was memorialized yesterday, March 20, at the Washington Hebrew Congregation in DC (www.sagelbloomfield.com).

A native Washingtonian, Alvin enjoyed an eminently successful career as a franchised dealer retailing and servicing different brands of vehicles over the years, to include Mercedes-Benz which American Service Center retailed for most years, up through and including today at Mercedes-Benz of Arlington and Mercedes-Benz of Alexandria.

Alvin's business partner and brother-in-law, Morty Zetlin, was with Alvin through it all, later bringing in Morty's son, Mark, who continues in the longstanding family business tradition. Alvin's life partner Gail, Morty and his wife Cynthia, nephew Mark and nieces Donna and Bonnie are observing Shiva this evening, March, 21, 6:00-8:00 at Park Potomac Place Club Room, 12500 Park Potomac Avenue, Potomac, MD.

Contributions to Alvin's memory can be made to the American Heart Association and the National Parkinson's Foundation.

To Alvin's family and many friends, WANADA extends its sincerest sympathies.

Thought for the Week...

If you tried to give Rock and Roll another name, you might call it "Chuck Berry"

-- John Lennon

Former Beatle

(Chuck Berry, pop music icon,
died March 18, 2017
at age 90)

