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SEC, Justice Dept. investigating FCA over sales reports

After press reports, Fiat Chrysler America (FCA) has admitted that the Securities and Exchange Commission (SEC) and Department of Justice are investigating the company over its sales reporting practices. The Justice Department is investigating whether FCA violated securities law, reported Bloomberg News. The automaker said it is "cooperating fully" with the federal agencies.

FCA has reported improved year-over-year sales for 75 straight months. In January, two dealerships filed a civil racketeering suit against the company for allegedly asking the dealers to inflate sales figures in return for \$20,000 in advertising incentives. The dealers are Napleton's Arlington Heights (IL) Chrysler Dodge Jeep Ram and Napleton's Northlake Chrysler Dodge Jeep Ram in Lake Park, FL. FCA sought to have the suit dismissed, calling the allegations "baseless" and "the product of two disgruntled dealers who have failed to perform their obligations under the dealer agreements."



Federal agencies are investigating whether dealers were bribed to inflate sales figures for the Jeep Renegade and other FCA vehicles.

The federal investigation has publicized FCA's practice of basing sales figures on vehicles sold to dealers, not on vehicles delivered by dealers to customers. That means the figures include service loaner cars.

Maryland is 1 of 3 states to sue VW over emissions cheating



Maryland says VW executives knew their installation of defeat devices in vehicles such as the 2014 Touareg TDI was illegal.

Maryland, along with New York and Massachusetts, has sued Volkswagen for billions of dollars in penalties for knowingly installing defeat devices to allow noncompliant cars to pass emissions tests. The lawsuit seeks \$25,000 in civil penalties per violation per day.

“Volkswagen, Audi and Porsche installed defeat devices in their cars to trick regulators to deceive the public; they did so knowing that their conduct was illegal and their misconduct has hindered our efforts to clean the air and to clean the Chesapeake

Bay,” Maryland Attorney General Brian Frosh said in a statement. Nearly 13,000 of the vehicles were sold in Maryland. Maryland has recorded some of the highest ozone levels in the eastern United States, the statement said.

The three states announced their lawsuit after several months of negotiations over environmental violations broke down. Volkswagen said the allegations are not new and the company is addressing them with federal authorities. “It is regrettable that some states have decided to sue for environmental claims now, notwithstanding their prior support of this ongoing federal-state collaborative process,” the company said in a statement.

The three states made it clear they intend to send a message with the lawsuit. “Neither Volkswagen, nor any other car manufacturer, should ever again conclude that it can engage in this behavior as part of the cost of doing business,” their statement said.

MD dealers: New process for tag/title services, starts August 1

As of August 1, Maryland dealers must follow modified procedures for all licensed Tag & Title Services, as set by the MVA.

- Tag and title agents can process five pieces of work per day that **cannot** be processed on the ERT system, except for the first and last day of the month.
- The transactions must be put together in this order (top to bottom): MVA Transmittal Sheet; MVTA Cover Sheet; ERT Screen Shot to document the inability to process on ERT, and any remaining paperwork related to that transaction.
- This work must be presented to the MVA by 10 a.m. to be returned the same business day. All work submitted after 10:00 a.m. will be returned by the end of the next business day.

- Work that is not allowed to be processed on the ERT system (per the MVA) cannot be submitted for same-day processing without approval from the branch manager. Such transactions must have proof of the reason they are urgent.

The MVTA Cover Sheet may be obtained by emailing Maryland Vehicle Titling Association at info@mvta.org. For a list of items ERT Title Services can and cannot process electronically, click [here](#).

Any questions or concerns may be addressed to the MVA at mvablsd@mva.maryland.gov.

Wheels, tires stolen from Northern Virginia dealerships

Two Northern Virginia dealerships were robbed the weekend of July 15 to 17. They have notified their local authorities. The thieves stole wheels and tires.

Please report any theft at your dealerships to WANADA by emailing Joe Koch at jk@wanada.org. We work with local auto theft detectives and police forces. Thank you!

Draft federal fuel economy report doesn't adjust 2025 targets, but says fleet CAFE will fall short of 54.5 mpg



A big increase in sales of electric vehicles, like the Chevrolet Spark EV, won't be needed for automakers to meet the fuel economy targets, federal officials said.

The draft midterm report from EPA, NHTSA and CARB on 2025 fuel economy targets says that automakers have the technical ability to meet the targets. But the report acknowledges that consumers' increasing preference for SUVs and light trucks means fleetwide fuel economy will not reach the 54.5 mpg target.

That target is a goal, not a mandate, administration officials told reporters in a conference call, reports *Automotive News*. The actual fleetwide number will likely be 46.3 mpg, officials said. The current combined average for cars and light trucks is 34 mpg.

The report says the fuel economy standards can be largely met through improved gasoline engines rather than alternative fuel vehicles. There are already more than 100 models on the market that meet 2020 or later standards, the regulators said. In fact, a NHTSA statement said, "auto manufacturers over-complied with the standard for each of the first three years of the program and in 2014 outperformed the standards by 1.4 miles per gallon."

So far, the regulators do not appear inclined to lower the targets. But there is a 60-day comment period when automakers, NADA and environmental groups will all try to make their case. The Auto Alliance said "it will be a daunting challenge" to meet the requirements. "Absent a vigorous commitment to focus on marketplace realities, excessive regulatory costs could impact both consumers and the employees who produce these vehicles," the group said.

NADA plans to focus its comments on consumer acceptance and willingness to pay for fuel economy and new technologies, and on vehicle affordability and safety. “Ever-escalating standards that price hardworking Americans out of the new car market is not a reasonable or realistic approach, and it will ultimately lead to Washington denying our customers the choices they deserve,” the association said.

The new administration must write final regulations by April 1, 2018.

It's official: Traffic is worsening on parts of Beltway

You may not need an official study to tell you this: The busiest segments along the Maryland portion of the Beltway got even busier, by as much as 27,000 to 30,000 more vehicles a day, in the past seven years. That's based on an analysis of Maryland traffic by American Automobile Association Mid-Atlantic. The heaviest increases were at the interchanges near National Harbor and the 270 Spur.

Why pick on Maryland? The lion's share of the Beltway runs through the Free State – 41.7 miles, compared with 22.1 miles in Virginia.



But take heart. Overall, the bulk of the extra volume in the bottlenecks was made up for by improved traffic in other spots, in seven out of 10 key corridors. In some cases, there were 23,000 to 25,000 fewer vehicles a day.

Some impressive historical trivia: Congestion and traffic have increased nearly *318 percent* on some sections of the Beltway since it was built nearly 60 years ago.

GM opens Maven car sharing service in DC

General Motors has opened its Maven car sharing service at 11 locations in DC, a way to rent cars by the hour or day, with a limited-time offer of free gas and no membership fee. Cars are reserved through a smartphone app.

The service, part of the automaker's effort to reach the urban market, began in Ann Arbor, MI, in February. It has since expanded to Chicago and New York.

A range of eco-cars, compacts, sedans and SUVs is available, all with OnStar and the ability to charge up to seven mobile devices. Prices start at \$8.00 a hour for a Chevrolet Cruze or Spark.

Mercedes dealers rank highest in prospect satisfaction study

For the seventh year running, Mercedes-Benz dealerships ranked highest in the 2015 Pied Piper Prospect Satisfaction Index study, which measured treatment of car shoppers who visited 6,370 dealerships. Rounding out the top five were Infiniti, Lexus, Mini and Toyota.

Brands that showed the most improvement from 2014 were Mini, BMW, Lexus, Chrysler, Dodge, Lincoln and Ram. Those with the greatest year-to-year decline were Volvo, Smart, Jaguar and Cadillac. Eight brands have consistently ranked at or above industry average for each of the past five years: Mercedes, Infiniti, Lexus, Toyota, BMW, Volkswagen, Honda and Cadillac.

“Top performing dealerships define specific sales steps to be followed by their salespeople,” said Fran O’Hagan, president and CEO of Pied Piper Management Co.

Salesperson behavior more likely to occur in 2015 than in the past: offered a test drive; provided reasons to buy from this dealership, and suggested sitting down at a desk.

Two Northern Virginia cities are in top 5 for millennials

In a recent ranking of the best cities for young professionals nationwide, Arlington came in second, Alexandria third and DC ninth. Cambridge, MA, was first.

The ranking by niche.com was based on the number of millennial residents, job opportunities, cost of living, diversity, crime and safety, and access to bars, coffee shops and restaurants. Data came from the Census Bureau, FBI, Bureau of Labor Statistics and other sources.

Staying Ahead...

Political language... is designed to make lies sound truthful and murder respectable, and to give an appearance of solidity to pure wind.

--George Orwell

