

THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

WANADA Celebrating 100 Years of Service (1917-2017)

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Thought for the Week...

EPA, DOT reopen, expand review of fuel economy rules



Revision of the fuel economy rules would enable more sales of SUVs like the Chevrolet Tahoe.

When official notice was published reopening the midterm review of the 2025 fuel economy rules, many were surprised – and the auto industry was pleased. The mid-August notice in the *Federal Register* by the Environmental Protection Agency and the Transportation Department fulfilled a pledge the EPA made in March to reopen the rules approved in January, days before President Trump took office.

The 2011 law originally set up a midterm review for models years 2022 and 2025 to be completed by April 2018, which the Obama

administration finished more than a year early. But now the EPA has also invited comments on standards for MY 2021, when automakers must meet a combined corporate average fuel economy of 41 mpg.

In addition, the *Federal Register* notice adds 10 new factors that the public can comment on, including the standards' impact on consumers' buying behavior and "the extent to which consumers value fuel savings from greater efficiency of vehicles." The EPA seeks comments on the agency's past approaches to forecasting and projecting auto technologies, including costs, technology penetration rates and technology performance.

NADA has emphasized in its previous comments the need to take into account shifting consumer preferences to more trucks and SUVs. A former director of the EPA's Office of Transportation and Air Quality told the *Washington Post* that the new factors reflect "direct input" from automakers. Automakers have pressed the Trump administration since the beginning of his term for revised fuel economy standards.

Analysts have said that an easing of the fuel economy standards will not change manufacturers' product plans, as the long product lead time means they are prepared to meet the more stringent standards. Plus they will have to meet tougher standards in Europe. But the problem with the U.S. standards is that automakers are judged on sales, not on technological capability. And trucks and SUVs continue to outsell more fuel-efficient cars.

“We thank Transportation Secretary Elaine Chao and EPA Administrator Scott Pruitt for working closely together to harmonize a review driven by the most current data, consumer preferences and marketplace realities,” said Mitch Bainwol, president and CEO of the Alliance of Automobile Manufacturers.

The Detroit Three will see the most immediate benefit from more relaxed standards, analyst Gopal Duleep told the *Detroit News*, because of their preponderance of truck sales. But, he added, they will fall behind in the future as automakers compete internationally to increase sales in the growing number of countries moving toward electric vehicles. U.S. dealers simply want a ready supply of whatever sells.

WANADA's ADEI auto tech training program wins high dealer praise

The auto technician mentor luncheon last week was a big success both for prospective students who attended and the dealership representatives who spoke. The August 16 event at Montgomery College was organized by WANADA's career education arm, the Automobile Dealer Education Institute (ADEI).

“Learning automotive technology is key for the future,” said WANADA President and CEO John O'Donnell.

“With the coming of a lot of electric vehicles and autonomous vehicles, the skills required for maintaining and operating those vehicles is not an option for the industry,” he said. ADEI Chairman Harold Redden, vice president of Fitzgerald Auto Mall, offered further encouragement to the students at the MC luncheon.



John O'Donnell, WANADA CEO talks to ADEI students and mentors at luncheon



Farzad Makarehchi of DARCARS praised ADEI Tech Training.

Farzad Makarehchi, service director for DARCARS, has an on-the-ground view of the program. “The DARCARS dealerships take entry-level technicians from a variety of sources,” he said. “But the WANADA program is proven to have among the top results because of the on-the-job training and the tech's relationship with a mentor. As a result, WANADA students are more prepared to be productive technicians compared with other programs.”

Makarehchi emphasized the importance of recalls, as dealership service departments are seeing more and more of them.



Brett Davis, Fitzgerald Auto Mall.

Manufacturers will only allow technicians with specific certifications to do recall work or warranty repairs. “Because recalls are so prevalent these days, getting those certifications is extremely important for a shop’s profitability and customer retention,” he said. A technician who has these certifications has good job prospects, Makarehchi told the students in attendance.

Brett Davis, service director for Fitzgerald Auto Mall, offered some practical tips for the students when they start working: “Be on time, make it clear you are ready to learn, and turn off your cell phone while you are at work,” he said.

WANADA Member Services Coordinator Billy Painter highlighted some of the features of ADEI’s Technician Development Program. Students will work four days a week at sponsoring dealerships as they attend classes at Montgomery College once a week. Classes start the last week of August. ADEI’s companion program in Northern Virginia offers adult education classes at Marshall Academy in Falls Church and Hayfield High School Adult Education in Alexandria.



Debra Anderson, head of the Auto Tech Training Program at Montgomery College.

WANADA has several potential students who are looking for dealership employment as a way into the program. Any dealer interested in sponsoring one should contact Billy Painter at <mailto:bp@wanada.org> or 202-237-7200.

Sign up for F&I Certification Workshop - September 14

Registration is now open for WANADA’s next F&I Certification Workshop, September 14 at WANADA headquarters in Washington, DC. With consumers having access to more information about dealership operations and the buying process, and federal and state regulators working to ensure that dealerships follow the law, it is vital for F&I staff to be well informed.

As in the past, the workshop will offer information on laws that affect dealerships and also on how to conduct business in a way that complies with the law. Laws to be covered in class include: Unfair and deceptive trade practices; currency transaction reporting; the Truth in Lending Act (Regulation Z); Truth in Leasing (Regulation M); the Equal Credit Opportunity Act (Regulation B); the Fair Credit Reporting Act; Gramm-Leach-Bliley Act; Magnuson-Moss Warranty Act; the USA Patriot Act; and the Office of Foreign Assets Control (OFAC).

The workshop also touches on best practices and legal information specific to Maryland and Virginia.

Participants will take an exam at the end of the workshop and will receive compliance certification upon passing the exam.

The workshop will be from 8:30 a.m. to 5:00 p.m. at the WANADA offices, 5301 Wisconsin Ave., NW, Suite 210. Click [here](#) to register and pay by credit card or check (invoice). Questions may be directed to Kathy Teich, kt@wanada.org or 202-237-7200.

Trump advisory councils are disbanded; how will tax reform be affected?

General Motors CEO Mary Barra was pleased earlier this year to have a seat on the Strategy and Policy Forum, a group of corporate leaders formed to advise President Trump on economic issues. The Forum seemed like a good way to get the president's ear on issues of interest to the auto industry. But Barra was among the members of the group who were "outraged" by the president's response to the events in Charlottesville when he blamed "many sides" for the violence, according to the *New York Times*.



GM CEO Mary Barra.

On Wednesday morning, after the president's response to reporters' questions in Trump Tower following an event designed to discuss infrastructure, members of the forum voted to disband the group. Then Trump announced that he was abolishing it. Either way, the Forum is no more. It was one more in an extraordinary sequence of events for a president who had boasted about his closeness to the business community.

Republicans in Congress are more anxious than ever to focus on key issues that they and Trump campaigned on: tax reform, infrastructure, and, in some form, health care. Some analysts have questioned whether the divisions in the Republican party laid bare by last week's events will make it harder to come together on tax reform. Before it can take any action on taxes, Congress will need to come together on a federal budget and act to keep the government running past October 1.

More proof that millennials really do love their cars

When faced with the prospect of losing access to a vehicle for an extended time, millennial drivers say they would rather go without social media for a week, lose an extra hour of sleep each day and skip one meal a day. That's the word from a recent survey of millennials by Enterprise. The company explored the question to remind drivers that if they are in a car accident, they will be without their car two weeks, on average.

Other findings:

- More than half of millennials say that if they lost access to their vehicle for an extended period, they would be forced to beg friends and family for rides.
- Nearly half of millennials say the ability to drive to work is what they value most about having access to a vehicle.
- More than one-third of U.S. drivers say they drive an average of three to four places each day.

Motor vehicle deaths drop slightly in first half of year, but still above 2015

Motor vehicle deaths in the first six months of 2017 were 1 percent lower than in the first half of 2016, according to preliminary estimates from the National Safety Council (NSC).

But the country is still fresh off the steepest estimated two-year increase in motor vehicle deaths since 1964, and it is too early to say that the upward trend is over, the group said. The estimated deaths in the first six months of 2017 are 8 percent higher than the first half of 2015, and the second half of the year tends to be deadlier than the first half.

An estimated 18,680 people have been killed on U.S. roads since January and 2.1 million were seriously injured. The total estimated cost of these deaths and injuries is \$191 billion.

“The price of our cultural complacency is more than 100 fatalities each day,” said NSC resident and CEO Deborah A.P. Hersman. “Although the numbers may be leveling off, the road to zero deaths will require accelerating improvements in technology, engaging drivers and investing in our infrastructure.”

More deaths on the road are a serious downside of an improved economy and lower gas prices. Those two factors helped fuel a 1.7 increase in miles driven from 2016 to 2017, the NSC said.

Thought for the Week...

Constructive economic and regulatory policies are not enough and will not matter if we do not address the divisions in our country.

--Jamie Dimon, CEO, JPMorgan Chase and member of the now-disbanded
White House Strategy and Policy Forum