

# 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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Staying Ahead...

## Tesla wins round in fight against Michigan franchise law

Tesla won a battle in its fight against Michigan's franchise law that prohibits the automaker from using its direct sales model in the state. Relatedly, two state lawmakers will have to hand over records of their communications with lobbyists, including one with the Auto Dealers of Michigan (ADM).

The wife of Michigan state Sen. Joe Hune is a registered lobbyist for a firm that represents dealers. Tesla also subpoenaed state Rep. Jason Sheppard, who allegedly told Tesla last year that it will "not be allowed to operate in Michigan because Michigan dealers and manufacturers do not want Tesla in the state," reported the *Detroit News*.



Tesla wants to build stores in Michigan with showrooms like this one in Fremont, CA.

The material will be available only to the attorneys, ruled U.S. Magistrate Judge Ellen Carmody.

Attorneys for the lawmakers had attempted to invoke executive privilege for them, and said the subpoenas were an attempt to "harass legislators" who would not cave in to Tesla's demands for a change in the state franchise law. The ban on Tesla's direct sales model is based on a 2014 amendment to the franchise law.

State Attorney General Bill Schuette's office has argued that Michigan is not discriminating against Tesla, as the automaker claims. "All other car manufacturers desiring to sell in Michigan operate under this same requirement," his office wrote in a recent filing. "But Tesla wants special treatment and refuses to bend to Michigan's law; indeed, Tesla insists that Michigan should bend to Tesla's business plan and practices rather than Tesla altering its practices to comply with Michigan law."

Kurt Berryman, a lobbyist for ADM, is also fighting a Tesla subpoena, saying it has “chilled” his right to free speech and association, according to the *News*.

Analysts have said that the results of the Michigan case could have repercussions for Tesla’s push for direct sales in other states. Regionally, Tesla is allowed up to four stores in Maryland; in Virginia, it has a gallery in Tysons and a store in Richmond.

## Last chance to sign up for WANADA’s flu shot program, Aug. 31



Thursday, Aug. 31, marks the deadline for WANADA dealers to register for this year’s flu shot program. With the flu annually infecting over 40 million people, resulting in workplace disruptions averaging four to five work days per employee, the program is a popular, well received WANADA employee benefit.

Once again, the program will be available on-site at WANADA dealerships and administered by Norvar Health Services. The on-site service will be available for adults aged 18 and older.

Norvar is again offering both the trivalent (3-strain) and quadrivalent (4-strain) vaccines. For years, flu vaccines were designed to protect against three different flu viruses (trivalent). The quadrivalent flu vaccine is designed to protect against four different flu viruses. Adding another B virus to the vaccine aims to give broader protection against circulating flu viruses.

The fee is \$24 per shot for the trivalent vaccine, and \$31 for the quadrivalent vaccine with a minimum of 20 participants required at each location. Locations with less than 20 participants will be billed as if 20 doses of the trivalent vaccine were administered.

As usual, adults 65 and older have a choice of getting the high-dose trivalent flu shot, which offers better protection against the flu compared with the regular trivalent shot. The fee for the high-dose shot will be \$48.

To have your dealership participate, register online at [www.norvarhealthservices.com](http://www.norvarhealthservices.com), under “Scheduling,” or call Norvar at 202-744-1360. Please do not fax in your registration. Any request received after Aug. 31 may be subject to vaccine availability.

Norvar Health Services will begin conducting on-site visits starting Oct. 2. All scheduling will be done by Norvar upon submission of your registration. Norvar will contact the dealer’s designated representative with the scheduled date/time and forward all appropriate forms. Norvar will invoice the dealership directly for all flu shots administered via the program, subject to the 20 doses minimum. Member questions can be directed to Connie Ryan at WANADA, (202) 237-7200.

## Come to *Black's Bar* in Bethesda for Happy Hour, Sept. 28

All WANADA members are invited to join fellow members, associates, friends and colleagues for a special Happy Hour at *Black's Bar & Kitchen* in Bethesda on Thursday, Sept. 28 from 5 to 7 p.m. Cocktails and *hors d'oeuvres* will be served, compliments of Penney Design Group, the event's sponsor and a WANADA Kindred-line member.

There is *no charge* for the event, but to give WANADA a rough head count for the evening, please click [here](#) if you plan to attend. Here are the details:

5 to 7 p.m. Thursday, Sept. 28

*Black's Bar & Kitchen*

7750 Woodmont Ave.

Bethesda, MD 20814

This is the first in a series of after-work/happy hour events planned for WANADA members and all are cordially invited to attend. The next *happy hour* will be on Friday, Nov. 17, at the Ritz-Carlton/Tysons Corner after the 2017 WANADA Annual Meeting & Luncheon. For any Kindred-line members who are interested in sponsoring a member *happy hour* in the future, please contact Bob Storin at 202-237-7200 or [rs@wanada.org](mailto:rs@wanada.org).

## One way to pay for infrastructure: Tax autonomous vehicles

Some states are exploring the possibility of taxing autonomous vehicles (AVs) to recoup the lost revenue from gas taxes as cars become more fuel-efficient. A federal transportation *think-tank* has also endorsed the idea.

Massachusetts legislators have introduced a bill levying a 2.5 cent tax per mile driven by autonomous vehicles. The Tennessee state Senate has passed a similar measure. In Washington, D.C., the Eno Center for Transportation, an independent *think-tank*, says that Congress should develop a per-mile charge fee system.



States and the feds are scrambling for ways to replace lost gas tax revenue to rebuild roads.

Automakers have said that AVs will be very fuel-efficient and in many cases all-electric, Paul Lewis, vice president of policy and finance for the Eno Center for Transportation, told the *Detroit News*. That means those cars will use the roads just as much as traditional cars that pay a gas tax, but AVs will not pay for their use.

The gas tax has not covered the cost of road repairs for many years, and the federal gas tax of 18.4 cents has not been raised since 1993. To pay for even the subpar shape of the nation's current infrastructure, Congress must transfer funds every year from another part of the budget – a continuing resolution, stop gap measure that helps explain why so much repair is needed.

Mary Peters, transportation secretary under George W. Bush, has also endorsed a tax on AVs. “Up-to-date and well-maintained infrastructure is not only important for all road users, but also essential for successful deployment of self-driving cars,” she wrote in *The Hill*. Peters then

proposed that owners of fleets of autonomous vehicles, rather than individual users, would pay the tax. Fleet owners will likely charge AV users per mile or per trip, so adding a modest tax would not be difficult.

The *bottom line*: Funds must somehow be found to pay for infrastructure. And no one is holding their breath waiting for President Trump or Congress to act.

## **Lane departure warning, blind spot detection help avoid crashes – IIHS**

Use of lane departure warnings and blind spot detection lowered the risk of crashes in two recent studies by the Insurance Institute for Highway Safety (IIHS).

Lane departure warnings lowered rates of single-vehicle, sideswipe and head-on crashes by 11 percent and lowered the rates of crashes with injuries by 21 percent. That means that if all passenger vehicles had been equipped with the feature, nearly 85,000 police-reported crashes and more than 55,000 injuries would have been prevented in 2015.

One reason the reductions are fairly modest is that U.S. drivers often turn off the lane departure warning, IIHS said. That is where dealers could play a role, in educating customers about the importance of the feature.

“This is the first evidence that lane departure warning is working to prevent crashes of passenger vehicles on U.S. roads,” said Jessica Cicchino, IIHS vice president for research.

IIHS did a second study that found that blind spot detection lowers the rate of all lane-change crashes by 14 percent and the rate of lane-change crashes with injuries by 23 percent.

“If every passenger vehicle on the road were equipped with blind spot detection as effective as the systems we studied, about 50,000 police-reported crashes a year could be prevented,” Cicchino said.

## **Best Family Cars of 2017, from *Parents* magazine and Edmunds**

*Parents* magazine and Edmunds teamed up to name the 10 family cars of 2017 that offer the best combination of value, performance, safety and family-friendly features. The list – which can be a great marketing tool for dealers – includes a vehicle for every type of family, from those looking for fuel efficiency to those needing room for many passengers.

The winners:

Best eco-friendly car – Chevrolet Bolt EV

Best budget vehicle – Kia Soul

Best hatchback – Subaru Crosstrek

Best small sedan – Honda Civic

Best sedan – Hyundai Sonata

Best midsize crossovers – Mazda CX-5 and Honda CR-V

Best wagon – Subaru Outback

Best minivan – Chrysler Pacifica

Best SUV – Toyota Highlander

These winners were singled out for their generous cargo space, *infotainment* options and voice-command systems, smartphone connectivity, surround-view cameras, automated emergency braking and lane/road-departure warning systems.

Winning honorable mention were the Nissan Rogue, Mazda 3, Mercedes-Benz GLC300, Hyundai Santa Fe and Honda Odyssey.

### On-the-ground view of solar eclipse, Aug. 21

The photo below of last week's total eclipse of the Sun was taken when it occurred about 3p.m. (EDT) Aug. 21, in front of the WANADA offices in Washington, D.C. by staff member Huda Farooq. In the Washington area, the Sun was 81 percent blocked. The last time everyone in the lower 48 states in the U.S. viewed a solar eclipse together, like the one last week, was in 1918; the last eclipse that *some* in the U.S. experienced was 1978. The next total solar eclipse will be April 4, 2024, when the Sun will be 87 percent blocked in the Washington area.



#### Thought for the Week...

We are all in the gutter, but some of us are looking at the stars.

--Oscar Wilde



WASHINGTON AREA NEW AUTOMOBILE DEALERS ASSOCIATION