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

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ADEI kicks off fall technician training with orientation lunch

Auto Tech Students set to begin class work at Montgomery College

Above: William Clavelli of DARCARS with Deborah Anderson who coordinates ADEI Tech Training at MC. Clavelli, an ADEI mentor to Tech Training students, won a Flip video camera at a raffle during the mentor/student lunch

WANADA's Automobile Dealer Education Institute (ADEI) welcomed its newest class of aspiring automobile technicians to its annual luncheon and orientation this past Wednesday, August 11 at Montgomery College in Rockville, MD. The event was a good opportunity for new students to become acquainted with the program and veteran students to acclimate for the start of fall classes at the end of this month.

WANADA began its technician training initiative nine years ago, and since then has provided over 200 technicians the education and tech training required for a successful career in dealership service department operations. ADEI affords students with a scholarship to this two-year National Automotive Technicians Education Foundation (NATEF) Certified program. The training effectively combines structured classroom, shop, and interactive curriculum teaching with full time, paid "on-the-line" employment. ADEI technician training is unique in the industry, and students enrolled in the program can expect to emerge from it as full-fledged line technicians in the dealership, some with numerous ASE Certifications to their credit.

Joining the new and returning ADEI students were dealership service department technician mentors, whose job it is to keep the aspiring technicians on track. If your dealer organization doesn't participate in ADEI Technician Training, find out how it can benefit your fixed operations. ADEI successfully and efficiently "home grows" line technicians and it's a bargain for the dealership. Besides the flagship program at Montgomery College, ADEI Tech Training is now also available through Northern Virginia Community College at the Alexandria and Manassas campuses.

NADA's annual industry *DATA Report* documents the elements of recession, recovery, and enormity of dealership sales in the economy

The National Automobile Dealers Association recently released *NADA DATA 2010*, their annual comprehensive report on auto retailing, which analyzes the state of the U.S. car and truck industry, with specific emphasis on the retail side of the business. Based upon a year's worth of data and trends, the report includes findings on new and used light vehicle sales; financing and service contracts; fixed operations; employment and payroll; advertising, and consumer credit.

The 2010 report enumerates the factors and complexities underlying the Great Recession and the beginning of the economy's recovery in 2009, starting with the dramatic drop in new vehicle sales from 13.2 million in 2008 to 10.4 in 2009.

The recession and decrease in sales of new vehicles also helps to explain the 6.9% decrease in dealership service and parts business. However, despite the drop in service sales, amidst increasing market pressure from independent repair shops, dealers were still able to remain competitive and attract customers with compelling prices and upgraded facilities.

On a positive note, dealer sales still made up a significant percentage of the total U.S. retail sales at 13.2%, particularly when taking into consideration the small proportion of total retail establishments that dealerships comprise. On the state level, Maryland and Virginia dealers had comparatively respectable percentages of total retail sales at 14.5% and 12.5%, respectively. Metropolitan area markets, like Washington, were not broken out in the report, although it is safe to say that the Washington Region is one of the strongest vehicle markets in the country.

Another positive finding in *NADA Data* was that auto dealerships remain a significant employer in thousands of communities across the country. "The payroll for all new-car dealerships was nearly $44 billion, and represented about 13 percent of the nation's total retail payroll," noted Paul Taylor, NADA chief economist. "New-car and-truck dealers are significant contributors to their local economies, tax bases and civic and charitable organizations." New-car and-truck dealerships on average employed 49 people, with an annual payroll of about $2.4 million in 2009, according to the report.

An interesting analysis of dealership advertising in the report found that over the last decade, the distribution of advertising expenditures has greatly changed, due in large part to the explosion of the Internet. In 1999, dealers allocated 51.9% of ad money to newspapers, and only 4.8% to the Internet. By 2009, expenditure distributions changed drastically, with newspapers no longer holding a majority of ads, but rather dropping to 22.4% while the Internet rose to 22.2%.

To learn more about the state of the industry **click here for the full report.**

Update: "Right to Repair" bill fails in Massachusetts

Happily, the "Right to Repair" bill in Massachusetts went down to defeat in the state legislature when the lower house there failed to report out a bill that had passed the state Senate. If passed, the bill would have required automakers to provide diagnostic and software information to non-dealer auto repair shops. Similar legislation has come forward and continues to come up in Congress and in other states.

As reported, here and elsewhere, the Massachusetts legislation did gain enough votes in the state Senate, but the later loss of momentum in the House added Massachusetts to a list of states with failed attempts at passing "right to repair" legislation. This news can be seen as a victory for the auto industry- -both manufacturers and dealers- -which had serious issues with the proposal. Interestingly, manufacturers and dealers were joined in opposition of the bill by independent repair shops, public safety groups and labor unions, all of whom saw the negative ramifications of the passing of such a measure.

Representative Walsh, a Massachusetts lawmaker who had originally backed the bill, said "the actual interests pushing this legislation and its corresponding ad campaign are large, aftermarket parts companies looking to expand profits under the guise of consumer protection." This observation touches on what many who were against the bill believe to be the underlying motive of supporters: to gain access to confidential parts manufacturing information in order to re-manufacture the original parts and make cheaper versions.

"The passage of this legislation would set a dangerous precedent that could have a devastating impact on our economy," warned Charles Territo, a spokesman for the Alliance of Automobile Manufacturers. "It would result in manufacturing jobs going oversees to places like China where the production of *knock-off* auto parts is big business."

"Right to repair" proponents say that they will not give up in their efforts to pass such legislation requiring OEM associations and dealer associations at all levels to remain united in their vigilance to keep such public policy proposals in the "bad idea drawer."

The age of electric cars is upon us

GM's Volt and Nissan's Leaf coming by year's end

GM's Chevy Volt

There has been a lot of lead up and excitement surrounding the release of GM and Nissan's electric vehicles (EVs), the Volt and Leaf, respectively. Both are scheduled to debut in select markets at the end of this year. While certainly not the first EVs to hit the market-- Tesla Motors, for example, has produced about 1,000 electric vehicles worldwide, albeit at a premium price--the Volt and the Leaf will become the first distributed by major OEMs on a large scale basis.

Skeptics, however, are unsure just *how* accessible the new technology will be to the average consumer. The Chevy Volt will retail at about $41,000 and the Leaf is expected to come in at just under at $33,000. Promoters of both EVs point to a $7,500 federal tax credit that will be available to the first 200,000 purchasers of each vehicle, which arguably will make both more affordable to a larger consumer demographic.

Additionally, both GM and Nissan will be offering competitive, more affordable leasing arrangements for those who don't wish to buy. "Leasing likely will dominate electric-car transactions for the near future," said Mark Perry, director of Leaf product planning for Nissan North America. Leasing may also be a good option for many Americans because of uncertainties that exist over just how durable and long-lasting the lithium-ion batteries are. A lease responds to this uncertainty by removing the burden from the consumer.

Even though the two vehicles are being marketed as two versions of the same thing, there are differences in design between the two cars. While the Leaf is a totally electric car with a range of 100 miles on an overnight charge, the Volt is more of a hybrid. Once the Volt's battery runs low, after about 40 miles, a gasoline powered engine kicks in that will allow the car to go another 300 miles.

Nissan's Leaf

Both the Volt and the Leaf have been featured at The Washington Auto Show as concept cars, the Volt in 2009 and the Leaf in 2010, where each was the recipient of The Green Car Vision Award presented by The Green Car Journal for significant environmental advancements.

When will these EVs be available to consumers and where? Washington area vehicle consumers will be among the first to get the opportunity to acquire the Volt. GM has announced that the Washington area, along with markets in Michigan, California, New York, New Jersey, Connecticut, and Texas will get the Volt in November of this year. The Leaf will be released first in California, Washington state, Oregon, Arizona, and Tennessee in December 2010. Washington area consumers should expect to see the Leaf available in April, 2011 as part of Nissan's third round of roll-outs on their EV.

Labor Day is September 6

Let staff and customers know holiday hours

Labor Day this year is coming up on Monday, September 6th. WANADA wants to remind everyone about the optional holiday closing signs we sent out to all dealer members earlier in the summer. Signs are designed to customize store and/or department hours if they are different from one another.

Anyone in need of more Labor Day closing signs can contact Trish Frisbee at (202)237-7200.

All in Same Week! 8-9-10 & Friday the 13th

Perhaps there is some astrological significance with this past week since Monday, August 9, 2010, worked out numerically to be 8-9-10, while today represents the lone Friday the 13th in the 2010 calendar.

Without any clue what 8-9-10 could mean, Friday the 13th, of course, has a history in "bad luck" folklore. The bad luck origin of the day may go back to Friday, October 13, 1307 when French King Philip IV rounded up and subsequently brutalized and executed scores of his subjects, many of whom were monks, who he and religious authorities at the time suspected were part of *The Knights Templar*, the legendary fighting force which ostensibly remained intact two centuries after it was formed to wage war in the Middle East during the Crusades. The "knights," such as they existed in 1307, were feared by the king and church leaders who believed the fabled order had morphed into a covert and sinful organization.

The bad luck fetish associated with the number 13, a likely off shoot of the Friday combination, is evidenced today with some high rise buildings skipping 13 in numbering floors, going from 12 to 14, while some cities (not D.C.) skip 13 in number street sequences.

People who worry about Friday the 13th bad luck will only have one day of it in 2011, like this year, to be concerned. In 2012, however, *three* Friday the 13th days are calendared, which, by the way, may or may not have any correlation to Nostradamus' well-known 16th Century apocalyptic prediction that the world will end in that year.