

### **Headlines...**

**Washington area economy continues as national bright spot**

**Auto industry wants a pause on ethanol fuels**

**MADA/WANADA Maryland dealer briefing set for September 16**

**Smart phones will replace dashboard as info center**

**Chesapeake Petroleum expands**

**WANADA Conference Center available for dealer meetings**

**Staying ahead...**

## **Washington area economy continues as national bright spot**

The U.S. economy may be faltering, but the metropolitan Washington area appears to be fighting off the setback better than most regions of the country. According to two recent financial reports, home prices here, unlike in the rest of the U.S., have risen rather than fallen and consumers are being more diligent about reducing debt. Further, the Washington area continues to benefit from government spending, which is driving some job growth regionally.

A quarterly report from the Federal Housing Finance Agency says the Washington region continues to be among the healthiest housing markets in the country. FHFA says home prices nationwide were up 0.9 percent in the second quarter, compared to the first quarter of 2010. But the Washington area posted the sixth-largest year-over-year gain in prices among the 25 largest metro areas, with average prices up 7.52 percent from a year earlier. In Baltimore, average prices last quarter were *down* 1.98 percent from a year earlier, rising 0.63 percent from the previous quarter. FHFA says quarterly prices rose in 27 states and were up from year-ago levels in ten states and DC.

Meanwhile, a quarterly report from TransUnion LLC, which monitors credit card activity, indicates delinquency rates on credit card payments in DC fell to 0.61 percent, the third lowest in the nation. In Maryland, the delinquency rate was 0.88 percent, and in Virginia it fell to 0.77 percent.

The average total credit card balance in DC was \$4,916, down 15.78 percent from a year ago. The average total balance in Maryland was \$5,112, down 11.53 percent. And in Virginia, the average balance total declined 10.14 percent from a year ago to \$5,165. Credit card debt remained the highest in Alaska last quarter, with an average total balance at \$7,148. The lowest average credit card debt is in Iowa, at \$3,792.

The average total credit card balance per individual borrower in the U.S. averaged \$4,951 in the second quarter, down 13 percent from a year earlier.

Maryland is set to receive another \$3.8 million in federal funds to make homes more energy efficient. The state will use the money, under the \$787 billion American Recovery and Reinvestment Act, to expand its Weatherization Assistance Program. Last year Maryland received \$63 million from the federal government for weatherization efforts. In total, the state has "weatherized" nearly 1,600 homes using those funds and says it has supported approximately 275 jobs with that effort.

## **Auto industry wants a pause on ethanol fuels**

The Alliance of Automobile Manufacturers (AAMA) and the Association of International Automobile Manufacturers (AIAM) have joined 36 other groups asking Congress to hold hearings *before* the Environmental Protection Agency (EPA) decides whether to approve ethanol blends of up to fifteen percent (E15) for vehicle use. The industry believes the hearings will show that caution is needed before moving ahead with E15.

"We believe that many important questions remain before EPA can make this decision," the AAMA and AIAM told Congress in a letter to the House Energy and Commerce Committee. EPA has not released information about the mid-level blend's impact on different types of road and non-road engines, nor has it released information about how it will prevent harm to consumers from 'misfueling' their engines with the incorrect blend," the letter said. Congress passed legislation several years ago mandating the use of nearly 12 billion gallons of ethanol this year, and 36 billion gallons by 2022.

Most pumps already sell E10, which is 10 percent ethanol. But automakers worry that to reach the Congressional mandate, that percentage will need to be increased and warn that a higher ethanol blend could boost greenhouse gas emissions, damage engines and disable vehicles. In addition, increased ethanol blends could corrode engines that aren't specifically built for E15. Charles Territo, a spokesman for the Alliance of Automobile Manufacturers, said EPA should base its decision on "sound science not on political expediency." He warned the decision could impact all 245 million vehicles on the roads. "We need to make sure that Congress is fully aware and the EPA gets it right," he said.

Late last month, three farm groups called on EPA to approve E12 -- or 12 percent ethanol -- as an interim step. The American Coalition for Ethanol, National Corn Growers Association and the Renewable Fuels Association "encouraged the EPA to formally approve the use of E12 for all motor vehicles as an immediate interim step pending any ongoing additional testing on E15."

EPA is expected to make its decision before the end of September.

## **MADA/WANADA Maryland dealer briefing set for Sept. 16**

### **Greenbelt Marriott**

A joint MADA/WANADA briefing for members with operations in the Maryland suburbs has been calendared to review new and existing state regulations, the upcoming mid-term elections and what might be in store for the 2011 state legislative season. The Maryland dealer briefing has been scheduled for September 16 at the Greenbelt Marriott.

The briefing will include presentations from MVA representatives who will discuss the new temporary tag procedures and the status of Cal/LEVs.

There is a \$25 per person charge to attend the briefing, where Coffee and Danish will be provided. Registration begins at 9:00 am, with the program commencing at 9:30. Dealers can pre-register by completing the attached form and faxing it to the attention of Kristina Henry at (202) 237-9090. For more information, please contact Ms. Henry at (202) 237-7200 ext. 18, or [kh@wanada.org](mailto:kh@wanada.org)

## Smart phones will replace dashboard as info center

Smart phones like those made by Apple that are virtual laptop PCs are the future of automobile dashboard information centers. That's how Delphi Corp., a major automotive supplier, sees it. The company is already building its next-generation "infotainment" strategy firmly around cellular smart phone technology.

The new focus will likely spell the end to a number of automotive components, including standard and satellite radio units, key fobs, mirrors, switches and gauges and possibly the pricing premiums these features have supported.

Smart phones already comprise 40% of cell-phone sales in North America and are expected to rise to 60% by 2012.

In the U.S., 51% of vehicle owners have smartphones and 30% already use the devices while driving. Research indicates that by 2013, every new vehicle sold in the U.S. will have smart phone connectivity. And by 2016, a vehicle's smart phone interface will be a deciding factor for new-car buyers, Delphi says.

Delphi's approach is to replace the radio, DVD player and navigation system with the smartphone and replicate the phone's control panel on the center-stack liquid-crystal display screen.



**Smart phone screen replicated on center stack in Delphi's dashboard concept.**

Drivers would be able to operate cell-phone applications, such as Google navigation, Pandora Internet radio, email retrieval or another Internet-based function, as well as being able to listen to stored music. Text messages through the onboard LCD screen can be accommodated as well.

Traditional gauges, such as the speedometer and tachometer, will be replaced by a computer-based, color-adjustable screen that can display information to the driver on an "as-needed" basis. It is combined with a head-up display to keep the driver's eyes focused on the road. The smartphone would also replace today's key fob, using applications that not only unlock the doors, but control the windows and keep an eye on the car using its onboard cameras.

Additionally, the smart phone will tell the driver where the vehicle is parked and automatically adjust seat and steering-wheel positions to personalized settings.

Delphi says elements of the integrated-smartphone approach will be offered as an upscale option on at least one 2013 model vehicle in the U.S. And by 2016, the smart phone will start to appear in mass-market models.

The price of the system will be more than current Bluetooth connectivity, but “significantly lower” than an onboard navigation system, according to Delphi.

## Chesapeake Petroleum expands

Longtime WANADA kindred-line member Chesapeake Petroleum, a 48-year-old distributor of nationally known brands of motor oils, located in Gaithersburg, MD, has entered into an agreement to acquire the business of Skyline Oil Co.

Tony Santy, CEO of Chesapeake, says that “with the acquisition of skyline, we are adding three new brands of motor oil to our portfolio of nationally known lubricants, which means that any retail outlet in our area of distribution interested in giving its customers a quality brand of motor oil only need deal with one distributor.”

Chesapeake is seeking to expand its geography by acquiring quality distribution compatible with its existing business philosophy. David Sunter, the owner of Skyline, a 43-year-old company located in Winchester, VA., said he was pleased that the business of his company will continue in the hands of Chesapeake and is confident his customers will be well served after the acquisition.

## WANADA Conference Center available for dealer meetings

WANADA dealer members are reminded that WANADA’s state-of-the-art Conference Center is available for meetings at no charge. The center is a fully equipped audio-visual facility and can host as many as 30 attendees comfortably. It is ideal for dealer advertising association meetings and the like. For more information on the facility and to reserve space, please contact WANADA office manager Trish Frisbee at 202-237-7200, or [tf@wanada.org](mailto:tf@wanada.org)

### Staying ahead...

Be who you are and say what you feel, because those who mind don't matter and those who matter don't mind.

--Dr. Seuss



## Maryland Dealer Briefing On Regulatory Matters

Thursday, September 16, 2010

**Don't Miss  
It**

**Greenbelt Marriott**

**6400 Ivy Lane**

**Greenbelt, Maryland 20770**

**Get updated on the latest pending and current Maryland laws that affect you and your dealership.**

**Registration:** 9:00 to 9:30 a.m. **Session:** 9:30 until 11:00 a.m.

Cost: \$25 per person

**TO REGISTER, PLEASE RETURN THIS FORM**

**WANADA, 5301 Wisconsin Avenue, NW, Suite 210, Washington, DC 20015**

**Fax (202) 237-9090**

For more information, please contact Kristina Henry at WANADA, (202) 237-7200 ext. 18, [kh@wanada.org](mailto:kh@wanada.org)

Attendee(s) \_\_\_\_\_

\_\_\_\_\_

Dealership \_\_\_\_\_

Submitted by \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

**Method of Payment:**

☐ **Check** Enclosed \$ \_\_\_\_\_ Make checks payable to: Washington Area New Automobile Dealers Association

☐ **Credit Card** (Visa, AMEX, MC, Discover) (Circle one) Credit Card \_\_\_\_\_

Exp Date \_\_\_\_\_ Security Code \_\_\_\_\_

Name as it appears on card (please print)

\_\_\_\_\_

Billing Address

\_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Signature \_\_\_\_\_ Amount to be charged \_\_\_\_\_ Please bill us \_\_\_\_\_