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"Advanced Technology Superhighway" Pavilion Strikes Responsive Chord with 2010 WAS Exhibitors

Building upon this year's successful launching of a separate pavilion within The Washington Auto Show to spotlight state-of-the art alternative fuel vehicles, show committee organizers are rolling out a more expansive pavilion for 2010 that will showcase not only alternative fuels but the latest in vehicle safety innovations. And both OEM and allied industry exhibitors are enthusiastically embracing what is being called the "Advanced Technology Superhighway." The expanded space is poised to be one of the most extensive separate pavilions of its kind (65,000 square feet) on the global auto show circuit.



"With Washington's position as the Public Policy Show, it makes sense to shine the spotlights brightly on those cutting edge aspects of automotive design that are regulated by the U.S. government, which, of course, are alternative fuels and vehicle safety innovations," said Charles Stringfellow, WAS committee chairman. "These are also the sum and substance of advanced technologies, which is the focus of the industry and the things new vehicle buyers are most interested in today," he said.

The WAS committee offered all OEM exhibitors the opportunity to display a vehicle in the Advanced Technology Superhighway (ATS) at no cost, with the additional opportunity to have a more expansive display on a fee-for-space basis. Besides the OEM exhibitors, allied industry exhibitors desirous of showcasing a variety of alternative fuel accessories and infrastructure are also signing up to participate in the ATS which promises to round out the pavilion with an overall display that is as comprehensive as it is extensive. At this writing, a total of 27 exhibitors are committed to the ATS.

Ron Cogan and his team from *The Green Car Journal* will once again staff the pavilion in conjunction with individual exhibitors. Cogan additionally is organizing the Green Car Summit,

which will be the Capitol Hill sitused Public Policy Day on January 25, preceding the opening of the 2010 WAS later that week.

For a listing of ATS exhibitors or to inquire about exhibiting in the Advanced Technology Superhighway, contact WAS manager Bob Yoffe, (781) 639-5200 or YoffeExpo@aol.com

WAS Reps Visit LA Auto Show

WANADA senior staff and Auto Show Committee members were in attendance this week at the 2010 LA Auto Show in Los Angeles, CA, attending press days at one of the major shows to start the 2010 auto show season. Besides any number of first time ever new vehicle introductions, or "reveals," the LA show spotlighted the unanticipated changing of the guard at General Motors when GM executive Bob Lutz substituted for breakfast speaker and former GM CEO Fritz Henderson, who GM announced was stepping down the day before his scheduled LA Auto Show appearance. Nonetheless, there was a full turnout for the GM press conference, suggesting there will be continued high media interest in the industry's financial performance and new models to be rolled out in the coming year.

In LA for Auto Show Press Days were WAS Committee members Daniel Jobe, Capitol Cadillac and Kevin Reilly of Alexandria Hyundai, along with WAS producer Gerard Murphy, assistant producer John O'Donnell, director of promotions Barbara Pomerance and show manager Bob Yoffe.

Visits to major auto shows on the global circuit provide WAS organizers the opportunity to measure show trends and interact with OEM executives and industry leaders.

2010 Washington Auto Show public days are January 27-31. The two Public Policy Days for industry and media will be the Green Car Summit on Capitol Hill, Jan. 25 and Public Policy Day Onsite, Jan. 26. The keynoter for breakfast on Public Policy Day, Jan. 26, will be Alan Mulally, president and CEO of Ford Motor Company, as announced in last week's Bulletin. For more information on the 2010 WAS, contact Gerard Murphy, (202) 237-7200 or gm@wanada.org



WAS producer Gerard Murphy (L) and assistant producer John O'Donnell (R) meet with Ford Executive Vice President Mark Fields at the LA Auto Show.

Deadline is Here ...

Advertising in the 2010 Washington Auto Show Program

December 11th is the deadline for your ad in the official 2010 Washington Auto Show Program. The public days for the Auto Show are January 27 - 31, 2010.

WANADA dealer members who buy a full page ad will receive 2 pages of advertising. Your ad can run as a spread or two different pages in the program. Dealers purchasing a 1/2 page ad will receive a full page ad.

If you are interested in reaching the scores of prospective vehicle buyers who will be attending The Washington Auto Show you need to act now. Call WANADA's sales manager, Cheryl Isaacs at 404-312-2741 or salesgal6@aol.com for more information and details.

New Challenges for Dealers Building or Expanding MD Facilities

New Maryland Storm Water Management Regulations Effective May 2010



WANADA members thinking about developing or redeveloping real property in Maryland in the near future definitely need to educate themselves on Maryland's stringent new requirements for managing storm water runoff, which go into effect May 2010.

The new regulations, part of the state's efforts to manage storm water release into the Chesapeake Bay, will place significant restriction on the amount of non-permeable surface area permitted at a location and how and where storm water runoff is to be stored. For example, the new regulations will require numerous above-ground retention areas for run-off, and ban single site, underground storage of storm water runoff, which is the current permitted practice. As such, the regulations are likely to have a significant impact on site design density and, therefore, property values.

On Thursday of this week, and at the urging of WANADA Board member Sue Seboda of Congressional Motors, the land use firm of Macris, Hendricks, & Glascock, P.A. (MHG) briefed WANADA members on the basics of the new regulations, (i.e. the planning, design, and review process in the State of Maryland and its local review authorities, as well as their implications for dealers,).

WANADA members unable to attend this meeting may wish to call the firm and arrange for a more detailed briefing on the new regulations.

GM Dealers Cautioned on Exclusivity Demand by Automaker

GM is reported to be sending letters to dealers with non-GM franchises demanding full GM exclusivity by December 31, 2009. According to dealer attorney Michael Charapp, however, the company is erroneously relying on a provision of the Dealer Franchise Agreement that never went into effect and urges dealers receiving the letters to write back and request clarification before taking any other action.



Charapp says the confusion is arising because the company is relying on justification on a June 1 participation agreement calling for complete exclusivity of the dealership premises, which was subsequently revised by a June 9 amendment to that agreement that said GM is supposed to work cooperatively with a dealer to determine the extent of exclusivity beyond the showroom that GM wishes. It also says GM will work with the dealer if the dealer cannot meet a deadline. There is not supposed to be a complete premises exclusivity deadline of December 31, 2009.

Charapp says that until there is further clarification about why GM sent out the letter, dealers should respond in writing noting that the letter depends upon a provision of the participation agreement that is not in effect and that the participation agreement amended by the June 9 letter governs the relationship between GM and the dealers with participation agreements.

Regarding relations between new GM and its dealers, franchise holders might also take note of a meeting that took place in August between GM's 15-member national dealer council, GM chairman of the board, Ed Whitacre and former GM CEO Fritz Henderson. As reported by *The Detroit News*, the council was told by Whitacre at this meeting that if they (the dealers) didn't perform, "the board would find someone who can." The story says three dealers who were at the gathering confirmed the gist of the comment and left the meeting a bit shaken.

Whitacre, described by Chris Larsen, an analyst at Piper Jaffray & Co. in New York, as "a hard-charging, tell-it-like-it is, southern drawl, kind of straight forward guy," is expected to lead GM for the foreseeable future after removing Henderson as CEO of the company.

In an interview in July, he likened his challenge at GM to his task when he was brought in to remake AT&T. "We bought AT&T and took their name and remade it. That's some of the same scale we're trying to do here at GM," he said. "Good numbers make a lot of this go away."

EPA Finds Hyundai Most Fuel Efficient

A year after stating it would become the leading manufacturer in fuel economy, Hyundai has succeeded by topping the latest U.S. Environmental Protection Agency fuel economy report. Hyundai passed all major manufacturers in Corporate Average Fuel Economy (CAFE), including traditional leaders Honda and Toyota. It was the only automaker to top 30 mpg in the report. The federal government has mandated that automakers achieve a fleet fuel economy standard of 35.5 mpg by 2016.



Environmental Protection Agency Fuel Economy Report 2009

<u>Manufacturer**</u>	<u>Overall (Cars/Trucks)</u>
• Hyundai	30.1
• Honda	29.7
• Volkswagen	29.6
• Toyota	29.4
• Kia	28.0
• Nissan	27.2
• BMW	26.9
• Ford	25.7
• General Motors	24.5
• Chrysler	23.2

**Includes ten highest-volume manufacturers

Commenting on the results, John Krafcik, president and CEO, Hyundai Motor America, said the company hopes to extend its fuel economy leadership with the launch of a new direct injection

fuel delivery system, turbo charging and lithium-polymer hybrid technologies, all of which will be a part of the 2011 Sonata lineup launching early next year.

Vehicle Appraisal Firms Say Recession Impact to Last



The auto appraisal companies Kelly Blue Book and Automotive Leasing Guide believe dealers and automakers are going to be in a tough market for another few years.

The two firms, which announced their top brands for projected resale value for 2010 this week, said the recession has forced people to keep their cars longer and that longer ownership cycles are in turn lowering residual values and making it more difficult for consumers to buy a new vehicle.

The firms estimated that 2010 vehicles will, on average, retain just 32.6 percent of their value after five years, which is 2.4 percentage points lower than the historical average, even though vehicle quality continues to increase. "That drop in value is going to make buying a new vehicle more difficult and/or put a lot of downward pressure on new vehicle prices in the future," the companies said.

Kelly Blue Book said it projects that industry leading Toyota will see a drop in average residue values from its "normal" 42.7% to 38.8% and Honda will see a drop from 44.5% to 38%. Automotive Leasing Guide is projecting similar percentage drops, though it bases its values on three years of ownership.

There was some good news from the firms. Each noted that GM, Ford and Chrysler vehicles are expected to see increases in their residual values, with GM vehicle values rising nearly two percentage points over their 2009 average values (31.3% from 29.5%), Ford rising from 31.7% to 32.4% and Chrysler from 29% to 29.5%.

Senate Commerce Committee Aide to Head NHTSA

David L. Strickland, the senior Democratic counsel to the Senate Commerce Committee since August 2001, is expected to be announced as the Obama administration's nominee to head the National Highway Traffic Safety Administration.

Strickland, a Harvard University Law School graduate, has been a key player on the committee in pressing environmental rules long fought by the U.S. auto industry. He also helped write auto safety legislation and the "Do Not Call" registry law.

Strickland, a longtime congressional aide, also helped write the 2007 energy bill, which hiked passenger car fuel efficiency standards for the first time since they were created in 1975. That measure increased fleetwide fuel efficiency standards by at least 10 mpg over 10 years, to 35 mpg by 2020.

David Kelly, who was NHTSA administrator until Jan. 20 under President George W. Bush, called Strickland "a very fair guy who knows auto safety."

Kelly noted that Strickland, as a Democratic aide, helped work on the 2005 five-year transportation authorization bill. That legislation included several auto safety provisions. "Even though the Republicans were in control, (Strickland) was one of the main guys getting auto safety provisions in that bill," he said.

Nissan Doubles Warranty on CVT

In a letter to customers, Nissan said it will double the length of its transmission warranty from five years/60,000 miles to 10 years/120,000 miles. Fixing a transmission can be an expensive proposition that runs into the thousands of dollars for parts and labor, but the cost for a continuously variable automatic transmission can climb even higher since most repairs require the entire unit to be replaced.



Nissan has also said that if owners have spent money on repairs for CVTs, they can get reimbursed by the automaker simply by filling out Nissan's Reimbursement Form and following the instructions. Owners who pay for CVT repairs and are no longer under warranty will also benefit from Nissan's efforts to lower the cost of replacements and repairs by working with suppliers and dealers to bring these prices down.

Position Wanted: Experienced high line service director/manager seeks similar position. For more information please contact: John O'Donnell at WANADA 202-237-7200

Staying Ahead...

Impatience and laziness are the root of all failings.

- -Franz Kafka