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Inside the Beltway...

NADA forecasts 13.9 million new vehicle sales in 2012

As the U.S. economy continues to improve this year, Paul Taylor, chief economist of the National Automobile Dealers Association, predicts more than 13.9 million new cars and light trucks will be purchased or leased by U.S. consumers in 2012.

Taylor cites three "A" factors for increased sales: (1) Aging vehicles, (2) Affordable credit, and (3) Aggressive incentives.

An underlying element that will drive new-vehicle sales in 2012, says Taylor, is pent-up demand to replace aging vehicles. "With the age of cars and trucks on the road today at nearly 11 years, consumers can no longer delay making a purchase of a new or newer vehicle," he said.

Not only affordable credit, but readily available affordable credit from competing lending sources for auto loans underlies the second "A" factor.

"Interest rates on new car loans will remain historically low in 2012, due in part to the Federal Reserve Board decision to keep rates low and the U.S. economy growing," Taylor added. "As a result, affordable credit will be widely available in 2012 with more automaker finance companies offering low-interest and interest-free loans for up to 60 months."

With regard to aggressive sales incentives, Taylor notes domestic and international automakers are poised to wage a veritable battle to capture U.S. market share by rebuilding a diverse selection of vehicle inventory at dealerships, ranging from cars and CUVs to truck-based SUVs. A decline in gasoline prices will also result in car buyers considering a wider range of vehicles in different segments, he added.

"Auto sales typically increase with the exposure given to new vehicles during the auto show season in the first quarter and beyond," Taylor said. "Lower vehicle costs for car buyers through manufacturer incentives and rebates, combined with low interest rates will support stronger sales in 2012. And higher prices on used vehicles mean higher trade-in prices when shopping for a new car or truck."

Area dealers meet with MD Attorney General on regulatory matters



Left to right: Geoff Pohanka, Pohanka Automotive; George Doetsch, Apple Ford; Attorney General Doug Gansler, Chip Lindsay, Lindsay Cadillac, and WANADA chairman

A group of Washington Metropolitan Area dealers met with Maryland Attorney General Douglas Gansler this week for a discussion, over breakfast, on several regulatory matters impacting the retail auto business in state.

The meeting, arranged by WANADA and MADA, was an opportunity to share with Maryland's chief law enforcement officer the industry's need for clear and properly constituted rules of

engagement with regard to the myriad of laws administered by the state that affect the way dealers sell and service motor vehicles. Of particular concern were various consumer disclosure requirements set forth in the Code of Maryland Regulations with regard to such things as prior use disclosure of retail vehicles that are previously owned, along with clarity on the state's requirements for vehicle sales through licensed dealerships and sales representatives. In this latter regard, Maryland, along with Virginia and other states, is looking into business models of vehicle sale referrals by third parties.

Gansler, Who has declared he is running for governor, assured dealers he heard their concerns and would be available to pursue them.

A three man legacy to the DC Region's car business at the MD AG meeting

The Washington area automobile business is well represented by individuals who are second, third, and even fourth generation from families in the business going back, in some instances, to before the Second World War. From the left; Robert Fogarty, Jr, Sport Automotive; Vince Sheehy, WANADA; Ben Ourisman, Ourisman Companies



MADA raises concern with Maryland regulators that TrueCar referrals may violate sales licensing laws

In a bulletin to its membership this week, Maryland Automobile Dealers Association (MADA) reported that it had met with the state's Motor Vehicle Administration requesting the agency's review of the legality of TrueCar referrals of prospective car buyers to Maryland dealers. Maryland, like many other states, including Virginia, that have recently become involved with looking into business models like TrueCar's, is concerned that they could be violative of longstanding auto sales licensing laws.

The MADA bulletin to Maryland dealers follows notification last month by the Virginia Motor Vehicle Dealer Board (MVDB) to Virginia dealers of similar concerns it has that TrueCar referrals could violate state auto sales licensing laws. MVDB will take up the TrueCar matter at its regular meeting in Richmond next Monday morning, Jan.9, where TrueCar has been invited to attend and present its position.

Unless TrueCar can show state regulators that their referral practices are not violative of auto sales licensing laws, states like Maryland and Virginia may insist that licensed dealers in their respective jurisdictions not participate in such third party referral programs.

More on this matter as it unfolds in the days ahead. In the meantime, WANADA's reporting of these facts strictly and unequivocally relates to the legal inquiries that are underway in Maryland and Virginia and other states relative to compliance by dealers and third parties with auto sales licensing laws. Accordingly, WANADA has no recommendation of any kind to make to members in ongoing business relationships with TrueCar or any other third party referral businesses. Correspondingly, dealers are cautioned to be mindful of the antitrust laws that strictly prohibit concerted activity among competitors in making determinations about who to do business with or not do business with.

Sidestepping Congress, Obama names Cordray as Consumer Finance Chief

President also fills three vacant seats on NLRB

Using his executive authority with the Senate in recess, President Obama this week challenged Congressional foes of the newly created Consumer Financial Protection Bureau (CFPB) by naming Richard Cordray as its director.



The recess appointment, which some senators have suggested will be challenged in the courts, allows the agency to establish new regulations over financial institutions, putting into effect elements of the financial regulatory overhaul that was one of the administration's centerpiece achievements in Congress.

Mr. Cordray had been serving as the Ohio Attorney General and is widely respected by Republicans and Democrats. The Congressional objection to his nomination appeared to have more

to do with the scope of the CFPB's regulatory powers and its relative independence from oversight by Congress. Senate Republicans had insisted on Congressional oversight for the agency and had attempted to block Cordray's nomination by holding "pro forma" sessions over the holidays.

The president also filled three vacant seats on the National Labor Relations Board (NLRB) with the recess appointments of two Democrats and one Republican. The appointments bring the nation's top labor panel back to a full complement of five members.

Sharon Block, a Democrat, currently the deputy assistant secretary for congressional affairs at the U.S. Department of Labor and previously an aide to former Sen. Edward Kennedy (D-Mass.) on the Senate's labor committee was one appointee. Terence Flynn, another appointee, is currently chief counsel to NLRB board member Brian Hayes is a Republican and was previously chief counsel for former NLRB board member Peter Schaumber.

Rounding out the appointments is Richard Griffin, general counsel for the International Union of Operating Engineers, who also serves on the board of directors for the AFL-CIO Lawyers Coordinating Committee.

Sen. Lindsey Graham (R-S.C.), who had vowed to block Senate confirmation of the nominees, said the recess appointments "may impress union bosses, but will deliver yet another blow to job creation." He added that he will "continue to do everything in my power to put the brakes on the NLRB as currently constructed."

Most Japanese imports really aren't

Seven of 10 cars sold here are made here

The conventional practice in the auto industry is to call them imports, but nearly seven in 10 of the Japanese-badged cars, trucks and crossovers sold in the U.S. last year were produced on a North American assembly line.

More than a quarter century after Honda began building cars at its factory in Marysville, OH, over 400,000 jobs in the U.S. have been created by the Japanese automakers with operations here, according to a new report by the Japanese Automobile Manufacturers Association (JAMA).

With the yen stronger than ever, that trend is likely to continue. For example, Toyota recently announced plans to begin producing several product lines, including the Sienna minivan, in the U.S. for export to Korea. The JAMA report reveals that Japanese exports from their U.S. plants have been rising rapidly. They jumped to 145,000 in 2010 from just 95,000 the year before.

The shift to a North American production base reflects a variety of factors:

- The strong yen, as mentioned, has made it extremely difficult to turn a profit on products exported from Japan. At the same time, the weak U.S. dollar has sharply reduced the effective cost of producing vehicles here for export;
- Japanese makers have become increasingly aware of political concerns over the U.S. trade deficit and want to avoid a return of "voluntary" quotas they faced two decades ago;

•The quality of American-made cars now rivals that of the best Japanese-made vehicles, and as a result, U.S. buyers no longer care where a Toyota, Nissan or Honda – or a Volkswagen or BMW, for that matter – are assembled.

The JAMA report notes that Japanese automakers had 29 plants operating in the U.S. in 2010 for a collective investment of \$34 billion. These U.S. factories directly employ about 50,000 workers here and as many as 500,000 who work at the dealerships that retail the products and the supplier companies that service the factories.

NADA's political action committee raised \$2 million in 2011



NADA's Dealer Election Action Committee (DEAC) raised more than \$2 million in 2011; marking the second year in a row the committee has reached that number.

“Given the turbulent times we have all faced over the last several years it is a great tribute to the resiliency of our industry to have back-to-back \$2 million+ fundraising years,” said DEAC chairman Jack Tulley, a multi-franchise dealer from New Hampshire “Not many other trade association PACs can boast this level of success,” he added.

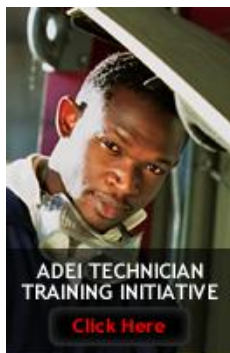
DEAC's December 2011 fundraising total, well in excess of a quarter million dollars marked the highest total for the month in DEAC's 36 year history.

Tulley said DEAC is now well funded and stands ready to support pro-industry, pro-business candidates across the nation seeking election to either the U.S. House or Senate in 2012.

He noted DEAC supported candidates won 86 percent of their races in the most recent election cycle and that DEAC is credited with being one of the top-five association political action committees in the country.

WANADA has been recognized by NADA year in and year out for doing its part within the Automotive Trade Association network (ATAE) boosting DEAC's success.

Capitol Hill Rotary becomes 20th club to support ADEI Technician Training



The Rotary Club of Capitol Hill has become the 20th Rotary to financially support WANADA's Automobile Dealer Education Institute (ADEI) entry-level technician training program. The club has only recently been formed and chose the ADEI program as one of the first it would support. Capitol Hill Rotary is having a pancake breakfast fundraiser on Feb 11, 2012 from 7 am - 11 am at the Presbyterian Church at 201 4th St, SE to raise more monies for its foundation.

Local Washington Area Rotary Clubs have been especially generous in their

support of the NATEF Certified ADEI training, which places recent high school graduates and veterans with demonstrated technical capabilities in paying jobs with area dealerships while enrolling them in a full day of classroom auto training at Montgomery College and Northern Virginia Community College in a four semester program. Rotary funds are used to provide the students with a basic set of tools after they have completed six weeks of classroom work.

ADEI currently has 32 students in various stages of technician development and has several candidates available to dealerships looking for entry-level technicians. WANADA dealer members can also place promising current employees in the program.

For more information on the ADEI Technician Training, please contact Billy Painter at 202-237-7200 or visit the ADEI website by clicking [here](#).

2012 Washington Auto Show to host

Career Fair for prospective car sales reps

Morning long event will pre-qualify and provide basics to hopefuls who WANADA dealers can hire



As part of its Automobile Dealer Education Institute (ADEI), WANADA will hold a first of its kind ***Automotive Sales Representatives Career Fair*** during The 2012 Washington Auto Show. The event, scheduled for the morning of Feb.1, 2012 is designed to recruit as many as 50 to 100 candidates for dealership sales positions in the area.

“Dealers are constantly in the need of qualified and dedicated sales staff and we are hopeful this event will provide our members the kind of

candidates they are looking for, while assisting the ambitious toward careers in the automobile business,” said ADEI chairman Vince Sheehy.

In conjunction with ADEI, WANADA will shortly launch a multi-media advertising campaign for the event and has secured the service of a professional vehicle sales training team to present a workshop on the ins and outs of car sales which will occur at the Auto Show where prospective sales reps will be tested and interviewed for their suitability. WANADA dealer members will also be invited to send candidates from their stores, whom they believe might benefit from the workshop.

Regional Tag and Title Seminar set for Feb 2, 2012 at The Washington Auto Show

WANADA, as part of its Automobile Business Seminar Series, will once again hold its *annual* Regional Tag and Title Seminar for area dealers during The Washington Auto Show. The date this year is Thursday, Feb. 2, 2012. Representatives from each of the area jurisdictions' motor vehicle departments (DC DMV, MD MVA and VA DMV) will be present to brief attendees on the latest developments in tag and title matters. Event particulars:

Registration: 9:30 to 10:00 a.m. **Session:** 10:00 a.m. until 12:00 Noon

Cost: \$80 per person / \$60 each additional attendee from the same dealer organization.

Includes light breakfast, seminar materials and a ticket to the 2012 Washington Auto Show.

To register for this key seminar please click [here](#).

Area sales representatives must register to work The 2012 Washington Auto Show (see attachment)

Sales representatives from WANADA dealerships in the Maryland and Northern Virginia suburbs must register with the District of Columbia through WANADA to receive a waiver from DC automotive sales licensing law requirements if they will be plying the trade at The 2012 Washington Auto Show, January 27-February 5, 2012. This is a regulatory accommodation made annually by the District of Columbia to the Auto Show.

Please fill out the *registration form* included at the end of this Bulletin with the names and sales license numbers of the dealership and all dealership representatives who will be exhibitors at The 2012 Washington Auto Show and fax it to WANADA at (202) 237-9090. All are asked to have the forms in by Thursday, Jan. 19, 2012. WANADA will file the paperwork with DC regulators. Sales reps who do not register may trigger regulatory scrutiny, not only for themselves, but for the Auto Show as well. Everyone's cooperation is appreciated!

Inside the Beltway ...

Politics is perhaps the only profession for which no preparation is thought necessary.

---Robert Louis Stevenson

-Participating-

Non-D. C. Automotive Sales Representatives

**2012 Washington Auto Show
Washington Convention Center
Due by January 19, 2012**

Dealership Name _____

Address _____

Telephone _____ Fax _____

Dealer License Number _____

Completed By _____ Title _____

Sales Representative's Name

State

License Number

Sales Representative's Name	State	License Number

(Photocopy blank for additional listings as needed)

Prepared for Submission to the DC Government

Return by Thursday, January 19th to: Washington Area New Automobile Dealers Association
5301 Wisconsin Avenue, N.W., Suite 210
Washington, DC 20015
or via Fax (202) 237-9090 or (202) 237-7779