

THE WANADA BULLETIN

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

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Attention all WANADA members!
Look out for your Auto Show passes this week, via U.S. Mail



Covering the various kinds of complimentary passes to the upcoming 2016 Washington Auto Show that will be going out by U.S. Mail to member company Usual Representatives to the association this Monday, January, 11, is a memo to all WANADA members explaining the VIP passes, the single ticket passes and how sales representatives working at the OEM exhibit stands will be credentialed.

Included in the five page memo, an advance copy of which was emailed to all members this week, is a comprehensive outline of all Industry/ Media Days events and activities that will occur Wednesday and Thursday, January 20-21, before the Auto show opens to the public for its 10-day run from Friday, January 22 through Sunday, January 31. All WANADA members, dealer principals, key managers and Kindred-Line representatives are welcome to participate to the fullest in all Industry/ Media Day events and activities and are encouraged to do so, because The Washington Auto Show belongs to all WANADA members who, in fact, are hosts of it.

More particularly, Industry/Media days and WANADA dealer activities are covered in the memo as follows:

- **Mobility Talks**, Rayburn House Office Building, Capitol Hill, with an impressive line-up of U.S. government, auto industry and commentator notables who will form a symposium panel covering cutting-edge subject matter, comprises the first Industry/Media Day, Wed., Jan 20.
- **Media Day**, on site at the Auto Show, W.E. Washington Convention Center, Thurs., Jan 21, commences with the WAPA/IMPA breakfast featuring John Mendel, EVP, American Honda. Numerous OEM announcements and presentations will follow, through to the afternoon, when Mark Rosekind, NHTSA administrator, will speak as the U.S. keynoter of the day. Later in the afternoon SAE International will stage its Annual Gov't/Industry Conference, which is open to all Media Day participants. Here another panel of automotive commentator notables will present their perspectives on the unprecedented, exciting directions of the industry.
- **The Sneak Peek Preview** commences as Media Day winds down, 5 -8 p.m., Thurs., Jan. 21, on the floor of the Auto Show, where members of Congress, U.S. regulatory agency executives and other Washington notables will be on hand to interact with industry executives in the up and operating OEM exhibits. The Sneak Peek is sponsored by the Alliance of Auto Manufacturers, Global Automakers and NADA.
- **WANADA Dealer Management Seminar Day** is presented while the Auto Show is underway, Wed., Jan 27, with a schedule of valuable programming for dealer executives, including the popular Tri-State Motor Vehicle Agency Regulatory Symposium with DCDMV, MDMVA and VADMV presenters on hand to cover the issues impacting the Metro Washington auto market.
- **An exclusive WANADA dealer reception** is set for the evening of Auto Show Wednesday, Jan. 27, sponsored by Comcast Spotlight and Manheim Pennsylvania Auto Auction.

Have a look at the complete, advance copy of the Jan. 11 Washington Auto Show memo for WANADA dealers on events and activities and the various complimentary passes and sales rep credentials by [clicking here](#).

Direct questions to Kathy Teich in the WANADA Office at 202 237-7200, and keep a look out for Auto Show passes coming your way next week!

VIP tours, Ask the Expert to be offered at Washington Auto Show

In a reprise of their success last year, longtime auto journalists John Davis and Les Jackson will again offer VIP tours at the Washington Auto Show, and auto writer Alvin Jones will be added to the lineup.

But show guests can get an insider's perspective before they hit the show floor. *Washington Post* auto columnist Warren Brown again will host the Ask the Expert booth at the main entrance to the Auto Show, where he will present the trends shaping the industry.

John Davis is the Emmy Award-winning producer, host and creator of *MotorWeek*, tv's original and longest running automotive series. Davis can be seen and heard throughout the country over

PBS stations and the Velocity cable networks. As host of MotorWeek, Davis puts all the new car models through extensive road tests. Davis and MotorWeek have worked in recent years with the U.S. Department of Energy to promote public awareness of alternative fuels.

Les Jackson, a professional auto journalist who test drives and reviews some 100 new vehicles a year from all manufacturers, is familiar with the operation and engineering specifications of the vehicles, all of which are available in the U.S. His new-vehicle reviews and technical and *how-to* articles have appeared in prominent publications for more than 25 years. Jackson also is co-host and technical expert on “Cruise Control,” a nationally syndicated radio program devoted to all aspects of the automotive world. Additionally, he has also restored 16 classic cars and authored hundreds of *how-to* articles on car restoration.

Alvin Jones, a host of “Planet Vehicle” and the “Women’s Business Report” on Washington, DC’s News Channel 8, is a multimedia commentator who knows how to reach his audience. Jones is also well known in the DC market for his jazz expertise as host of the hit shows “Slow Jam” on WKYS-FM and “The Quiet Storm” on WHUR-FM. A former media personality with BET, Jones created the persona “The Unseen VJ” and hosted and produced several music video programs for the network.

Warren Brown, award-winning syndicated auto writer and *Washington Post* columnist, will host the Ask the Expert booth during both weekends of the Auto Show from 11 a.m. to 12:00 noon and 1:00 to 2:00 p.m.

VIP tours will cost \$40 per person and are scheduled as follows:

- **Jackson:** Saturday, Jan. 23, at 1 p.m. and 3 p.m.; Sunday, Jan. 24, at 11 a.m. and 1 p.m.; Thursday, Jan. 28, at 6 p.m., and Sunday, Jan. 31 at 11 a.m. and 1 p.m.
- **Jones:** Saturday, Jan. 23, at 10 a.m. and 12:00 noon; Sunday, Jan. 24, at 10 a.m. and 12 noon, and Wednesday, Jan. 27, at 6 pm.
- **Davis:** Saturday, Jan. 30, at 11 a.m., 1:00 p.m. and 3:00 p.m.

Additional weekday tours are pending. Interested show visitors will be invited to register at www.washingtonautoshow.com.

Maryland panel exploring lower taxes for businesses

A bipartisan panel is looking at ways to improve the business climate in Maryland, something that both Governor Larry Hogan and state Democratic lawmakers would like to do. Lowering the tax rate for businesses is a likely focus this year, reports the *Baltimore Sun*.

The Maryland Economic Development & Business Climate Commission has been charged with improving the state’s business climate, a goal on which both Republicans and Democrats agree. One possible change would be reducing the corporate tax rate of 8.25 percent. (Virginia recently lowered its corporate tax rate.) But it could help business more – especially small businesses – to make changes to the personal income tax rate. Many small businesses pay taxes at a personal rate on their business profits and also pay high salaries to keep their business competitive.

Another possible change: tax multistate corporations only on sales rather than on sales, payroll and property.

The commission is expected to issue a report with its recommendations this month. The report would not need to offer suggestions for making up lost revenue; that’s up to state legislators.

Justice Department lawsuit could cost VW \$19 billion

The Justice Department has sued Volkswagen AG for cheating on U.S. emissions standards and importing to the U.S. 600,000 vehicles that could not pass the test in real-world driving conditions. Although the civil suit filing does not discuss dollar amounts, penalties under the Clean Air Act could total more than \$19 billion, according to the *New York Times*.

U.S. Attorney Barbara McQuade called the lawsuit “the first stage in bringing Volkswagen to justice.” Although the suit does not include criminal penalties, some observers expect criminal suits to follow. The advocacy group, The Center for Auto Safety, has called for criminal charges against the automaker.

More than 450 civil lawsuits have been filed against VW so far. Most of those suits have been consolidated and will be heard by a federal judge in San Francisco.

VW brand manager Herbert Diess told reporters at the Consumer Electronics Show that the company is focused on fixing the problem, not on the cost. He is confident that the automaker and EPA will agree on a solution soon.

Women search for more practical cars than men, study shows



The Bentley Continental GTC, one of men's top 10 choices – for browsing, if not for buying.

Men doing an online car search are more likely to indulge a fantasy, searching for sports cars and Bentleys, while women search for practical, affordable vehicle choices. That's the conclusion of a new study by iSeeCars.com, which looked at 54 million searches by American buyers. A top search for women was for the Hyundai Tucson. The average price of the top 10 cars and trucks that women searched was \$14,870, less than half of the average transaction price for new vehicles overall. The vehicles on women's top 10 list ranged from the Kia Rio (\$10,800) to the Kia Sorrento (\$18,668).

The top search for men was for the Nissan GT-R (\$80,450). The average price of the top 10 cars in men's search list was \$49,224. Men's top 10 choices ranged from the Chevrolet Express cargo van (\$16,433) to the Bentley Continental GTC (\$113,666) – probably not the car that ended up in the most driveways. Men's choices broke down as four sports cars, three luxury vehicles, two heavy-duty pickups and a van.

Gas prices should stay low in 2016, says AAA

Gas prices rang in the New Year by reaching the lowest average price for the holiday (\$1.99) since 2009, said the American Automobile Association. The national average has moved lower most days in the last two months, largely because of an abundance of crude oil.

Prices are expected to continue to slide during the first part of the year because supply will likely continue to outpace demand. Gas prices typically fall at this time of year as demand decreases.

Although gas prices are likely to increase leading up the summer driving season, the national average price is expected to remain below \$3 per gallon this year. DC is currently the eighth most expensive state level or jurisdiction for gas prices.

The Energy Information Administration estimated in April that Americans would save \$70 on gasoline in 2015 compared with the year before. With gas prices even lower than expected, consumers have probably saved more than that.

Record auto sales in December and for 2015

New auto sales ended the year with a bang, setting an all-time record at 17.47 million. (The previous record was set in 2000, at 17.4 million.) Thank low gas prices, low interest rates, continuing pent-up demand, an improved labor market and some very good deals. Sales saw their 11th monthly increase for the year.

“It’s truly remarkable that the auto industry is finishing off its best year ever just six years after the depths of the Great Recession,” said analyst Jessica Caldwell of Edmunds.com.

Just about every automaker --except Volkswagen-- increased sales. Ford and Fiat Chrysler saw their best sales year in at least nine years. General Motors’ sales were up 5 percent for the year. Toyota’s 2015 sales rose 12 percent, Nissan’s 7 percent and Honda and Acura, combined, up 3 percent.

Volkswagen’s sales dropped 5 percent for the year – not as much as might have been expected, considering that diesel normally makes up about 25 percent of its U.S. sales.

Average transaction prices continued to climb, especially among luxury models, said Akshay Anand, analyst for Kelley Blue Book. ATP for the month was \$34,428, up 0.9 percent from a year earlier.

And now that Fed has raised the interest rate?

What can we expect for 2016 sales, especially in light of the recent quarter-percentage-point rate hike by the Federal Reserve Board? Low interest rates – and 0 percent financing – were responsible for a lot of auto sales last year.

Analysts don’t expect much effect from the rate hike, at least for auto buyers with good credit. Subprime buyers could be affected, AutoTrends consultant Joe Phillippi told TheDetroitBureau.com. If auto loan rates are affected, he said, consumers could decide to buy a more modest vehicle.

Edmunds.com analyst Jessica Caldwell doesn’t expect much effect on auto loans. “We don’t expect auto loan rates to rise in the near term, especially with automakers continuing to offer successful low-APR promotions,” she said. “As [consumers] continue to respond to these deals, automakers will do everything in their power to continue offering them.”

Autonomous cars to be 15% of global sales by 2030



The increase in car sharing companies such as Zipcar is decreasing the need for individual car ownership, a report says.

A new report sees more shared cars – and less car ownership – and more autonomous vehicles globally in the next 15 years.

Autonomous vehicles will make up 15 percent of global sales by 2030, predicts consultant McKinsey & Company in “Automotive Revolution – Perspective Towards 2030.” Ford CEO Mark Fields has said he expects fully autonomous vehicles on the road by 2020.

Car sharing companies have seen more than 30 percent annual growth in membership in North America in the past five years. Especially in cities, the importance of car ownership is diminishing, thanks to car sharing companies, such as Zipcar, along with ride sharing companies, such as Uber and Lyft. The percentage of people age 16 to 24 who have driver's licenses has dropped from 76 percent in 2000 to 71 percent in 2013. Earlier this week, GM announced that it would invest \$500 million in Lyft. The companies will work together on developing a network of autonomous cars.

The report predicts that by 2030, up to 10 percent of cars sold globally will be shared vehicles owned by a company, and by 2050, up to 30 percent will be shared.

Driven by government mandates, the share of electric vehicles globally will continue to grow, reaching 10 percent to 50 percent of new vehicle sales by 2030, the report says.

Vehicle sales overall will continue to grow, but at a slower rate, from 3.6 percent a year now to about 2 percent by 2030.

Drivers agree that texting is distracting, but do it anyway

Drivers say that use of a cell phone while driving is distracting, support measures to restrict such use and support harsh penalties for drivers who cause crashes while using a cell phone. But use of a cell phone while driving continues to rise.

More drivers using a phone now use one that's hands-free, perhaps because more states are cracking down on the use of a hand-held phone while driving and perhaps because they believe (wrongly) that hands-free phones are less distracting. Information is based on the results of a recent survey on distracted driving by State Farm Insurance.

Other findings from the report:

- An overwhelming 94 percent say that sending or reading text messages while driving is distracting, but 36 percent report doing so.
- Ninety percent say it's distracting to program a navigation system while driving, yet more than half of drivers do so. That figure has increased significantly since 2009. Nearly 30 percent use the Internet while driving, although 95 percent say doing so is distracting.

Staying Ahead...

Learn from yesterday, live for today, hope for tomorrow. The important thing is not to stop questioning.

--Albert Einstein