

**Headlines...**

- Study suggests \$4.50 is the new gas price barrier for consumers**
- Thomas Moorehead to lead National Association of Minority Automobile Dealers (NAMAD)**
- With state tax increases in the offing, MD legislature considering tire age disclosure bill**
- New car-sharing service coming to D.C.**
- Drive to downsize engines continues, in some remarkable directions**

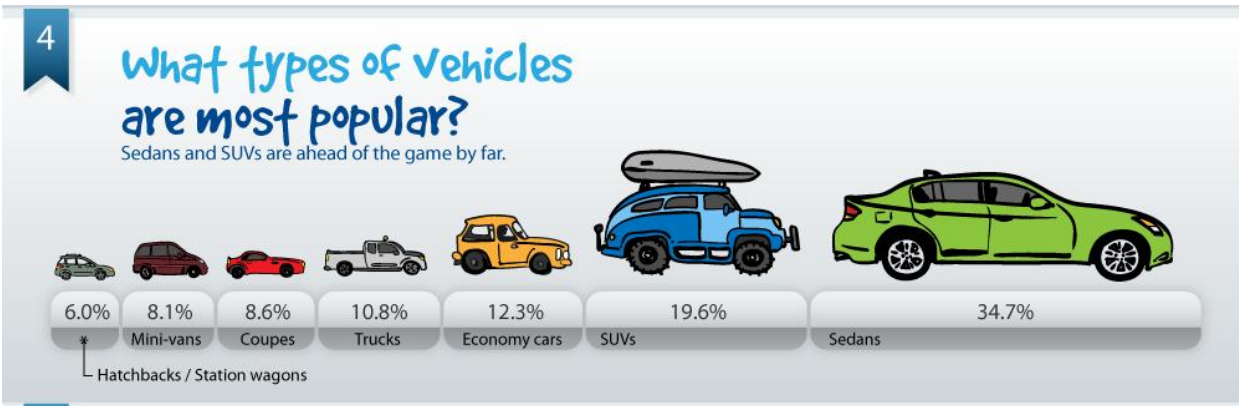
**Staying ahead...**

## Study suggests \$4.50 is the new gas price barrier for consumers

New vehicle sales figures for February suggest the new car market is on its way to a strong recovery, but now a national survey suggests that if the cost of gasoline that has been rising of late goes too high, it could have a daunting effect on vehicle sales improvement curve.

CNW Research, which tracks consumer buying habits, says its latest national survey shows that consumers will begin to make measureable changes in their driving and buying habits if gas prices hit \$4.50 per gallon. News reports indicate that level is already being reached in California and some analysts are predicting that \$5 per gallon gasoline would be an unwelcome reality by summer, particularly if events in the Middle East heat up. It's not all bad news, however, because as gas prices rise, CNW expects the hybrid and electric vehicle markets to "explode."

In CNW's survey conducted a year ago, they opined that if gas prices were steadily in the \$4 range, 93 percent of new-car intenders, who were a year or more away from an acquisition, said they would eventually purchase a more fuel efficient vehicle. About 81 percent of those who



were within six months of a vehicle acquisition said they would buy a more fuel efficient vehicle “immediately.”

After a year of relatively stable fuel prices, those numbers dwindled to 83 percent and 73 percent, respectively; still high, but well below the 2010 levels indicating at least some absorption of gas prices in the family transportation budget.

In the most recent survey, however, \$4.50 per gallon gasoline drew an immediate and strong reaction. About 87 percent of new-vehicle intenders said they would purchase a more fuel efficient car “immediately,” up from 84.6 percent a year ago. And hybrid consideration leaped from 87 to 93 percent.

CNW says that doesn’t mean 93 percent of new-car sales will be hybrids, but rather that at a given price and with a suitable vehicle, more hybrids will make the shopping list of considered models.

To show just how consumer sentiment has changed, CNW notes that in April 2006, with gas prices at \$2.75 per gallon, about 45 percent of new-car intenders said they’d consider a hybrid if gas reached \$3.75.

## Thomas Moorehead to lead National Association of Minority Automobile Dealers (NAMAD)

Thomas Moorehead, chairman and CEO of BMW and Mini of Sterling in Sterling, VA has been elected the new chairman of the National Association of Minority Automobile Dealers (NAMAD). Moorehead will take over the association on July 25, 2012 during NAMAD's Annual Membership Meeting in Las Vegas, NV.

"I am honored to accept this position at a time when the automobile industry is making its come back," he said. "However, the industry is still facing its challenges as it relates to the number of ethnic-minority dealers," said Moorehead. "I am committed to the organization's mission and look forward to working with manufacturers and other key stakeholders in the automobile industry because we can't do this alone."

Moorehead has served on the NAMAD Board and been a member of the association for over 20 years. Moorehead's BMW/MINI dealership is among a select group of BMW Centers that has earned the coveted Quality Management Systems Award and Center of Excellence Award. BMW of Sterling sales production ranks it among the top five dealerships in the Commonwealth of Virginia, and among the top 10% of all BMW Centers in the nation.

The governor of Virginia appointed Moorehead to serve on the Motor Vehicle Dealer Board, which he did with distinction.

WANADA wishes Mr. Moorehead all the best on his upcoming leadership assignment at NAMAD.



Thomas  
Moorehead,  
Sterling BMW,  
Mini

## With state tax increases in the offing, MD legislature considering tire age disclosure bill

Amid a volatile agenda in the 2012 Maryland General Assembly to include gay marriage and a prickly budget shortfall that could spawn new taxes, Maryland legislators are considering a measure (HB 729) that would require a tire manufacturer or merchant to put a label on any tire sold, stating the month and year in which the tire was manufactured and a disclosure relating to tire age and tire deterioration. The measure would also require a merchant to provide a consumer with a receipt or an invoice providing the same information and, in the case where the tire is a year old, or older, have the consumer sign the receipt for the merchant to retain for three years.



The disclosure calls for the following statement: *Tires deteriorate with age, even if they have never or seldom have been used. As tires age they are more prone to sudden and catastrophic failure that can cause a vehicle to crash. This applies also to the spare tire and tires that are stored for future use. Heat caused by hot climates or frequent high loading conditions can accelerate the aging process. The National Highway Transportation Safety Administration recommends that tires be replaced after 6 years, regardless of the remaining tread depth.*

If passed, HB 729 calls for a fine of \$500 for each violation of the disclosure requirement. Hopefully this ill-conceived proposal will find its way to the trash bill pile this session. On another front, legislative leadership who are looking to plug Maryland's budget shortfall with a gas tax hike, have lost their will to press that in the face of rising gas prices. The door has swung open, therefore, for legislators to look elsewhere for money, such as the prospect of hiking vehicle title tax. Stay tuned.

## New car-sharing service coming to D.C.

### Hertz wants to cash in on car-sharing services

Hertz Car Rental has announced that it is going to compete with the popular Zip Car company to provide quick, convenient car rentals throughout the District.

Hertz will expand its "Hertz on Demand" program to 80 locations including Union Station, Adams Morgan, Connecticut Avenue, NW, Pennsylvania Avenue, SE, Anacostia, H Street NE, Logan Circle, Dupont Circle, Columbia Heights, Takoma Park, Cleveland Park, Friendship Heights, Georgetown, and South Capitol Street.

Under Zip Car's Occasional Driving Plan, drivers must pay a \$60 annual fee as well as a \$25 application fee. Hertz does not have membership or annual fees, though hourly and daily rates may vary by city.

Hertz on Demand will also allow drivers to take one-way trips and drop off their rentals at any of the 175 locations in the northeast. Both Zip Car and Hertz on Demand have pay-as-you-go options with no monthly commitments.

## Drive to downsize engines continues, in some remarkable directions



Ford 1-Liter EcoBoost

With fuel economy regulations scheduled to tighten significantly by 2015 and fuel prices continuing to rise, the world's automakers are in a race to squeeze ever more mileage out of gasoline engines. That effort has already led to the elimination of most V8 engines and the replacement of many V6 engines with 4 cylinder models.

Mazda and Hyundai have major commitments to 4-cylinder engine power for most of their models going forward and FIAT is already producing a 1.4 liter, three-cylinder model for its 500 model in Europe. Now comes word that Ford will do the Italian automaker one better and begin rolling out a 1.0 liter, three-cylinder EcoBoost engine in overseas models that will replace its 1.6 liter four-cylinder model.

Remarkably, the new engine is the size usually found in a motorcycle, but that is not to say it's not powerful. Ford is reported to have versions that produce 99 to 118 horsepower and 125 ft. pounds of torque, more than enough to power most of today's compact cars. Ford is also reported to be working on a version that will produce 177 hp using a turbocharger.

Downsizing engines has a multiplier effect when it comes to fuel economy. Not only is the engine itself more efficient, but because it is so much smaller and lighter, the vehicle itself, can be reconfigured to be bigger inside but smaller outside, thereby providing the creature comforts consumers want and the fuel economy the government is requiring and consumers may soon be.

### Staying ahead ...

The illiterate of the 21st century will not be those who can't read and write, but those who can't learn, unlearn, and relearn.

--Alvin Toffler, Futurist