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Electronic titling coming in Virginia

With the Virginia General Assembly wrapping up the 2012 session, legislators passed a new electronic filing bill, which will enable electronic titling of new vehicles in the Commonwealth, a first for any state. This bill will eventually allow dealers to go paperless for titling transactions with the DMV. Titles would be held electronically and be accessible to vehicle owners via the DMV website.

Drive-by emissions testing OK for Northern Virginia

Virginia legislators also approved a bill intended to make it easier for Northern Virginia motorists to get emissions tests. The measure allows vehicle owners to simply drive past on-road sensors instead of visiting a testing station. If the vehicle meets state emissions criteria, the owner would be notified and given the option to pay for the inspection by mail or electronically.

The bill was sponsored in the House by Del. Joe May (R-Loudoun) and in the Senate by Richard Saslaw (D-Fairfax). "Ninety percent of the vehicles in Northern Virginia are clean running vehicles," May said of the bill. "There is no reason we should not reward these motorists with an alternative testing option that will save time and reduce the inconvenience of obtaining an emission inspection at a traditional station."

MD bill would ban OEM retaliation practices on state franchise laws

Maryland Senators Jamie Raskin, Jenny Forehand and Brian Rosh, all Democrats from Montgomery County, have cosponsored a bill to prohibit OEMs from retaliating against their dealers by ending dealer programs in the state because of franchise laws. The three senators, who have helped craft dealer franchise measures in the past, put forth the bill to ensure that the spirit and letter of Maryland laws aren't cut short by those who would unfairly sidestep them to the detriment of dealers and automotive consumers.

No consensus yet on how to fund state government

With the end of the current Virginia General Assembly in sight, consensus on a state budget came to a halt this week as Democrats and Republicans deadlocked in the Senate. Without a budget in place, state agencies will commence curtailing operations in July.

A hike in the gas tax that had been the centerpiece of the Governor O'Malley's approach to Maryland's budget shortfall went away at some point between fractious debate on gay marriage in the General Assembly and spiking gas prices at the pump, north of \$4.25/gallon. In a scramble to find other sources of funding, Maryland legislators are looking at reversing the net-of-trade on title tax computation implemented by the General Assembly a couple years ago and actually have legislation moving forward to expand sales tax to such tax free areas as vehicle repairs, extended warranties and roadside assistance services. A bill to expand the sales tax into the aforementioned areas is scheduled for a hearing March 6.

Stay tuned!

Take care when requiring a "Doctor's Note" for employee absence

Employer attendance policies that require employees to provide a doctor's note stating the nature of the absence before the health-related absence is excused can be viewed as an unlawful medical inquiry under the Americans with Disabilities Act (ADA).

The U.S. District Court for the Southern District of California recently upheld the Equal Employment Opportunity Commission (EEOC) when it ruled an employer violated the ADA by requiring that a doctor's note, in support of an excused absence, must specifically identify the nature of the illness, or the absence would not be excused. Such attendance policies further violated the ADA when employees were sanctioned as a result of them.

The court held that requiring such information invited intrusive questioning into the employee's medical condition in violation of the ADA, which makes clear that an employer "shall not ... make inquiries of an employee as to whether such employee is an individual with a disability, and if so, the nature or severity of the disability, unless such examination or inquiry is shown to be job-related and consistent with business necessity."

The court said further, however, that an employer may require its employees to submit a doctor's note "specifying the date on which the employee was seen, and that the absence from work was medically necessary." It has also been seen as reasonable for a doctor's note to state a return date relative to the employee's health.

This case provides a strong reminder for employers to review staff attendance policies to ensure that they comply with today's interpretation of workplace laws.

NADA reminds dealers to consult with their tax attorneys soon about the UNICAP Safe Harbors

NADA has issued a reminder to dealers that the IRS Revenue Procedure 2010-44, created two optional safe harbor methods of accounting for motor vehicle dealerships. If properly elected and applied, the new safe harbors permit dealers *to deduct, instead of capitalize*, certain costs related to their inventories, and significantly simplify their computation of these costs (known as their Uniform Capitalization – or UNICAP – computation).

If qualifying dealers elect the safe harbor methods of accounting for their first or second tax year ending after Nov. 9, 2010, they may do so without having to consider most of the potential restrictions that apply to the automatic method of accounting changes. Consequently, for dealers whose tax year corresponds with the calendar year and who did not elect these methods for the 2010 tax year, they should speak with their tax practitioner soon about whether they should elect the UNICAP safe harbors for the 2011 tax year.

The election is made on IRS Form 3115. For more information, consult summaries of the revenue procedure by the IRS Motor Vehicle Technical Advisor and NADA.

DC region to be test market for car sharing and EV mobility



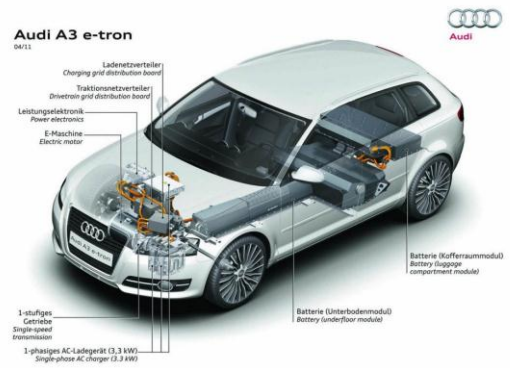
The Washington metropolitan region is about to become a test market for car sharing service and EV mobility. Just this week, car2go North America, LLC, a subsidiary of Daimler North America Corporation, said it was launching its car sharing service in Washington, D.C. beginning March 24. Additionally, Audi said it would begin doing real-world testing of its all electric Audi A3 e-tron here as a learning tool for next-gen Audi EV applications worldwide.

Car2go differs from its rideshare competitors Zipcar, Hertz and Enterprise, in that it rents:

- By the minute. Members pay only for the time they use the car, by the minute, with discounted rates for hourly and daily use. Parking, fuel, maintenance and insurance are included at no additional cost, and there are no annual or monthly fees.
- On demand. Members can use the first available car2go they find, via a smart phone app, the car2go vehicle finder at car2go.com, by calling the customer call center, or by simply locating an available car2go on the street.
- Free floating. Members can pick up and drop off any car2go *anywhere* within the car2go Home Area - in any legal on-street parking space, including metered, non-metered and residential neighborhood parking spaces. Audi, meanwhile will bring several A3 e-tron pilot vehicles here for a year to explore EVs in a real world setting and monitor in real-time how e-tron technology operates in everyday scenarios.

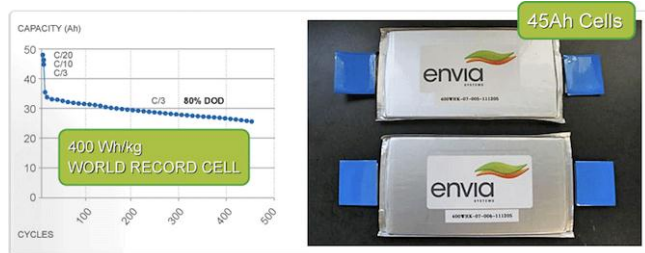
"The A3 e-tron pilot program serves as an important innovation platform for Audi to develop greater insight into electric vehicles and how American driving conditions affect use of the progressive technology in everyday life," said Jeff Curry, e-mobility and sustainability strategy lead at Audi of America. "We will integrate the data generated from this program into the launch of a range of Audi e-tron models for American drivers."

Audi is following in the footsteps of BMW, which previously did such real-world testing with its Mini-EV and i-motion BMW 3 and 5 series.



New Lithium-ion battery could cut EV cost by half

A California company using licensed technology from the Argonne National Laboratory and funding from GM's venture capital arm and the U.S. Department of Energy, says it has developed technology that could slash the cost of a typical lithium-ion EV battery by half.



Envia Systems estimates that its new battery could bring down the price of an EV with a 300 mile range to as low as \$20,000.

According to Envia co-founder, president and chief technology officer, Dr. Sujeet Kumar, the new lithium-ion battery has the highest recorded energy density of any rechargeable lithium-ion cell at 400 Wh/kg, which is nearly twice that of the current best technology held by Panasonic.

Envia's Kumar said the company is preparing to go into production early next year.

Plastic coil springs for tomorrow's cars

In the classic 1960s movie, *The Graduate*, the uncle to Dustin Hoffman's character, Benjamin, memorably tells him that "plastics is the key to the future." These many years later Audi has proved Benjamin's uncle correct when it comes to coil springs in cars.

The company is getting ready to introduce a fiberglass reinforced plastic (FRP) spring, to replace the usual steel springs for a weight savings of more than 40 percent.



Producing the FRP springs involves a fiberglass helix baked together with an epoxy resin, followed by a metal alloy wire that's woven into the spring. The process is actually quicker than the traditional method of creating a steel spring and the result isn't just a lighter spring, but a stronger one.

Audi says the first use of the springs will be in the 2012 Audi R8 e-tron, with mass adoption of the springs across its product line coming the following year.

GM dealers asked to support ASEP training at NOVA, Alexandria

Northern Virginia Community College in Alexandria, which has offered GM ASEP training for over 30 years and provided the region with hundreds of skilled GM technicians, is asking GM dealers in the area to support the program going forward.

GM ASEP students receive training exclusively on the latest GM products, using a GM approved curriculum. The program is NATEF Certified and taught by GM trained instructors. Students alternate between attending college and working at a sponsoring GM dealership for two years. The cycle is typically 8 weeks in class and 8 weeks working at the dealership during the coordinated, paid internship portion of the program. The result is a solid education combined with invaluable work experience.

The GM ASEP program is also structured to provide the student with the necessary skills for success in the automotive service field. This not only includes their automotive training, but academic courses as well. The student earns an associate's degree upon successful completion of the program along with credit for over 80% of their GM STS training. "This strong academic foundation of math, reading, and communications coupled with the technical training provides a well-rounded individual that is perfectly suited for the fast paced environment of today's new car dealership," says Keith Brown GM ASEP instructor at NOVA Alexandria.

GM dealers interested in sponsoring an ASEP student are urged to contact: Keith Brown, GM ASEP Instructor at 703-845-4623 (o) or keibrown@nvcc.edu

Staying ahead ...

When they discover the center of the universe, a lot of people will be disappointed to discover they're not in it.

--Bernard Bailey