

# THE WANADA BULLETIN

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

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## WANADA Area Report: new vehicle sales up 12% in '12



Washington area sales rose a solid 12.3 percent last year, according to the WANADA Area Report.

Washington area new vehicle sales rose 9.2 percent in the fourth quarter of 2012 and a strong 12.3 percent for the full year, according to the WANADA area report based on R.L. Polk data. The full-year increase was just below the national figure of 13 percent, but U.S. sales had farther to climb after suffering a bigger drop during the recession than regional sales.

Sales for the 13 localities that make up the Washington metropolitan area were 68,724 in the fourth quarter and 290,884 for the entire year. December saw the best sales results in the three-month period – 25,000 for the month versus nearly 22,000 in November and just over 21,000 in October.

While December sales were slightly higher than the average monthly sales of 24,240 in 2012, five months in the year eclipsed December with more sales. The high point was May with 28,536 new vehicles sold and the low point was January at 20,637.

Import (non-Detroit 3) cars and trucks were 71% of all vehicles sold here compared with 55% nationwide.

Regional and national sales of cars versus trucks are more comparable, being slightly more than one out of two here as well as across the country.

For the complete WANADA Area Report, click [here](#) to log into the Members section. Go to General Information, then Market and Sales Data.

## February's U.S. sales outpace expectations

Nationwide auto sales were stronger than expected in February, even as lawmakers stalled on addressing the sequestration problem. Sales rose 7 percent from February 2012, with a 15.3 million seasonally adjusted annual rate. Forecasters expect sales to return to 16 million sooner or later.

“The recovery in new home construction is reinforcing the underlying improvement in auto buying conditions, especially for pickups,” said Kurt McNeil, General Motors vice president of U.S. sales operations. Sales of large pickups, often seen as a barometer of the economy as a whole, were up 22.4 percent from a year ago.

Helping all vehicle sales: pent-up demand, a slew of new models and an increased availability of credit.



Sales of pick-up trucks such as this F-150 King Ranch rose 22 percent last month.

All of the Detroit 3 saw sales gains, with Chrysler reporting its best February in five years. It was the eighth month running that sales topped 1 million. And TrueCar senior analyst Jesse Toprak told The Detroit Bureau that transaction prices will likely be “near record levels” in February, averaging \$30,958.

As gas prices rose, the average fuel economy of new vehicles sold continued its slow rise, according to a University of Michigan study. The figure hit 24.5 mpg in February, tying the record high a month earlier and showing a 4.4 mpg increase since October 2007 when the study began.

## How tough would Obama's EPA, Energy nominees be?



Gina McCarthy

WANADA members may recognize President Obama's pick for EPA administrator, Gina McCarthy, after she spoke on a panel during The Washington Auto Show's Industry Summit on Capitol Hill as part of a symposium panel grappling with the topic of *Affordable Mobility* hosted by the National Journal. McCarthy told the audience that consumers are the biggest winners from the increase in fuel economy standards to 54.5 mpg by 2025. “They save money every time they put gas in the tank,” she said.

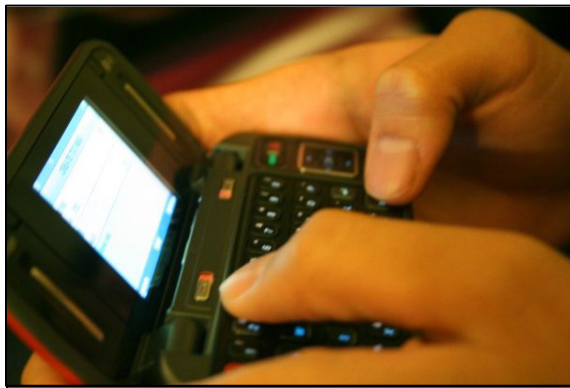
McCarthy, now assistant administrator in EPA's Office of Air and Radiation, has fought for many years for tougher clean air standards.

She's an environmentalist, well versed in the ways of Washington, but aware of the need for compromise to accomplish her goals. Among the auto-related issues that would face McCarthy in her new post are new clean-air standards and the ethanol standard for gasoline.

Ernest Moniz, Obama's nominee to run the Department of Energy, is director of the Energy Initiative at MIT. Like his predecessor at Energy, Steven Chu, Moniz comes from academia. He has expressed his support for Obama's "all of the above" energy policy. If confirmed, he will need to deal with the controversy over natural gas, plus several programs to increase automobile efficiency and promote alternative energy sources.

In his State of the Union address, Obama devoted more time to climate change than to any other issue. Addressing climate change, however, is a low priority for current Congress, and Obama has said he is willing to use executive actions to go around lawmakers if necessary. To what extent that will mean tough initiatives from EPA and Energy, no one yet knows, meaning industry advocates could have their work cut out for them moving forward.

## Millennials would rather phone or text than drive



Most young people would rather shop online than drive to the store.

Attracting young buyers has always been a challenge, but here's an extra glitch: In a new study from Zipcar, nearly two-thirds of Americans aged 18 to 34 say that losing their phone or their computer would affect their daily routine more than losing their car (28 percent).

Maybe that's because they're driving less. Nearly three-fourths say they would rather shop online than drive or take public transit to the store. And nearly half sometimes choose to spend time with friends online instead of driving to see them.

"We're living through the most important shift in transportation in generations – the creation of a new mobility society," says Zipcar chairman and CEO Scott Griffith. "Soon we'll live in major metropolitan areas that include networks of ubiquitous, mobile-app powered on-demand mobility services."

The study also found that other influences – the high cost of car ownership and environmental concerns about excessive driving – are leading young people to drive less.

## Automakers push NHTSA to postpone distracted driving rules

The National Highway Traffic Safety Administration says it is close to releasing voluntary guidelines on preventing distracted driving. But the Alliance of Automobile Manufacturers is lobbying for a more comprehensive approach that draws in cell phone companies, too, according to the *Detroit News*.

“The best thing to do is get everybody around a table and to try to drive a more expeditious, comprehensive solution,” said Mitch Bainwol, president and CEO of the Alliance.

NHTSA’s guidelines would limit operation of a mobile device to one hand, limit the time needed to look away from the wheel to two seconds, limit the time needed to complete a task to 12 seconds, limit extraneous visual information in the driver’s view, and limit manual inputs needed to operate a device.

The Alliance says that restricting automakers’ ability to offer in-vehicle mobile communication will just encourage drivers to use cell phones instead.



NHTSA is working on guidelines on distracted driving.

## Less government? Highway safety grants cut in House bill

The Republican-backed bill to fund the U.S. government through the end of the fiscal year cuts nearly \$50 million from highway safety grants. NHTSA’s grants for enforcement of seat belt use, distracted driving laws, motorcycle safety and drunk driving would be cut by about 9 percent.

“We are very concerned that the full-year continuing resolution would harm efforts to improve the safety of our transportation system,” wrote Sen. Jay Rockefeller (D-WV), Barbara Boxer (D-CA) and Tim Johnson (D-SD) in a letter to House Speaker John Boehner.

Before the bill was passed, six highway safety groups asked Congress to keep the programs fully funded. They noted that last year saw the first increase in traffic deaths since 2005.

## Martha Kowalski in WANADA’s Employee Benefits Operations retires for the pleasures of the open road



Martha Kowalski

With mixed emotions we report that WANADA’s vice president of Employee Benefits Operations, Martha Kowalski, has retired to enjoy family and friends with her husband Paul. A well-earned quest indeed, after 11 years with the association. But unlike some with no clue what retirement will bring, the Kowalskis have a plan and a mode of operation, or rather, a mode of transportation, namely an RV.

“Paul and I had the recreational vehicle idea long before we reached this point in our lives and we’re really looking forward to it,” she said. “We’ve got friends all over the country who we’ll be calling on; who we’re confident will be happy to see us because we won’t be houseguests.” That’s certainly true when your home away from home

is your vehicle that got you to where you were going in the first place.

“Martha was a terrific staff leader who did a great job for WANADA dealers with her hands-on knowledge of all things related to employee benefits,” said John O’Donnell WANADA’s executive vice president who worked with Ms. Kowalski in WANADA’s insurance operations over the course of her lengthy tenure. “She consistently knew what needed to be done for dealers and their insured employees and she did it,” O’Donnell said. In short, he concluded, Martha Kowalski did things the right way.

As with the job, so it appears she’ll be approaching retirement, reflected Gerard Murphy, WANADA’s chief of staff. “Martha has a plan in hand, or more aptly, a roadmap plotted for the RV,” Murphy said. “She was a real contributor to our success, but also a lot of fun who we’re going to miss.”

Joe Koch who worked closely with Ms. Kowalski and the insurance operations staff is her replacement at (202) 237-7200 ext. 35 or [jk@wanada.org](mailto:jk@wanada.org).

From your former colleagues here at WANADA, Martha, happy trails!

### Staying Ahead...

I look to the future because I know that’s where I’ll spend the rest of my life.

--George Burns  
(1896-1996)