

THE WANADA BULLETIN

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

WANADA Bulletin # 9-17

Happy St. Patrick's Day!

March 17, 2017

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Thought for the Week...

Dealers in Washington to oppose Border Adjustment Tax AIADA Fly-in targets BAT



Auto dealers in Washington for AIADA Fly-In at steps of the U.S. Capitol.

American International Auto Dealer's Fly-In brought dealers from across the U.S. to Washington last week to tell members of Congress why they should oppose the Border Adjustment Tax (BAT) legislation before the House Ways and Means Committee. The effort, supported by NADA and U.S. state and metro dealer associations, raised a large industry crowd, as AIADA cited a study by the Center for Automotive Research saying that a 20 percent BAT would add \$2,000 *on average* to the price of all new vehicles.

The tax, which the Trump administration says would raise \$7 *trillion* over 10 years, would cost the average U.S. consumer \$1,700 a year, AIADA President Cody Lusk told dealers at the conference. AIADA suggested that dealers should encourage their employees to write to their members of Congress, too, as higher auto prices could dampen the new-car market and potentially result in dealership layoffs.

House Speaker Paul Ryan, who is pushing the BAT proposal, equates it to VAT (value-added tax) used widely in Europe. But they are not the same because the VAT is paid by consumers at the point of sale, as opposed to a BAT which taxes products before sale.

Dealer attendees to the AIADA Fly-In saw a video taken at the Washington Auto Show where consumers were interviewed for their opinion on the BAT. Each consumer interviewed at the Auto Show expressed concern that a BAT would create a form of double taxation.



Rep. Mike Kelly urges fellow dealers to fight the Border Adjustment Tax proposal. Besides being a congressman, Kelly is a franchise dealer from Pennsylvania.



From the left: Brian Bulkeley, Toyota Motor Sales; AIADA Chairman Paul Ritchie, Hagerstown Honda; Marc Cohen, BMW of Rockville; Brand Fowler, Sheehy Auto Stores; and Rep. Jamie Raskin (D-Md), back to the camera.

Before dealers headed to Capitol Hill for their Congressional meetings, they were briefed on the tax – and on the perennial question, What is a domestic car? – by Rep. Mike Kelly (R-PA), a dealer himself and industry supporter. The BAT legislation is currently in the House Ways and Means Committee, of which Kelly is a member. Kelly said that a BAT is unlikely to pass the Senate.

Paul Ritchie of Hagerstown Honda, chairman of AIADA, officiated at the conference where dealer association leaders were in

attendance with their members. In addition to AIADA and NADA, NAMAD and the Motor Equipment Manufacturers Association (MEMA) have come out against the tax, saying it could set back manufacturing jobs. WANADA for its part attended the conference, visiting and/or sending letters to members of Congress from the Washington area registering opposition to the BAT legislation.

Washington Auto Show reps in Geneva at Motor Show

Representatives from the Washington Auto Show (WAS) traveled to the Geneva Motor Show last week to meet with auto OEM executives and with their WAS counterparts from other global auto shows. WAS officials hobnobbed with executives of the *Organisation Internationale des Constructeurs d'Automobiles* (OICA), the global automaker organization that certifies tier one auto shows, to include Washington and Geneva. WAS reps use events like the Geneva show to meet with OICA members and other industry stakeholders such as NADA, the Alliance of

Automobile Manufacturers and Global Automakers about the ongoing position of Washington on the global industry auto show circuit.

The WANADA delegation was led by WANADA Chairman Charles Stringfellow and included WAS committee members John Bowis, Chevy Chase Cars; Daniel Jobe, Capitol Cadillac; and George Doetsch, Apple Ford/ Lincoln. Also on hand were John O'Donnell, WAS producer; Barbara Pomerance, communications consultant; and Bob Yoffe, WAS manager.

Among the hot cars at the Geneva show this year were the Volkswagen Sedric concept car, a fully self-driving vehicle that answers the driver/passenger's spoken directions. Also shown was the 2018 Subaru XV Crosstrek, a small SUV with its first redesign since the model was introduced in 2012. Another U.S.bound SUV at the show was the Volvo XC60 crossover, with many features designed to help avoid crashes.

A photo collage of the WAS reps in Geneva appears below:



WAS Delegation in Geneva: From the left, Charlie Stringfellow, WANADA Chairman; John Bowis, WANADA Vice Chairman; Bob Yoffe, WAS Manager; Daniel Jobe, WAS Committee; John O'Donnell, WAS Producer. (Not pictured George Doetsch and Barbara Pomerance).



From the left Jean-Claude Girot, General Manager, Paris Motor Show; George Doetsch, WAS Committee; and Yves van der Straaten, of OICA.



Cynthia Lin, and Wang Xia, China Council for Promotion of International Trade Automotive Committee that organizes the Shanghai Auto Show with John O'Donnell, WAS producer.



Auto Show Producers: Christian Peugeot (left), Paris, and John O'Donnell, Washington.



George Doetsch, WAS Committee and Barbara Pomerance, WAS communications consultant

Photo collage of WANADA dealers in Geneva, continued



Garett Carr, Ford global auto shows & events manager (left), with WAS reps Daniel Jobe and George Doetsch.



WANADA dealer Vince Sheehy (left), at the Geneva show with Nissan, and WANADA CEO John O'Donnell.

WANADA returns to DC's Mayflower Hotel for 100th anniversary gala, April 1 – no fooling

Don't be fooled by the April 1 date. WANADA's Centennial Celebration, set for the evening of April 1 in the historic Mayflower Hotel in downtown Washington, will be a grand occasion! Founded as the Washington Automotive Trade Association in 1917, the WANADA dealer group started holding meetings at the Mayflower in the 1920s. And so the modern incarnation, the Washington Area New Automobile Dealers Association, returns to commemorate its first 100 years.

The elegant *black tie* evening will start with a reception and dinner, followed by entertainment and dancing. It promises to be memorable for all WANADA dealers and Kindred-line members, who should have already received their invitations. The entertainment will consist of popular comedian and impressionist Frank Caliendo, followed by "Satisfaction/The International Rolling Stones Show."



"Satisfaction/The International Rolling Stones Show" will provide a high-energy ending to the WANADA Gala evening.

Caliendo is known for his strikingly accurate impressions of famous actors, the likes of Al Pacino and Robert DeNiro; and politicians George W. Bush and Bill Clinton; and broadcasters John Madden and Charles Barkley; and talk show hosts Dr. Phil, Jay Leno and David Letterman. Caliendo's high energy act is a blend of observations, impressions, characters and anecdotes that build to a frenetic pace. He is sure to leave everyone amazed and laughing!

"Satisfaction/The International Rolling Stones Show" is the global touring tribute to the greatest rock-and-roll band of all time. This Billboard and Pollstar highly rated show is entering its 15th year in production, with more than 2,500 performances to its credit. The likes of Stones

performers Mick Jagger and Keith Richards will bring a colorful performance to more than 50 years of classic hits.

WANADA thanks the sponsors of the Centennial Gala for their generous support. The Marquee Sponsor is BG Products, with supporting sponsors Architects Group Practice; Councilor, Buchanan & Mitchell; M&T Bank; Payroll Network; Penney Design Group; RBC Wealth Management; SunTrust; and WellNet.

Individual tickets for the Gala are \$400, and a table of ten is \$3,500. To register, click [here](#). Please email Kathy Teich at kt@wanada.org for registration and detailed information. For sponsorship information, email Bob Storin at rs@wanada.org. Kathy and Bob can also be reached at the WANADA office, 202-237-7200.

Maryland Senate gives preliminary approval to paid sick leave



It looks likely Maryland's Senate could stop a veto by the governor on paid sick leave.

The Maryland Senate gave preliminary approval to a paid sick leave bill last week and is expected to give final approval this week. If it passed, the final bill would have to be reconciled with the House version before being sent to Gov. Larry Hogan.

The Senate bill would require businesses with 15 or more employees to provide five days of paid sick leave annually to full-time workers. That measure was scaled back from a previous version requiring six days. The House version requires seven. Smaller companies would be required to provide leave also, but on an unpaid status.

Sen. Thomas "Mac" Middleton, a Charles County Democrat who is the bill's lead sponsor, introduced an amendment this week that would give a hardship exemption to companies that can prove they would go out of business if they had to offer the leave.

Gov. Hogan is sticking with his version of paid sick leave, which is stuck in committee and provides for leave only for businesses with 50 or more employees. Because more than half of senators have sponsored the bill that sets the floor at 15 employees, the Senate could likely override any veto from the governor in favor of more stringent legislation.

Still to be worked out between the House and Senate versions are issues such as the definition of a part-time worker and an exempt seasonal worker.

NADA/JD Power Automotive Forum in New York, April 11

NADA and JD Power are sponsoring the Automotive Forum on Tuesday, April 11, at the Grand Hyatt New York, hosted by the New York International Auto Show. The one-day event brings together leaders from OEMs, suppliers, dealers and the media to discuss how industry and economic conditions will shape the future.

Speakers will come from IHS, JD Power, Bank of America/Merrill Lynch, AutoNation (CEO Mike Jackson), Ford, Toyota, *Automotive News* and other industry entities. To register, click [here](#).

Fitzgerald Auto honored by Montgomery Co. Public Schools

The Fitzgerald Automotive Group has been honored as the 2017 Montgomery County, Maryland Public School Business Champion of the Year.

Each year the award is presented to a business that has made a significant impact on K-12 public education in Montgomery County. Businesses are measured on a variety of criteria, including community leadership, commitment to improving education and involvement with schools. Fitzgerald was recognized in particular for its yearly donation of a one-year car lease to the Teacher of the Year.

Civil engineers group gives U.S. roads D+

The American Society of Civil Engineers (ASCE) has given U.S. roads a D+ and bridges a C+ in its latest Infrastructure Report Card, a report it issues every four years.

The report says that Americans are wasting 43 hours a year – one full workweek – sitting in traffic because of the nation’s poor infrastructure. Put another way, each family is losing \$3,400 a year of disposable income – spending it on car repairs and wasted time and gas – because of poor infrastructure.

Estimating that it would cost \$4.6 *trillion* to rebuild and renovate U.S. infrastructure by 2025, the ASCE recommends increasing the gas tax by 25 cents a gallon. That is more than double the current rate of 18.4 cents. The tax has not been raised in 24 years, but an increase is not likely in this Congress. President Trump talked during the campaign about spending \$1 trillion on infrastructure, but further discussion has been placed on the back burner as he deals with more pressing issues such as health care.

SoberRide posters mailed to dealers for St. Patrick’s Day

WANADA mailed SoberRide posters earlier this week for dealer members to post for St. Patrick’s Day. SoberRide is a free taxi service offered by the Washington Regional Alcohol Program (WRAP) to prevent drunk driving on holidays. WANADA and other area businesses have supported WRAP since its inception in the 1980s. This year, the rides will be available from 4 pm Friday, March 17, to 4 am Saturday, March 18.

Thought for the week...

God made people. The Italians for their beauty. The French for their cuisine. The Welsh for their voices. The Germans for their cars. And on and on, until he looked at what he created and said: “This is all well and good, but no one is having fun. I’ll have to make an Irishman.