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Va. MVDB cautions dealers generally on Internet ads and licensing, and specifically with ongoing issue with TrueCar **FTC cites five dealers nationwide for misleading "pay off" ads**

Virginia dealers were reminded this week by the Motor Vehicle Dealer Board (MVDB) that dealers are responsible for all advertisements for motor vehicles, including all Internet advertising. MVDB said that Internet advertisements, including videos and YouTube postings, must adhere to the same advertising guidelines as print and television and that all dealers advertising by Internet should review their ads carefully. In issuing this warning, MVDB noted that it is finding many Internet ads that are not in keeping with Virginia law.

As reported earlier, TrueCar came back before the Board to make the case that their business model complied with motor vehicle sales licensing laws and once again was found not to be in compliance. MVDB then reminded dealers that employees and others operating on the dealer's behalf in the sales process, including TrueCar, needed to be licensed. Specifically, anyone who quotes price, discusses features and otherwise engages in the solicitation of a motor vehicle with a potential customer must have a sales license. This includes Internet "team" members. MVDB pointed out that if Internet employees are quoting prices to consumers who have submitted an inquiry online, those representatives must be licensed. A rep, on the other hand, who is merely "greeting" the customer and/or offering to set-up an appointment or forward the customer's information to a licensed salesperson, does not require a license, MVDB said.

Last January, MVDB told TrueCar that its business model had people selling cars without a license, in violation of the law. At the same time, Virginia dealers were told that if they were working with TrueCar under those circumstances they faced regulatory reprisals going forward. And given MVDB's review of TrueCar's business model last week, this continues to be the case.

In regulatory action last week from the federal level, dealers nationwide were cautioned to take notice of a Federal Trade Commission (FTC) settlement with five dealers from different areas of

the country that requires them to stop running ads in which the dealers promised to pay off a consumer's trade-in no matter what the consumer owes on the vehicle. FTC said that despite the dealers' claims, consumers still would be responsible for paying the difference between the trade-in loan balance and the vehicle's value. It said that the dealers' representations that they would "pay off" what the consumers owed were "false and misleading" and violative of FTC advertising regulations.

WAS leaders at the Geneva Auto Show work to solidify Washington's position on industry circuit with OEMs



From the left, Kevin Reilly, WAS vice chairman; Robert Fogarty, WAS chairman; Jim Farley, Ford head of global marketing; George Doetsch, WANADA past chairman; Ray Day, head of Ford global communications; Gerard Murphy, WAS producer.

A delegation of WAS organizers recently returned from a whirlwind visit to the Geneva International Motor Show, where they connected with key OEM and allied industry executives to survey developments on the global auto show circuit and promote the values and successes of The Washington Auto Show. The delegation, led by WAS chairman Robert Fogarty of Sport Automotive, also included WAS vice chairman Kevin Reilly of Alexandria Hyundai, and WANADA past chairman and WAS organizer George Doetsch of Apple Ford. Additionally, WAS producer and WANADA CEO Gerard Murphy was on hand, as was WAS promotions director Barbara Pomerance and WAS manager Bob Yoffe.



From the left, WAS delegates George Doetsch, Robert Fogarty and Barbara Pomerance with Stuart Schorr, head of communications for Jaguar/ Land Rover and Kevin Reilly from the WAS.

At the Geneva show, widely regarded as the "design show" on the international circuit, WAS reps met with top level people from Ford, Honda, Chrysler, General Motors, Kia, Subaru, Jaguar/ Land Rover, and Fisker. WAS also met with tire companies Bridgestone, Pirelli and Yokohama and EV battery maker and innovator Johnson Controls. In these meetings, the delegation was able to share the WAS' recent successes, including the historic visit this year of President Obama in the context of Washington's plans to further expand its Public Policy Show position and its impact in the all-important Washington regional car market.

Prior to its meeting with OEMs and suppliers, the WAS delegation hosted a reception and dinner for friends and partners of The WAS, including NADA Chairman Bill Underriner, Gloria Bergquist of the Alliance and Warren Brown, automotive writer and industry observer for The Washington Post.

WANADA and area dealers step up for SoberRide on St. Patrick's Day



WRAP chairman John O'Donnell presents WRAP CEO Kurt Erickson a substantial auto dealer donation for its renowned SoberRide holiday taxi program marking St. Patrick's Day at Fado's Irish Pub.

With St. Patrick's Day occurring last Saturday, March 17, WANADA renewed the dealer community's annual contribution to the Washington Regional Alcohol Program (WRAP) for its SoberRide holiday taxi service as an alternative to driving drunk. A joint effort of the region's law enforcement agencies, area drinking establishments and the business community at large, the SoberRide program offered free taxi rides from 6 pm on St. Patrick's Day to 6 am the following morning for anyone who may have imbibed more than is safe to be driving.

WANADA is one of the founding organizational members of WRAP and its SoberRide program and John O'Donnell of WANADA, as chairman of the WRAP Board, presented WRAP CEO Kurt Erickson with a ceremonial check at a press conference to announce the St. Patrick's Day SoberRide kick-off at Fado's Irish Pub in downtown Washington, DC.

Senate Highway Bill includes electronic odometer reporting while rejecting troublesome natural gas vehicle provision

The Senate passed a two-year Highway Bill by a vote of 74-22 last week, including a provision that directs the National Highway Traffic Safety Administration (NHTSA) to allow odometer disclosures to be made electronically. NADA strongly supported this provision because many states want to create electronic vehicle titling systems. But current law requires a "paper trail" for odometer disclosures, according to the NHTSA.

NADA also succeeded in preventing provisions that would have required disclosing the VINs of vehicles advertised on the radio and mandating the retention of odometer statements for up to 24 years.

Also kept out of the measure was an amendment offered by Senators Menendez (D-NJ) and Burr (R-NC) to provide natural gas vehicle incentives for both cars and medium and heavy-duty trucks. As reported here and elsewhere last week, NADA opposed this amendment because it included language that would have made natural gas vehicle tax credits “transferable” to the dealer, requiring dealers to “front” a point-of-sale discount to be reimbursed by IRS later.

Whether the extensive Highway Bill will reach The White House for signature remains to be seen. The House rejected the bill last week, but there is significant movement to overturn that vote. The White House has indicated it will sign the Highway Bill, which would fund numerous highway and mass transit projects across the country, while rebuilding the Highway Trust Fund, which now is seriously underfunded.

EPA says vehicle fleet is cleaner, more fuel efficient and more powerful than ever before

The overall vehicle fleet today is cleaner, more powerful and more fuel-efficient than at any point in history, according to the latest study by the Environmental Protection Agency.

EPA says the fleet in 2010 had the lowest carbon dioxide emissions since 1975, and also had the highest fuel economy, continuing a trend of improvement since the agency first began regulating vehicle emissions in the late 1960s. The trend, however, has gone through waves. Emissions levels fell drastically from 1975 to 1981 with the adoption of the catalytic converter, and then they decreased at a slower rate until 1987. In fact, carbon dioxide emissions actually rose and fleet fuel economy decreased from the mid-80s until 2004 as Americans took to SUVs in record numbers.

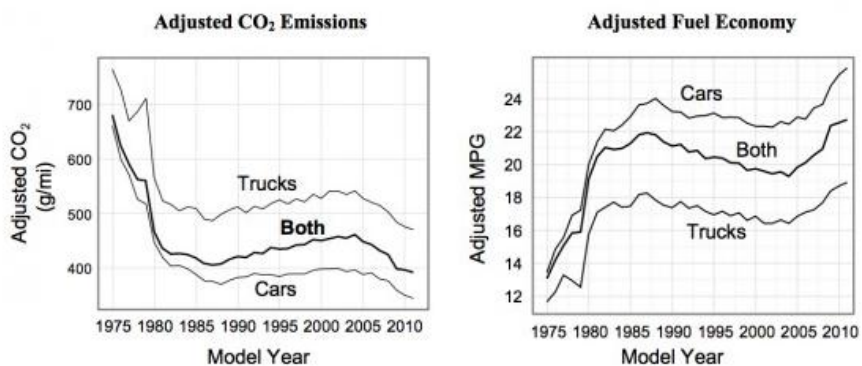
Since then, however, fleet emissions have continued to decrease while fuel economy has increased as SUVs have become more car-like, while truck sales declined in the recession of 2008-2009.

The average weight of vehicles has dropped

drastically since the early 80s while power and overall vehicle performance has increased.

Today’s typical vehicle has an average 0-60 miles per hour acceleration time of 9.3 seconds compared to 14.1 seconds in the 70s. The performance increase has occurred even as the use of four-cylinder engines is on the rise, (47 percent of the market now belongs to the four-cylinder engines) and is due largely to the expanded use of direct fuel injection, turbocharging, and multi gear and continuously variable transmissions.

EPA notes that as its regulation of auto emissions and fuel use has shown, it is possible to have both cleaner, and more efficient cars without a loss of performance.



Alabama immigration law may prompt nationwide dealer picketing

According to a communication from Hyundai to its dealers nationwide, a coalition of civil rights organizations and labor unions may conduct demonstrations at Hyundai, Honda and Mercedes-Benz auto dealerships across the country to protest a recently enacted Immigration law passed in Alabama requiring proof of citizenship for migratory workers. All three manufacturers have manufacturing facilities in Alabama and the demonstrations are an effort to pressure these automakers to take action against the immigration law.

There are several different kinds of activities the groups may conduct in front of and around a dealership; Hyundai told its dealers, including picketing, hand billing and bannerling.

Hyundai cautioned its dealers that though protests in front of a dealership can be very stressful, it would be best to not confront the protesters and employees should refrain from doing so, too. If there is any illegal activity, such as trespassing or the blocking of customer access, dealers are encouraged to call police.

Staying ahead ...

When it is not necessary to make a decision, it is necessary not to make a decision.

--Lord Falkland