

THE WANADA BULLETIN

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

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Three ADEI techs are winners in Skills USA competition



From the left: Marshall/ADEI instructor Erik Falk; contest winners Enil Espinoza and Nelson Hernandez; and WANADA's Billy Painter.



Group portrait from Skills USA: Top row, ADEI teacher Erik Falk (second from left) with high school students. Bottom, from left: ADEI student competition winners Nelson Hernandez, Joel Ventura and Enil Espinoza.

Three students from WANADA's Automobile Dealer Education Institute were honored with awards from the Skills USA competition recently in Fredericksburg, Va.

ADEI is WANADA's nationally recognized dealership training arm that systematically administers an "earn while you learn" scholarship program that combines NATEF *Certified* classroom instruction in automotive repair fundamentals with real world experience gained while working full time in a WANADA member dealer's service department.

The winners, representing Northern Virginia dealerships, are as follows: Nelson Hernandez, Lindsay Cadillac, Alexandria, second place; Enil Espinoza, Sheehy Subaru, Springfield, third place; and Joel Ventura, Sheehy Ford, Springfield, fourth place. The students drove to the

Fredericksburg Expo and Convention Center for the event accompanied by Billy Painter, WANADA's ADEI coordinator, and Erik Falk, ADEI teacher at Marshall Academy in Falls Church.

"The skills competition tested them on all areas of automotive technology, especially electrical; steering and suspension; brakes; and state inspection performance," said Falk.

"We spend a lot of time with students beforehand to prep them in areas we know they'll be tested in," he said. With ADEI's help, Falk recently acquired the same type of electrical board used in the competition. The board can be configured to simulate a car for training purposes.

At the competition, students were required to demonstrate their skills at each of several test stations, such as brakes and steering/suspension. Students worked on a car at one test station. But at two other stations they were tested on electrical boards like the one they had trained on.

The weekend wasn't all high-stress competition for the students. The group, which included some of Marshall's high school auto tech students, went down a day early so the younger students could do some recreational go-cart racing before settling in for the big contest.

The Skills USA competition was for high school and post-secondary students in automotive, culinary and other trades. The Marshall students went through many hours of prep to reach the requisite level of skill to compete, Falk said.

Supreme Court hears case on overtime for service advisors

The U.S. Supreme Court has heard oral arguments in *Encino Motorcars v. Navarro*, an appeal of a decision by the Ninth Circuit Court of Appeals on the west coast as to whether overtime rules apply to service advisors.

The Ninth Circuit decision deferred to a 2011 Department of Labor ruling that reversed 30 years of previous DOL interpretations and contradicted any number of earlier court rulings that service advisors are, indeed, exempt from overtime under the Fair Labor Standards Act. Thanks to NADA's support, former Solicitor General Paul Clement argued on behalf of Encino Motorcars, a southern California Mercedes dealership, that the Ninth Circuit opinion was bogus and should be set aside.

As reported in *The Hill*, Clement noted that service advisors are paid partly on commission, which is shared with other dealership employees. They are paid above minimum wage and "have a reason to work about 46 hours a week," Clement said. He was responding to justices' questions about why service advisors are different from other dealership employees who receive overtime.

The petitioner was also supported by a "friend of the court" *amicus* brief filed by NADA and the nine ATAE dealer associations in the Ninth Circuit, covering the west coast and northwest. The *amicus* brief was cited several times during the argument.

A decision from the Supreme Court is expected later this spring, likely by June. With only eight justices, however, the decision of the Ninth Circuit Court of Appeals will stand if the Supreme Court Justices deadlock.

Senate passes bill to increase fuel efficiency

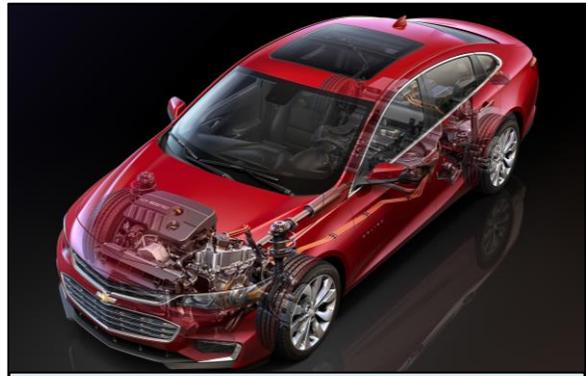
The U.S. Senate has voted to reauthorize a \$1.6 billion Energy Department program for research and development of more fuel-efficient vehicles and of vehicle-to-vehicle communication – "connected cars." The bill passed despite objections from conservatives who pointed to the failure of past programs such as a loan to Fisker Automotive.

The measure was part of a broad energy bill that had been held up over an amendment providing funding to help the Flint water crisis. The amendment was removed, and the bill passed on an 85-12 vote.

“The cars and trucks of the future will be equipped with technology making them safer and more fuel-efficient, and we must ensure that the United States leads the way in developing these innovations,” said Sen. Gary Peters (D-Mich.).

The bill reauthorizes and modernizes the Department of Energy’s Vehicle Technologies Program, which Energy Secretary Ernest Moniz has discussed every year at The Washington Auto Show. The program works with auto manufacturers to improve fuel efficiency. Examples of the technologies include mild hybrid, engine down speeding, power pack modeling and testing, advanced boosting systems, hydrogen and natural gas refueling and electric vehicle charging technology.

The Alliance of Automobile Manufacturers was among the groups that applauded passage of the bill. The energy bill will now have to be reconciled with a House version passed last December. The House energy bill does not include the fuel efficiency measure, but other legislation in the House does.



The Senate bill would help fund R&D for mild hybrids such as the Chevrolet Malibu.
©General Motors.

EV, hybrid loyalty falls with gas prices



Plug-in hybrids, such as the Hyundai Sonata, are the one type of alternative fuel vehicle that is selling well.

Only 27.5 percent of all hybrid and electric vehicle trade-ins in 2016 have been applied to the purchase of another hybrid or EV, says a new analysis by Edmunds.com. That’s a big drop from the 39.5 percent of hybrid and EV trade-ins in 2015, confirming a trend noted by Edmunds that alternative fuel vehicle owners are returning to gas-powered vehicles in greater numbers than ever.

“This is not an indictment of the quality of these cars,” said Edmunds.com Director of Industry Analysis Jessica Caldwell. “This is an economic trend, since today’s low cost of gas no longer makes it worth paying the price premium of hybrids and EVs. And there are so many fuel-efficient

vehicles on the market today that environmental concerns weigh less than they might have in years past.”

Edmunds’ trade-in data show that many hybrid and EV owners are jumping from one extreme to another. A hybrid or EV trade-in is more likely to go toward the purchase of an SUV than another hybrid or EV. Most of those making the switch from AFV to SUV are opting for the most fuel-efficient sub-segment of crossover SUVs. Even the car-heavy Washington area has seen a move toward more crossovers, as shown by WANADA’s [Area Reports](#).

There is one segment in the green car category that is doing very well: plug-in hybrids. A successful redesign of the Chevrolet Volt and the introduction of some new models like the Audi A3 Sportback e-tron and Hyundai Sonata Plug-in have helped the segment’s sales jump more than 40 percent in the first quarter from a year ago.

Most car buyers satisfied with dealership experience

Eight out of 10 new car buyers were satisfied overall with their most recent dealership experience, reports a new study by Foresight Research. The remaining 20 percent have some suggestions that could be useful for dealers.

Most of the 1,500 less-than-satisfied buyers are Millennials and Gen X buyers (born from the 1980s on). Their top suggestions center on the process – spend less time at the dealership with all the required paperwork, to include haggling about financial issues such as price and credit.

The number one suggested change from the small group of truly discontented buyers (about 5 percent) is for dealership staff to be honest. These buyers' top five suggestions included better customer service, a more likeable salesperson and less aggressive high pressure sales tactics. This group is most likely to walk away and change dealers. To satisfy this group, Nancy Walter of Foresight Research suggests getting continuous customer feedback and offering frequent and progressive sales training to staff.

Toyota/Clemson partnership produces uBox for Gen Z



The uBox created by Clemson students.

And now a car for the youngest buyers of all, Gen Z – those born from 1995 onward. A partnership between Toyota and Clemson University's International Center for Automotive Research has produced the uBox, designed, engineered and hand-built by the Center's graduate students. The concept car is intended to appeal to the youngest buyers.

The typical customer for uBox is a young entrepreneur who wants a vehicle that can provide utility and recreation on the weekend, but which can also provide office space or other career-centric

or lifestyle uses during the week. The all-electric vehicle has a bold, youthful and distinctive exterior; a versatile interior; vents, dashboard display bezels and door trim that can be personalized and made with 3-D printing, and an online community for owners where they can share design ideas.

One feature that caught the attention of Toyota Executive Program Manager Craig Pyne is a manufacturing technique developed by the students that allows composite carbon fiber rails bonded with aluminum to support a curved glass roof.

Ten fuel-sipping cars for eco-conscious buyers

Despite overall trends, some Washington area buyers – especially the younger ones – want to buy cars that use as little fuel as possible. In honor of the recently celebrated Earth Day, Kelley Blue Book named its 10 favorite “fuel sippers” in a variety of price ranges, including all-electric cars, hybrids and a new hydrogen-powered model.

The winners, all 2016 models, are: Toyota Prius, Chevrolet Volt, Tesla Model S AWD-70D, BMW i3, Volkswagen e-Golf, Kia Soul Electric, BMW i8, Toyota Mirai, Toyota Camry Hybrid and Ford Focus Electric.

Staying Ahead...

To do more for the world than the world does for you – that is success!

--Henry Ford

