

THE WANADA BULLETIN

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

WANADA Bulletin # 18-14

May 16, 2014

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Thought for the Week...

Va. DOT chief testifies on Hill about need for highway funds



Roads projects could be stopped in their tracks if Congress doesn't pass a transportation bill this summer.

All eyes in the transportation community are on Congressional efforts to pass a federal transportation bill and replenish the Highway Trust Fund, which is projected to run out of money as early as August. Virginia's Transportation Secretary Aubrey Layne, Jr., testified before the Senate Finance Committee about the urgent need for federal funding for highways and bridges. U.S. Transportation Secretary Anthony Foxx warned that DOT would have to stop payments to states and 700,000 construction jobs would be lost if Congress didn't

appropriate money for the Highway Trust Fund. A committee in the House of Representatives passed a transportation bill, and a Senate committee chair promises a bill this week.

"While states like Virginia are stepping up and raising revenues, states can only do but so much," Layne told the Senate Finance Committee. Although 60 percent of the state's Transportation Trust Fund is dedicated to highway construction and capital repair, money from the federal Highway Trust Fund has helped pay for the I-95 Express Lanes and the Dulles Rail Project. If the Trust Fund is not fortified for 2015, said Layne, 149 bridge replacements would be stopped and 350 other projects would grind to a halt, affecting more than 43,000 jobs in Virginia and across the nation.

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“Financing and public-private partnerships are not silver bullets and cannot address many of the pressing transportation needs faced today,” Layne testified. “In fact, without sustainable funding, states cannot take advantage of financing tools and would be unable to partner with the private sector.” The private sector needs to be incentivized for taking on the risk of projects such as reconstructing aging pavements on Interstate highways.

U.S. DOT Secretary Foxx has sent a letter to states warning them that payments would be delayed if Congress does not pass a transportation bill this summer. The current surface transportation measure expires in September.

The Congressional Budget Office said that if Congress wants to continue current spending on road and transportation projects, it has a choice, reports *The Hill*: Raise the gas tax by 10 to 15 cents a gallon, or allocate \$13 billion to \$18 billion a year. If Congress wanted to cover the Highway Trust Fund deficit solely by cutting spending, it would not be able to spend any money that hasn't already been allocated in fiscal years 2015 and 2016.

There is some movement on the Hill. A House Appropriations subcommittee passed a \$52 billion transportation, housing and urban development measure -- a.k.a. The THUD bill -- that has \$1.8 billion less than last year's funding. It is \$7.8 billion *less* than President Obama's proposal. And the bill leaves questions about highway funding to the authorizing committees. Sen. Barbara Boxer (D-Cal.), chair of the Senate Environment and Public Works subcommittee, promises that she and her colleagues will have a surface transportation bill ready this week.

Maryland MVA will not allow third party checks

Going forward, effective immediately, the Maryland Motor Vehicle Administration will not allow third party checks for any transactions. So in the course of a dealer collecting and submitting registration fees and taxes on a vehicle sale they've handled, MVA will only accept a business check.

The MVA Bulletin of May 8, 2014, sent to all Maryland dealers, can be seen by [clicking here](#).

If you have questions or concerns, email mvablecsd@mva.maryland.gov.

An evening celebrating 70 years of the automobile business in Washington (Actually, its 82 years)

May 29, new Marriott Marquis/Convention Center

Readers of the WANADA Bulletin have been advised on these pages and elsewhere, the dealer community here is hosting an evening to celebrate the longstanding success of the automobile business in the Washington region marking the occasion of WANADA CEO Gerard Murphy stepping out as chief of staff and John O'Donnell stepping in.

The 70 years of automotive retailing in Washington tracks the time frame that Gerry Murphy and his forebears, his father, Mike Murphy, and grandfather, Richard, successively served as CEO of WANADA going back to 1932. (So it's actually been 82 years, not 70, since the first Murphy arrived at WANADA, but who's counting?)



Passing of the keys to the WANADA office, Murphy to O'Donnell.

Gerry has been at WANADA for 31 years, “passing the keys to the office” to John O’Donnell, the association’s executive vice president, who first came to WANADA 12 years ago.

The purpose of the evening is not simply to savor good days gone by, but also the promise of bright days ahead for a bellwether business in a bellwether regional market. The time and venue for this special event is Thursday, May 29 at the new, long awaited DC hotel, the Marriott Marquis/Convention Center.

For registration information, [click here](#). For sponsorship opportunities and detailed event information, contact Kristina Henry at (202) 237-7200 or kh@wanada.org.

Legal briefing to avoid charges of discrimination in F&I Free to WANADA members, Ritz/Tyson's, May 20

As we’ve published here earlier, a timely, hard-hitting legal briefing is on tap for WANADA members next Tuesday, May 20, at the Ritz/Tyson's Corner on what dealer F&I professionals need to know about allegations published by regulators from the Consumer Finance Protection Bureau (CFPB) about car sales. Specifically, the briefing will focus on auto retailers avoiding charges of discrimination against minorities in arranging credit on car loans. A distinguished panel of presenters is in place, to include Paul Metrey from NADA legal group; automotive lawyer Mike Charapp; and Chris Stinebert of the American Financial Services Association.

Because of the importance of the subject matter, there is *no charge* to WANADA member representatives to attend the seminar, but all must register. To download the registration and information form, [click here](#) or contact Kristina Henry at (202) 237-7200 or kh@wanada.org.

MADA supports ADEI with \$3000 scholarship

The Maryland Automobile Dealers Association Foundation will award a \$3,000 scholarship to WANADA’s two-year Automobile Dealer Education Institute (ADEI) program. The student receiving the scholarship must be sponsored by a mutual MADA and WANADA member and work in a Maryland dealership.

WANADA is grateful for MADA’s generous support and cooperation to advance dealer careers. ADEI’s mission is to develop training and educational programs for member dealers. ADEI tuition is free to students, providing NATEF *Certified*, two-year technician training that combines classroom, shop and interactive curriculum teaching with full time, paid on-the-job training. ADEI continuously monitors and reports on technicians’ progress to sponsoring dealers over the length of the training program to ensure that students pass relevant ASE tests. At the end of the program, the sponsoring dealer is guaranteed a reliable, productive professional at a fraction of the usual cost for training.



After two years of training, technicians with ADEI are ready to pass ASE tests and work full-time for a dealership.

Fuel economy down, but emissions at record low

Fuel economy of new vehicles sold in the United States backed off its record high last month, but average monthly emissions are at an all-time low, according to a report by the University of Michigan.

Average EPA fuel economy of cars, light trucks, vans and SUVs bought in April was 25.2 mpg, down 0.2 mpg from March but still up 5.1 mpg from October 2007, when researchers started monitoring it.

“This change likely reflects the increased proportion of light trucks among newly purchased vehicles,” said University of Michigan researcher Michael Sivak.

The emissions figure estimates the average monthly emissions generated by an individual driver. It takes into account both the fuel used per distance driven and the amount of driving. The emissions of greenhouse gases per driver of newly purchased vehicles are now down 23 percent overall since October 2007.

Federal agencies could save money driving smart cars

Federal agencies could save money using telematics – which provides fleet managers with information such as vehicle location, speed or condition – in their fleets, according to a report by the Government Accountability Office. The so-called smart cars could provide data on whether drivers are speeding, slamming on the brakes or taking a detour on government time.

Having the information could help with better fleet management and so save money for the agencies and the taxpayers, the report says. Congress asked the GAO to study the issue because federal agencies (excluding the Postal Service) spent about \$1.1 billion in fiscal year 2012 to lease about 190,000 vehicles from the General Services Administration.

After studying the data from telematics devices, fleet managers could give drivers tips on more fuel-efficient driving. They might even decide to get rid of the underused vehicles.

Work-related distracted driving a problem on I-95 Express Lanes

The number of frequent I-95 drivers in Northern Virginia likely to use their cell phone while driving has increased from 56 percent last year to 62 percent in 2014. The report by Transurban-Fluor and The American Automobile Association/Mid-Atlantic Division is part of a campaign to reduce distracted driving in the Express Lanes construction zone. Transurban-Fluor is a consortium that pays for operation and maintenance of the Express Lanes.

It's commonsense and distressingly factual that distracted driving leads to more accidents. The number of distracted drivers on I-95 who have had a traffic incident or near-miss as a result of their behavior has increased from 23 percent in 2013 to 31 percent in 2014. The report is based on a survey of 1,023 drivers who live in Northern Virginia and frequently travel the I-95 Express Lanes.



More than half of distracted drivers on I-95 Express Lanes say they are responding to a work-related problem.

More than half of the distracted drivers say they are at least occasionally responding to a work-related problem. The work responders are 10 percent more likely than non-work responders to have an incident or near miss behind the wheel. Despite the dangers, just 18 percent of area drivers say their employers have policies on the use of cell phones while driving.

Area's real per capita personal income drops 4% in four years

Because the cost of living is so high in the Washington metro area, a measure that takes into account both income and cost of living dropped 4 percent from 2008 to 2012, according to a report by the George Mason University Center for Regional Analysis.

Per capita personal income was \$61,742 in the Washington area in 2012, second only to San Francisco-Oakland. But because the prices of goods and services here rose faster than incomes, area residents saw a 4 percent decline in real per capita income. Among the top 15 employment metro areas, the Washington area had the third highest cost of living, behind New York and San Francisco-Oakland.

"The area is not getting wealthier," Center for Regional Analysis chief economist Stephen Fuller told the *Washington Business Journal*. Entry level positions and service jobs are growing much faster than middle or high-end salaried positions, dragging down per capita income, Fuller said.

Thought for the Week...

(...as *Small Business Week* comes to a close)

Small business is the backbone of our economy because it's where the jobs are created.

--Michele Bachmann (R-Minn.)

Member of Congress

WASHINGTON AREA NEW AUTOMOBILE DEALERS ASSOCIATION