



THE WANADA BULLETIN

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

WANADA Celebrating 100 Years of Service (1917-2017)

WANADA Bulletin # 25 -17

June 27, 2017

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Staying Ahead...

VOTE for the Washington Auto Show!

Washington Auto Show has been nominated in the latest 10 Best Readers' Choice travel award contest! The automotive expert panel selected Washington Auto Show as a contender for Best Car Show, which just launched. The contest, which is being promoted by USA TODAY, gives voters four weeks to vote for the event of their choice at:

<http://www.10best.com/awards/travel/best-car-show-2017/washington-auto-show-washington-dc/> A person can vote once a day for the run of the contest. Voting ends Monday, July 17th, 2017 at 11:59am EDT and the winners will be announced on 10Best on Friday, July 21st, 2017 at 12:00pm EDT, then later on USA TODAY.

Panelists, include:

Eddie Alterman is the editor-in-chief of Car and Driver magazine, the largest monthly automotive title in the country. Since taking the wheel of Car and Driver in 2009, Alterman has overseen a lauded redesign of the magazine, bolstered the brand's digital and social media efforts, and launched multiple apps and tablet versions of the brand. Alterman was also responsible for the magazine's successful campaign to raise awareness about the dangers of texting while driving. In 2013, Alterman was named to Complex Magazine's list of "The 50 Most Influential People in the Auto Industry" (#38).

John Davis is an Emmy® Award-winning host, executive producer and creator of MotorWeek, television's longest running automotive series. More than three decades after its debut on public television in 1981, MotorWeek remains the leading source of unbiased information on automotive safety, fuel efficiency and in-depth car and truck reviews. Davis oversees all editorial

content, travels the world covering auto shows and new vehicle launches, and steers the series' increasingly high profile efforts in covering green motoring technologies and the use of alternative fuels.

Attorneys general for MD, DC and other states threaten action if EPA rolls back CAFE



The shift in consumer buying habits toward SUVs like the Honda Odyssey makes it harder for automakers to meet the new CAFE standards.

Thirteen state attorneys general including Maryland and DC have pledged to sue the Environmental Protection Agency, if Administrator Scott Pruitt tries to roll back the stringent CAFE standards currently in place. The standards were approved in January just before President Obama left office.

NADA and other auto industry groups condemned the final approval of the standards by the EPA under Obama as a last-minute action that was rushed through before President Trump came to

office. NADA said the move made cars and light trucks thousands of dollars more expensive, and it urged Trump to withdraw the action.

The standards were approved in 2012 by the EPA, National Highway Traffic Safety Administration (NHTSA) and the California Air Resources Board (CARB), which had worked with the auto industry to write them. At the time, the industry was anxious to have a single national standard instead of the patchwork of state laws that was emerging.

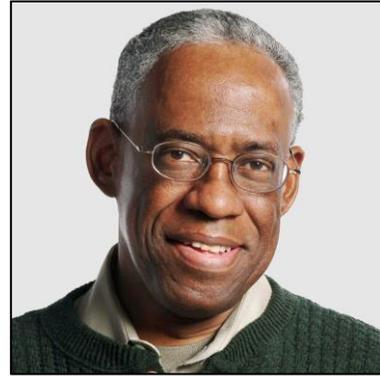
The rule provided for a midterm review by April 2018. In the review, EPA had to consider “the availability and effectiveness of technology, the costs to manufacturers and consumers, and the impact of the standards on emission reductions, energy security, fuel savings and automobile safety,” according to the attorneys general letter to Pruitt.

When EPA, NHTSA and CARB issued a draft Technical Assessment Report last summer, the auto industry was stunned that it said the industry was on track to meet the goal of 54.5 mpg by MY 2025. The report did not take into account the shift in consumer preferences and purchase patterns to SUVs and light trucks. With gas prices as low as they are, people simply are not buying fuel-efficient vehicles. Several industry organizations, including NADA, pointed that out during the public comment period. But the final rule remained unchanged.

Since the Clean Air Act was amended in 1970, California has been granted a waiver that permits the state to create its own tougher clean air standards because of its poor air quality. Thirteen other states, including Maryland and DC, have adopted the California standards. Without a deal that everyone agrees upon, the industry will have to continue with two sets of emissions standards.

Celebrating Warren Brown's brand of automotive journalism

Few have had their life's work *celebrated* by their peers, but that's what happened for Washington's favorite automotive journalist, Warren Brown, Washington Post syndicated columnist, at a special event in his honor earlier this month. The journalist members of the Washington Automotive Press Association (WAPA) came together to recognize one of their own, spotlighting the "innumerable contributions" to journalism Brown has made in his longstanding career covering and reporting on things automotive.



WAPA president William West Hopper went on to commend Brown and his unique brand of writing that "brought cars and trucks to life" for countless Washingtonians who read his column in the Post week in and week out.

Besides the WAPA member journalists, the event for Warren Brown included any number of automaker and dealer representatives, including from WANADA, which arranged for and presented a proclamation from the DC City Council at the request of Councilman Jack Evans designating June 15, 2017 as "Warren Brown Day" in Washington. To further commemorate the occasion, WANADA made dollar contributions on Brown's behalf to his charities of choice: The Washington Regional Transplant Community, which assisted him with kidney disease, and Life Pieces to Masterpieces, a group committed to helping disadvantaged black youth be all they can be.

"Warren has always been highly respected and very much appreciated in the auto industry because of the fair, credible and thought provoking news he has reported over his long and distinguished career at the Post," said John O'Donnell, WANADA CEO.

WANADA joins the many in wishing Warren Brown the very best on the well-deserved recognition as the automotive journalist *extraordinaire* that he is.

Trump aims to speed permit approval for infrastructure projects

President Trump thinks a big part of the problem with infrastructure reform is the long-drawn-out permit approval process, and he aims to fix that with what he called "massive permit reform."

The White House is setting up a new council to help project managers deal with bureaucratic hurdles. The administration will also create new office in the Council of Environmental Quality "to root out inefficiency, clarify lines of authority, and streamline federal, state and local procedures," according to a White House



Road construction and repair is badly needed around the U.S. Photo by Jose Arukatty.

statement. The moves appear to be another facet of Trump’s regulatory reform. His statement talked about “outdated federal rules getting in the way.”

A Republican and a Democratic Senator – Rob Portman (R-OH) and Claire McCaskill (D-MO) – wrote to Trump to say that some of these tools already exist, such as a permitting council created by the most recent highway bill.

Automakers want more self-driving cars allowed on the road

At a Senate Commerce Committee hearing June 14, Mitch Bainwol, CEO of the Alliance of Automobile Manufacturers, told the panel that NHTSA’s current safety standards are holding up the deployment of self-driving vehicles. He asked members of Congress to allow more exemptions to those standards so more self-driving cars can be deployed.

The hearing was designed to explore automated vehicle technology and hurdles for testing and deployment.

“Self-driving vehicle technology will have a transformational impact on highway safety,” said committee chairman Sen. John Thune (R-SD).

A group of three bipartisan senators on the committee – Thune, Gary Peters (D-MI) and Bill Nelson (D-FL) – issued several principles for bipartisan legislation on self-driving vehicles, saying that no date or deadline for introduction has been set. The principles include: emphasizing safety, remaining tech-neutral, clarifying separate federal and state roles, strengthening cybersecurity, and educating the public.

The U.S. Department of Transportation will issue self-driving guidelines in the next few months, said DOT Secretary Elaine Chao. Automakers and tech companies are anxious for guidelines so they can avoid the patchwork of state laws that is emerging.

For Maryland dealers: EV information

The Maryland Energy Administration has prepared three documents to give dealer staff a very basic resource for understanding electric vehicles and EV infrastructure. They can also keep copies onsite to provide to customers who are interested in buying an EV.

The documents are:

- [a one-page factsheet about federal and state tax credits for EVs;](#)
- [a two-page document with basic information about charging EVs;](#) and
- [a six-page document with information about selling EVs, including a list of questions often asked by consumers](#)



Automakers and tech companies want to put more autonomous vehicles on the road without having to comply with the same safety regulations as regular cars. Photo by Steve Jurvetson.

NADA praises House passage of Financial Choice Act

NADA praised the House for passing H.R. 10, the Financial Choice Act, a comprehensive financial reform bill that rolls back much of Dodd-Frank and cuts back the power of the Consumer Financial Protection Bureau (CFPB). NADA said the bill offers “relief for consumers facing the prospect of higher costs for financing vehicle purchases.”

The bill, which passed by a mostly party-line vote, includes a provision that is virtually identical to H.R. 1737, a NADA-backed bill from the last Congress. That provision would nullify the CFPB’s guidance on indirect auto financing, which tried to eliminate a dealer’s ability to discount credit in the showroom.

H.R. 10 also requires the Bureau to: provide public notice and comment before issuing any additional auto-financing guidance; make publicly available all studies, data, methodologies or other information relied on to produce the guidance; and study the costs and impact of the guidance. The Choice Act also brings the CFPB under the congressional appropriations process for the first time, another reform NADA has long supported.

“America’s franchised new-car dealers have always been on the side of our customers, which is why we have so strenuously opposed the CFPB’s anti-consumer guidance that would have raised the cost of car and truck loans and pushed otherwise-creditworthy customers out of the auto credit market altogether,” said NADA Chairman Mark Scarpelli.

The Choice Act as written has almost no chance in the Senate, as Democrats oppose it strongly. Some Senators are reportedly working on their own version of Dodd-Frank reform.

Separately, the U.S. Treasury issued a report calling for a strong curtailment of the CFPB and saying the president should be able to fire the director.

The Bureau’s “unduly broad regulatory powers have led to predictable regulatory abuses and excesses,” the report said. “The CFPB’s approach to rulemaking and enforcement hindered consumer access to credit, limited innovation and imposed unduly high compliance burdens, particularly on small institutions.”

CDK Global plans to buy AutoMate: What will it mean for dealers?

Earlier this month, CDK Global announced that it had signed an agreement to acquire AutoMate. The sale is subject to approval by the Federal Trade Commission, but approval is considered likely. The transaction is expected to be completed by late summer.

When CDK broke from ADP and went public as a separate company in 2014, it immediately attracted investment from powerful groups whose interests were primarily increasing the value of the company’s stock. Since then, CDK’s value has more than doubled and the future looks promising.

For many years, dealers tried to avoid switching DMS vendors even if they were dissatisfied. The high direct costs of change combined with the disruption it would cause had the effect of protecting CDK (formerly ADP) and Reynolds & Reynolds and limiting other vendors.

But in the past two years, DealerTrack and AutoMate have won the business of many larger dealer groups. Smaller dealers have also been enticed by AutoMate. That company offered a

viable alternative to CDK and Reynolds & Reynolds at about a third the cost. In addition, AutoMate has dealer-friendly policies such as free system enhancements for life, no long-term contracts, low fees to integrate with other solutions, and exceptional personal service.

CDK recognizes AutoMate's value and has promised to allocate considerable resources to further AutoMate's success. CDK has a salesforce of more than 300 compared with just 13 at AutoMate. And CDK has committed itself to a robust R&D, especially in developing a more comprehensive and accessible CRM.

Thanks to the Gillrie Institute (www.gillrie.com) for providing this information.

Most midsize SUV headlights are poor or marginal, IIHS says



The Hyundai Santa Fe was only one of just two 2017 midsize SUVs found to have good headlights.

Just two 2017 midsize SUVs had headlights rated "good" among the 19 midsize and 18 midsize luxury SUVs in the latest test by the Insurance Institute for Highway Safety (IIHS). The good models are the Hyundai Santa Fe and the Volvo XC60. Twelve SUVs are available with headlights rated acceptable, but 23 are not available with anything other than marginal- or poor-rated headlights.

"As a group, midsize SUV headlights perform slightly better than the other SUVs and pickups we evaluated last year," said IIHS Senior

Research Engineer Matt Brumbelow. "Still, we continue to see headlights that compromise safety because they only provide a short view down the road at night."

Nighttime visibility is critical to highway safety because about half of traffic deaths occur either in the dark or at dawn or dusk. Differences in bulb type, headlight technology and even something as basic as how the lights are aimed all affect the amount of useful light supplied.

IIHS engineers measured how far light is projected from a vehicle's low beams and high beams as the vehicle travels straight or on curves. Glare from incoming vehicles also is measured from low beams to make sure it is not excessive.

In Memoriam: Edwin L. Stohlman, III

It is with sadness that we notify WANADA members and our Bulletin readership of the passing of former Washington area dealer Edwin L. Stohlman, III, a third generation operator in the longstanding family dealer organization, Stohlman Automotive. He died while swimming last week. He was 67 years old.

A former member of the WANADA Board of Directors and past chairman of the Washington Auto Show, Ed followed his grandfather and namesake, Ed Stohlman, and



father, Ed, Jr., into Stohlman Automotive, which began with Chevrolet in Georgetown, DC, before relocating to Alexandria with Oldsmobile and later expanding to Nissan, Saab and Mitsubishi in other Northern Virginia locations. His brother, Jim, came into the business subsequently. Ed was with Stohlman Automotive about 20 years, and later worked with NADA 20 Groups in the 1990s. As a member of the Auto Show Committee before taking over as chairman in 1991, Ed was instrumental in reestablishing the Auto Show in Washington when it re-emerged in the 1980s, after a ten year hiatus, as an annual consumer and major industry event. It was with Ed's leadership, too, that the Washington Auto Show made its mark with memorable charity evenings on Washington's social circuit featuring world class entertainers.

A native Washingtonian, Ed graduated from St. John's College High School in DC, where he served in the alumni leadership, later going on to Villanova University, where he earned a bachelor's degree in business. He and his wife of 45 years, Kathleen, had three children and four grandchildren.

Funeral services are set for St. John the Apostle Catholic Church, 101 Oakcrest Manor Drive, Leesburg, Va., this Saturday, July 1, 2017, with Mass at 1 pm, preceded by visitation time with the family in the church hall commencing around 12:15. The phone # for the church is (703) 777-1317. Arrangements are being handled through Colonial Funeral Home in Leesburg, (703) 777-1414, <http://www.colonialfuneralhome.com>. In lieu of flowers, the family requests contributions in Ed's memory to the Autism Society of Northern Virginia (asnv.org) or Ride-On Ranch Equine Assisted Therapies (rideonranch.org).

To Ed's wife, Kathleen, his brother, Jim, and sisters, Jan and Joyce, WANADA extends its sincerest sympathy.

(Reprinted from the *WANADA Special Bulletin*, published June 26, 2017)

Staying Ahead...

A politician is one who understands government. A statesman is a politician who has been dead 15 years.

--Harry S. Truman

