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Highway bill paves the way for electronic titling, odometer disclosure

Congress finally got around to approving a two-year highway bill last week that should pump a significant amount of money into the economy while also having a direct and positive impact on dealership operations in coming years.

That is because the legislation includes a NADA supported provision that directs the Secretary of Transportation to issue a rule allowing paper odometer disclosure statements to be provided electronically. NADA says "this modernization will facilitate electronic titling and electronic lien release, producing savings for states, consumers, and dealers alike."

NADA also worked successfully to keep several unworkable or needlessly burdensome provisions out of the highway bill. Mandates Congress debated, but did not include, were: (1) the disclosure of the VINs for vehicles advertised on the radio; (2) providing odometer statements for vehicles up to 24 years old; (3) a new federal tax on vehicles; (4) onerous rules for dealerships that rent vehicles or provide loaners; and (5) additional requirements on dealers selling used vehicles not imposed on private sales. In total, these provisions would have increased costs to consumers and regulatory burdens on dealers with no commensurate safety or economic benefit.

The bill increases penalties for odometer fraud and establishes a new NHTSA database the public can access free of charge to ascertain if a specific vehicle is under an open recall. NADA will work with NHTSA on this new database to ensure it makes economic sense for consumers and dealers.

The measure also doubles fines on automakers that fail to recall vehicles in a timely fashion to \$35 million up from the current \$17 million, while leaving out prospective safety requirements, such as rules governing vehicle stopping distance, pedal placement, electronic systems

performance, push-button ignition systems and vehicle event data recorders sought by the Senate.

NADA, GM and the other major automakers had questioned the need for more safety regulations in the face of significant reductions in road deaths, which have fallen to the fewest since 1949.

U.S. gets tough with China over autos

The United States will pursue a complaint against China through the World Trade Organization (WTO) over \$3 billion in Chinese tariffs on American-made automobile exports, the Obama administration announced Thursday.

The tariffs under dispute were imposed by China in December 2011 and range from 2 percent to 12 percent on 92,000 larger U.S. cars and sport-utility vehicles exported from the United States. China argued that producing companies like GM and Chrysler were benefitting from government subsidies and selling their products at unfair prices in China. The Obama administration said funds it supplied to GM and Chrysler were not subsidies, but rather loans that must be repaid, and as such did not violate WTO rules.

U.S. and other automakers have invested heavily in China, but luxury vehicles and those with larger engines, of 2.5 liters or more, are typically exported to China. They amounted to about \$3 billion last year, according to the office of the United States Trade Representative.

“The key principle at stake is that China must play by the rules to which it agreed when it joined the WTO,” the White House said in a statement Thursday.

In March, the White House filed a WTO complaint asking China to loosen its restrictions on exports of rare-earth minerals, which are essential to the manufacture of a wide range of products, including EV batteries.

Rotary Clubs maintain support of WANADA technician training

Friendship Heights and Bethesda-Chevy Chase each donate \$4k for 2012

As they have since the launch of WANADA’s unique, NATEF Certified Technician Development Program, the Rotary Clubs of Bethesda-Chevy Chase and Friendship Heights donated significant funds again this year in support of a program that has provided jobs, careers and a better future for more than the 250 who completed the program



Rotary recognizes WANADA tech development program at MC. From the left: Archie Avedisian, WANADA/ADEI; Deborah Anderson, Montgomery College; Richard Tanenbaum, B-CC Rotary; Billy Painter, WANADA/ADEI

and became line technicians at dealerships in metropolitan Washington.

In so doing, the Rotarians joined a number of other Rotary clubs in the area, to provide funding for starter tools sets for students who successfully finish the two-year, mentored training program. A service of WANADA's Automobile Dealer Education Institute (ADEI), the training is designed around a full-time paid and mentored position at a participating WANADA dealership and one full day of classes each week at Montgomery College in Rockville, MD. While at the college, students also receive manufacturer-specific training and are supported by a WANADA field representative to ensure their completion of the NATEF Certified curriculum.

"This is just a great program and we are genuinely happy to be a part of it," said B-CC Rotary chairman Richard Tanenbaum who joined WANADA's Archie Avedisian and Billy Painter, and Debra Anderson, program director for Automotive Technology at Montgomery College, to appropriately post a plaque at the college celebrating Rotary's, ongoing support of the program.

ADEI graduated nine students in May of this year bringing the total number of graduates to just under 260 students since its inception. About 35 students are poised to participate in the program this fall in varying stages of their technical education. Dealerships interested in participating in the program, or who have an ambitious employee whom they would like to enroll in the program, should contact Billy Painter at 202-237-7200 or bp@wanada.org for more information.

Mark Zetlin's daughter, Julie, to represent U.S. at 2012 Olympics

Rhythmic gymnast, does family, Mercedes of Arlington, and WANADA proud!



Julie Zetlin
2012 USA Olympian

WANADA is especially pleased to send kudos out to longtime member Mark Zetlin, Mercedes of Arlington (formerly America Service Center) for being rightfully proud of his daughter, Julie Zetlin, who is headed to the 2012 Olympics in London to represent the U.S. Rhythmic Gymnastics, a sport that combines the physicality of gymnastics with the grace of ballet, was last attempted by U.S. Olympic competitors in the 2004.

Julie says she knows she faces serious competition, particularly from her Russian counterparts who typically "medal" in the sport. But like she has her whole life, Julie says she will give it her best shot, which has never been "halfhearted or yielding less than excellent results," according to her grandfather, Morty Zetlin who Mark followed into the business at Mercedes of Arlington. Indeed, Julie's mother, Zsuzsi, was a junior national champion in rhythmic gymnastics as a youngster in Bulgaria

The *Washington Post* tells Julie's story with comprehensive front page Sport Section coverage this week, noting her two decades of work and persistence through two knee surgeries and the combination of "extreme athleticism, artistry, flexibility and hand-eye coordination needed to perform the sport's routines with four apparatus: ribbons, balls, hoops and clubs."

Julie practices four to five hours each day at a gym in Darnestown, MD under the tutelage of her Russian instructor Olga Kutuzova, who has worked with her since she was nine. The goal is to “tell a story” through music, costume, choreography and gymnastics,” she says.

Julie receives no funding from the U.S. Olympic Committee and only a modest sum from USA Gymnastics. After 18 years of practice, she says she knows her time is limited and that she will retire after the London games. “The goal and the dream was to make the Olympics, and I hope that my participation in this great sport will inspire the next generation of Americans to follow me,” she says. “This is my time.”

Indeed it is. WANADA congratulates Julie on her tremendous effort and wishes her a fantastic and successful Olympic adventure.

Number of cars per household is dropping

According to analysts at the Citi Investment Research Group and IHS Automotive, the number of vehicles per American household is dropping and could fall below one per driver in the household as early as 2020.

According to IHS analyst Rebecca Lindland, the number of vehicles per home was 1.05 per driver in 2007, and that this figure dropped to 1.0 vehicles per driver in 2010 and .99 in 2011. She is forecasting the decline to continue and that the number could drop to .96 by 2020.

Lindland says various conditions may be causing this trend, but it has mostly to do with economics. She notes that young people, defined as the Gen Y and Millennial generations, are being crushed by bankruptcy, job loss, student loans, and a tight job market, and simply can't afford anything but the most basic vehicles.

She also notes that even as gas prices have dropped, Americans have stubbornly refused to make more trips or purchase larger—and more profitable—crossovers and SUVs.

Meanwhile, Citi Investment Research reports that U.S. car owners have gotten rid of—and not replaced—one million vehicles since 2008, *a first*. Citi researchers say the young will continue to adjust to this brave new world where cars are an option, not a necessity, in their lives.

Staying ahead...

Whatever it is you want to do in life, write that down and then try to achieve it one day at a time. Love what you're doing and let your light shine.

--Roy Williams, Pro Bowl cornerback, 2003-2007