

Headlines...

NADA and dealer reps continue to press FTC on dealer-assisted financing
New fuel economy standards could wipe out federal highway funding for two years
Washington area radio chain to promote new car sales
Latest survey finds apprehensive consumers delaying car purchases
1 Millionth Hyundai Sonata rolls off the line in Alabama
Charge your EV while shopping at Walgreens
Thought for the week...

NADA and dealer reps continue to press FTC on dealer-assisted financing

The Federal Trade Commission (FTC) conducted the second in a series of roundtable discussions to discuss the selling and financing of motor vehicles this week, this time in San Antonio, Texas, where the regulators specifically sought information about how military personnel finance automobile purchases.

The FTC roundtables of the automobile business emanate directly from the Dodd-Frank Finance Reform Act where auto dealers succeeded in avoiding the regulatory purview of the specially created Bureau of Consumer Financial Protection, but not expanded regulatory scrutiny by the FTC.

The San Antonio roundtable produced a public record that documented: 1) another failed attempt by consumer activists to use dated anecdotes to demonstrate systemic problems related to dealer assisted finance; 2) the fact that every alleged car purchase abuse already is illegal under state and/or federal law; 3) the absence of any data to support the prevalence of abusive dealer practices; and 4) the flawed data, flawed methodology and flawed conclusions previously offered by consumer activists as "evidence" of abusive dealer practices.

The nation's dealers were represented at the roundtable discussions by Marc P. Cross, a Ford dealer from San Antonio, David Snyder, the head of the Tampa Florida New Auto Dealers Association, Andrew Koblenz, NADA's general counsel and Damon Lester, president of the National Association of Minority Automobile Dealers. The dealer spokesmen effectively presented the case that dealer-assisted finance increases access to credit and decreases the cost of credit, especially to men and women in uniform. One of the troubled areas in car dealer/consumer relations recited by consumer advocates looking to include dealers in Finance Reform was military personnel.

The FTC is expected to conduct additional roundtable discussions and NADA says it will be at each of them to demonstrate to the FTC the lack of any need for further regulation, which, it argues, would have the unintended consequence of decreasing access to and increasing the cost of credit to the very consumers the FTC is charged to protect.

New fuel economy standards could wipe out federal highway funding for two years

The new fuel efficiency standards that call for the car and light truck fleet to average 54.5 miles per gallon (mpg) between 2017 and 2025 will result in the loss of more than \$65 billion in federal funding for state and local highway, bridge and transit improvements, an analysis by the American Road & Transportation Builders Association (ARTBA) shows.

The impact on the nation's transportation improvement program, ARTBA President Pete Ruane says, would be like eliminating all federal highway funding for nearly two years.



"Like everyone else, we are supportive of efforts to reduce carbon emissions and improve fuel economy. However, from a public policy perspective, this is a classic case of the left hand not knowing what the right hand is doing," Ruane said. "It's irresponsible to put such standards in place without acknowledging and attempting to mitigate the adverse effect they would have on other areas of federal responsibility like making infrastructure improvements that improve safety, reduce traffic congestion, create jobs and help grow the economy."

Per gallon federal gasoline and diesel taxes collected at the pump are deposited into the federal Highway Trust Fund (HTF). By law, these excise taxes are the primary revenue source for financing road, bridge and transit projects. The less motor fuel used by drivers, the less revenue generated for improvements financed through the HTF.

Congress has been struggling for two years to reauthorize the federal highway transit program, which has led to the idling of numerous state and local repair and replacement projects across the country. The HTF is currently underfunded by more than \$2.5 billion because monies have been diverted to other priorities and also because improving car and truck fuel economy have cut revenues over the past 10 years by \$9 billion.

Washington area radio chain to promote new car sales

Clear Channel Radio in Washington, DC, which operates radio stations WASH-FM, WBIG-FM, WIHT-FM, WMZQ-FM and WWDC-FM, says it will begin running a new series of commercials across its platforms urging listeners to buy a new car or truck. The

commercials focus on the benefits and values of purchasing a new car with the tagline, “Did you know that it’s a great time to purchase a new car?”



Clear Channel says its goal is to “educate potential buyers by opening their eyes to previously unrealized advantages of purchasing a new vehicle. We are optimistic that our efforts will assist in creating new opportunities,” Ken Roberts, director of sales for the company, says.

WANADA applauds Clear Channel for their community spirit in directly assisting the local economy as well as their obvious appreciation of the new car dealer industry in and around the Capital Beltway!

Latest survey finds apprehensive consumers delaying car purchases

A new study from a Detroit-based firm that does extensive forecasting work for manufacturers suggests there could be as many as 1.5 million fewer new vehicles sold this year due to nagging unemployment and widespread economic uncertainty.



The 2011 Automotive Outlook, by Detroit-based AlixPartners, projects that 12.7 million cars, trucks and crossovers will be sold this year, well below earlier industry forecasts of 13 million to 13.4 million sales for the year. One good bit of news, the company also forecasts sales to reach 13.6 million in 2012.

The survey of 1,000 potential American car buyers found a full 83% said they have delayed purchasing a new vehicle for at least a year. Most cited apprehension over their jobs and the economy in general as their reason for holding off on a new car or truck.

Once the economy rebounds and the new car and truck market turns upward again, The Automotive Outlook anticipates that small cars will experience a 13% annual growth rate between now and 2015, while small crossovers will grow 7%. Large cars, trucks and crossovers will gain just 2% compounded annually. Pickups, in particular, are expected to remain well below their peak of 2.9 million units, set in 2006.

1 Millionth Hyundai Sonata rolls off the line in Alabama

One million units of Hyundai's top-selling Sonata have now been produced at its Alabama manufacturing facility. Hyundai Motor Manufacturing Alabama celebrated the milestone with a small ceremony last Friday, July 29, 2011, with a 2012 *limited edition* Sonata turbo, sporting a silver finish, distinguishing itself as number one million off the line.



The Sonata has been among the best-selling models in the U.S. for the past two years, helping Hyundai exceed the 300,000 unit capacity at the plant where it has been building new vehicles since 2005. The company recently announced it will continue to increase production in the U.S. as demand for the Sonata and a number of its other models continue to increase.

Charge your EV while shopping at Walgreens

Walgreens, the biggest national pharmacy chain in the United States, will soon be the newest location to charge an electric vehicle. By the end of 2011 around 800 EV charging stations will be installed at Walgreens across the country.

These stations will have the capability of charging both standard 240 volt and the new high-speed direct 300-600 volt chargers. The company says this will enable “heavy-hitters like the Chevrolet Volt and Nissan Leaf, as well as low speed electric vehicles like golf carts, to collect some extra juice while their owners are inside shopping.”

The expected 800 charging stations will be spread out across Boston, Denver, New York City, Washington, D.C., Los Angeles, and San Francisco. Other Walgreens locations in Florida, New Jersey, Oregon, Tennessee, and Washington will also have charging stations.



The installation of some EV stations has already begun at more than 60 stores in Houston, Dallas/Fort Worth and Chicago. The high speed stations can add up to 30 miles to the range of an electric car in 10 minutes of charging. The Level 2 charge can tack on 25 more miles to the overall range on an hour's worth of charging.

Walgreens isn't the first business to add electric vehicle charging stations. Cracker Barrel Old Country Store introduced charging stations at 24 locations in Tennessee late last year and numerous efforts are in place across the country to build an EV charging infrastructure, funded by federal and state monies.

The Cracker Barrel EV charge spots are located in Chattanooga and other locations along “The Tennessee Triangle,” a 425 mile highway that connects Chattanooga with Knoxville and Nashville, home to Nissan USA headquarters, which produces the all-electric Nissan Leaf.

Thought for the week...

The price of progress is trouble.

--Charles “Boss” Kettering
Legendary GM automotive engineer