

THE WANADA BULLETIN

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

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Headlines...

NHTSA hopes to talk to dealers about new VIN search rule

Consumer finance bureau's response to Congress raises questions about its investigation of financed car sales

NTSB chairman speaks on child safety at Fitzgerald Auto Mall

And the survey says... Owners' favorite car is the Mercedes ML luxury CUV

Texting: A calmer way to negotiate a deal?

Chicago key-swap scam illustrates the need for secure key control

Sen. Cardin: Sequestration of the government will end, but no budget deal likely by Oct.

More teleworking in Washington area, survey shows

Staying ahead...

NHTSA hopes to talk to dealers about new VIN search rule



NHTSA Administrator David Strickland speaking to auto journalists last week. Photo by Ted Orme

National Highway Traffic Safety Administrator David Strickland said he hopes NHTSA will have the opportunity to talk to dealers about their role in making customers aware of the availability of recall information searchable by VIN in accordance with their responsibility under the agency's new VIN search rule.

Speaking to the Washington Automotive Press Association last week in downtown DC, Strickland observed that "every manufacturer wants to take care that all vehicles they sell are safe." Additionally, he said that NHTSA will provide "actionable information on safety." The new rule requires automakers to provide consumers with a free online tool that lets them search recall information by VIN, starting August 14, 2014. Several manufacturers already have such a tool, Strickland pointed out.

NHTSA's safecar.com site will tell consumers not just whether their vehicle has been recalled, but also whether any required repairs have been made. Dealers will play an important role in making consumers aware of the NHTSA site and where the

information can be found on the automaker site, said Strickland.



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Manufacturers are required to update the site at least once a week and to notify vehicle owners of recalls within 60 days of notifying NHTSA. They will also have to tell NHTSA exactly what type of propulsion system and crash avoidance technologies their vehicles have. NHTSA can use that information to spot defect trends related to particular systems and technologies.

Strickland also commented on the following:

- Automated driving: “Taking the driver completely out of the loop may not be the best solution.” Such that, the driver could be a “copilot.”
- Vehicle-to-vehicle communications: (i.e., The safety pilot project that was recently completed in Ann Arbor, Mich.) “Offers tremendous potential to reduce crashes. The success is going to rely on the interface between the vehicle and the driver,” which should ensure that the driver acts safely.
- Seatbelt interlock systems: He said he hopes the transportation bill can be modified to allow automakers to apply for seat belt interlocks that would ensure every driver and passenger are buckled up.

Consumer finance bureau’s response to Congress raises questions about its investigation of financed car sales

The Consumer Financial Protection Bureau’s response to a letter from 35 Republican members of the House of Representatives regarding CFPB’s indirect auto lending guidance leaves many unanswered questions, according to a report in the CFPB Monitor. That’s a blog by Ballard Spahr, a law firm with a Consumer Financial Services Group that represents finance companies.

In the June 20, 2013 letter to the CFPB, House members expressed their concern that the guidance was issued without a chance for public comment and asked to see the evidence and methodology the agency had used. The CFPB was concerned that some dealers could be offering consumer auto loans in a way that can discriminate against minorities.

Writes Ballard Spahr attorney Stefanie Jackman, “There is simply no other reasonable way to interpret the CFPB’s recent indirect auto finance guidance other than as a specific directive to completely overhaul the industry’s dealer participation method of compensation or implement an across-the-board flat fee program that may carry significant competitive disadvantages for any entity that adopts it.”

The CFPB’s response provided neither evidence of discrimination nor a description of the methods it used, according to the blog. The agency said it was open to hearing explanations of decisions on indirect auto lending “that reflect a legitimate business need” – but it didn’t explain what it meant by that.



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From left, Jack Fitzgerald, NTSB Acting Chairman Deborah Hersman, Dottie Fitzgerald and Congressman Chris Van Hollen

NTSB chairman speaks on child safety at Fitzgerald Auto Mall

Jack Fitzgerald, Fitzgerald Auto Malls and longtime child safety seat advocate, welcomed National Transportation Safety Board Acting Chairman Deborah Hersman to a *Back to School Transportation Safety Day* at Fitzgerald Auto Malls in Rockville last week.

Fitzgerald started a child safety seat check in 1999 after the dealer group became aware of the clear and present danger of improperly installed child safety seats.

Since then, Fitzgerald Auto Malls has installed and inspected nearly 44,000 child safety seats – more than any other local volunteer program in the country, which drew praise from Hersman, who is expected to be approved imminently by the Senate for the permanent position of NTSB Chairman.

Hersman also spoke about a number of other transportation safety issues for school-age children. School buses, she said, are the safest way to transport children to school every day. But when children are in cars, it's crucial to keep them properly situated in appropriate child safety seats. She also spoke of teen driver safety and the importance of teaching teens that driving is the most dangerous daily activity they perform, a message dramatically underscored by Montgomery County Police Captain Tom Didone's first-hand account of his own teenage son's recent death in a traffic crash. Todd Watkins, director of transportation with the Montgomery County Public Schools, discussed the safest ways to transport children to school safely and the critical need for motorists to observe and comply with stopped school bus signals.

Rep. Chris Van Hollen (D-Md.) appeared with Chairman Hersman and echoed praise for Fitzgerald Auto Malls' commitment to child passenger safety, pointing to the dealer organization's "longstanding, far and away leadership on ensuring the safe transportation of young children in automobiles."

And the survey says...

Owners' favorite car is the Mercedes ML luxury CUV



Mercedes ML63 AMG

The Mercedes ML luxury crossover has the largest number of attributes that new owners like, according to a survey of 52,000 vehicle owners who have driven their 2013 vehicle for 90 days or more. The Ideal Vehicle Awards (IVAs) by research firm AutoPacific recognize the cars that best meet their owners' expectations and desires about their auto purchases.

The top premium brand is Porsche. The top

popular brand is the Chrysler Ram. Some of the other winners: large car, Ford Taurus; midsize car, Nissan Altima; compact car, Volkswagen Beetle; economy car, Honda Fit. Among the light truck winners: light duty pickup, Ford F-150; midsize SUV, Jeep Grand Cherokee; midsize crossover, Ford Escape.

The winning vehicles are those whose owners want the least amount of change to the vehicles in 15 attributes including exterior styling, exterior size, passenger roominess, cargo space, driver's seat comfort, driver's seat visibility, info/entertainment technology, interior lighting, power and acceleration, ease of entry and exit, interior storage compartments, ride handling, safety features, and tires and wheels.

AutoPacific says 38 percent of car buyers are positively influenced by owner-based awards like the IVAs.

Texting: A calmer way to negotiate a lease deal?

Common knowledge these days includes the understanding that success in vehicle retailing needs to utilize social media to attract younger, tech-savvy buyers. Now Swapalease.com says 25 percent of all its transactions involve text messaging and negotiation, a big jump from 5 percent just three years ago.

“Shoppers using text message say they like the ability to communicate and even negotiate via text message because it takes all the emotion out of the process, and it’s a quick way to strike a deal,” says Swapalease. The company helps people transfer out of their car lease.



Swapalease.com saw a big jump in people texting as part of their lease

Chicago key-swap scam illustrates the need for secure key control

A tale from the Chicago Automobile Trade Association, via an article by WardsAuto, offers a reminder of the importance to dealers of secure key control for vehicle inventory.

The Greater Metropolitan Auto Theft Task Force of the Illinois State Police is investigating a scam in which a couple expresses interest in potential purchase of a car on a dealer's lot. They don't request a test drive, but ask instead to borrow the key so they can check the interior features and the trunk's cargo capacity. The key they return is not the vehicle key which they've misappropriated so they can come back later and steal the car.

Sen. Cardin: Sequestration of the government will end, but no budget deal likely by Oct.

Senator Ben Cardin (D-Md.) believes that what members of Congress hear from their constituents during the August recess will convince them to hammer out a budget deal, but not before the next fiscal year starts October 1. Senator Cardin expressed his views recently to *Government Executive* after a town hall meeting with civilian Defense Department employees at Fort Meade.

Cardin told the publication he expects lawmakers are hearing about the problems caused by sequestration – “not just personal stories, but mission interference problems.” But with Congress scheduled to be in session only nine days before October 1, agreement by then is unlikely, he says.

Fort Meade is Maryland’s largest employer with 56,700 staff, nearly half of those civilians. Defense Secretary Chuck Hagel has said if sequestration continues into fiscal 2014, civilians will face layoffs.

More teleworking in Washington region, survey shows

More Washington area workers are telecommuting than ever before, especially federal workers, according to a survey by the Transportation Planning Board of the Metropolitan Washington Council of Governments.

More than a quarter – 27 percent – of the 6,000 commuters interviewed reported working remotely “at least occasionally.” The number jumped to 38 percent for federal workers. For the private and nonprofit sectors, the number of telecommuters is 25 percent and 27 percent, respectively. Just 13 percent of state and local government workers said they telework.

Another 18 percent of respondents said they “could and would” telework if given the chance.

Staying ahead...

If you believe you're too small to make a difference, try sharing a room with a mosquito.

--The Dalai Lama