

THE WANADA BULLETIN

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

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Washington area sales up 3% for second quarter

Continuing their upward curve since the Great Recession, Washington area sales rose 3 percent in the second quarter. Figures are from WANADA's Area Report, based on R.L. Polk new-vehicle registration data. Nationwide, where sales had fallen much farther during the recession, second quarter sales were up 7 percent in the second quarter. (U.S. figures are taken from NADA/Ward's Automotive.) The second quarter increase here and nationwide also represents a reprieve from the sluggish sales of the first quarter of the year that were hampered by harsh winter weather.



Import cars, such as the Honda Accord, comprised a large percentage of new vehicle sales that distinguishes the Washington Area from the national market.

Second quarter sales in DC and 11 local jurisdictions in suburban Maryland and Northern Virginia totaled 87,854. Sales were strongest in May (30,917) compared with April (29,265) and June (28,931). April sales jumped 7 percent from a year ago.

In keeping with the pattern of many years, imports constitute a high percentage of new vehicle sales in the Washington area than nationally. About 80 percent of cars and 54 percent of light trucks sold in the second quarter in the Washington area were import brands. Those figures are up from last year's 77 percent for cars and down from 60 percent for trucks. Nationally, imports also outpaced Detroit Three sales, at 54 percent versus 46 percent, but with a much smaller gap than locally.

Car sales were just about even with trucks in the Washington area in the second quarter, with cars having a slight edge, at 50.3 percent versus 49.7 percent for trucks. The gap was more pronounced a year ago. In second quarter 2013, cars were 54.3 percent of sales compared with



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45.7 percent for trucks. Nationally, trucks sold better in 2014, at 52 percent of the market; cars were 48 percent. U.S. sales are for January through June, but the trend still holds.

For the complete report on third quarter Washington area sales, WANADA members can click [here](#) and log in with their email and password.

NHTSA works with NADA on searchable database for recalls



NHTSA's database for recalls of vehicles like this 2014 Chevrolet Cruze is searchable by VIN.

The National Highway Traffic Safety Administration last week set up a website, www.safercar.gov/vinlookup, that allows anyone to search safety recalls by model year, make, model and VIN. The information is gathered from OEM sites. OEMs must post a description of each unrepaired recall by VIN dating back at least 15 years, and must update their websites every seven days.

NHTSA said it is “working with NADA to help ensure that franchise dealerships across the

United States become aware of and understand how to use the new VIN search tool.”

NADA reminds dealers of their obligations on recalls in its Q&A for Franchised Dealers. The association suggests that before selling used vehicles, dealers:

- routinely check the used inventory of vehicles for their brand for unrepaired recalls, and make any recall-related repairs;
- refrain from selling any OEM “stop sale” or “stop drive” vehicles until the recall is repaired.

Although it is not required, NADA recommends that dealers check the NHTSA database before buying or reselling any used vehicle.

“Historically, about 75 percent of all recalled vehicles get fixed,” says NADA Chairman Forrest McConnell. “Our goal is to see 100 percent of those vehicles remedied.”

NHTSA takes first step to require vehicle-to-vehicle technology

The National Highway Traffic Safety Administration released a report last week that it said is the first step to requiring vehicle-to-vehicle devices in new light duty vehicles.

The report includes preliminary estimates of the safety benefits of Left Turn Assist (LTA) and Intersection Movement Assist (IMA), which NHTSA says could prevent up to 592,000 crashes and save 1,083 lives a year. LTA warns drivers not to turn left in front of another vehicle traveling in the opposite direction, and IMA warns them if it is not safe to enter an intersection because they are likely to hit another car. Other applications could help drivers avoid danger through forward collision, blind spot, do not pass and stop light/stop sign warnings.



NHTSA estimates that two types of vehicle-to-vehicle technology could prevent 592,000 crashes a year.

“This technology could move us from helping people survive crashes to helping them avoid crashes altogether – saving lives, saving money and even saving fuel thanks to the widespread benefits it offers,” said U.S. Transportation Secretary Anthony Foxx.

The technology uses a radio signal to convey a vehicle’s position, speed and other indicators to other vehicles with the same technology. It can work up to 300 yards away. The devices could alert a driver when a car out of view is about to run a red light or if another vehicle several cars ahead braked suddenly.

NHTSA estimates the technology would add \$345 to the cost of a car by 2020. That includes the in-car devices, infrastructure and network security. After a 60-day public comment period, NHTSA expects to issue a final rule by 2016.

Register for NADA Convention Jan. 22-25 in San Francisco

An impressive lineup of speakers will inform and entertain guests at the 2015 NADA Convention & Expo in San Francisco January 22 to 25. Dealers are encouraged to register soon to be housed in the hotel of their choice (ten hotels sold out in the first week of registration).

In keeping with NADA’s tradition of presenting presidential aspirants (Hillary Clinton this year) and past presidents (Bill Clinton and George H.W. Bush in 2009), former Florida Governor Jeb Bush will be a keynote speaker on Friday, January 23. The incomparable Jay Leno will speak on Saturday, January 24. And the Sunday morning inspirational service will feature Beck Weathers, an accomplished pathologist and heroic mountain climber who got caught in a violent storm on Mount Everest but miraculously survived after his wife and family were notified of his death.

WANADA will host its usual round of events, with a reception jointly presented with the Maryland and Virginia Automobile Dealers Associations, and the presentation of its Time Quality Dealer, to be announced this fall.

For more information about the convention, click [here](#).

Next year will mark the 16th time NADA has held its convention in San Francisco since 1948.

Telecommuting as a disability accommodation under ADA

Must an employer make a reasonable accommodation under the Americans with Disabilities Act to allow employees to work from home?

A recent case in the U.S. Court of Appeals for the Sixth Circuit, which covers Kentucky, Michigan, Ohio and Tennessee, ruled that a reasonable accommodation required by the ADA can include telecommuting *if* the employer cannot show that the employee’s physical presence is an essential part of the job.



The EEOC's position that working from home is a reasonable accommodation under the ADA was backed in court.

An employee of Ford Motor Company with irritable bowel syndrome sought the right to work from home some days to avoid the stress of commuting and working from her desk at the office. Though the employer had a telecommuting policy for certain employees that allowed work from home for a limited time, the company denied the employee's request to work from home when she was symptomatic. Her performance declined, she was fired and the Equal Employment Opportunity Commission sued on her behalf for violation of the ADA.

The court held that the ADA requires reasonable accommodations permitted by technological

advances. Unless Ford could show that the employee's physical presence at the workplace was essential, telecommuting should have been permitted. The EEOC has taken the position that employers should allow telecommuting, where possible, as a reasonable accommodation under the ADA. The court decision is likely to lead the EEOC to apply that position more broadly.

Most dealership jobs require physical presence for face-to-face interaction with customers and tasks such as work on inventory and customers' vehicles or handling of and sales of parts. But dealers should be careful because the case may empower the EEOC to continue to broaden the extent of ADA accommodations. Job descriptions or other requirements of a position should clearly note the importance of physical presence where it is required.

Thanks to attorney Michael Charapp of Charapp & Weiss LLP for providing this information.

Loan delinquencies up in 2nd quarter; repo rate way up

While still at historic lows, 60-day loan delinquencies increased by 7 percent in the second quarter, to 0.62 percent from 0.58 percent a year ago, says Experian Automotive. Thirty-day delinquencies showed a slight increase, to 2.39 percent from 2.38 percent.

"We're starting to see a slight uptick in the number of consumers struggling to make their automotive payments on time," said Melinda Zabritski, senior director of automotive finance for Experian. "However, we have to keep in mind that these percentages are still extremely low." The pattern of consumer loan repayment in the next several months may dictate the available of credit in the future, Zabritski said.

The study also found that the repossession rate jumped 70 percent in the second quarter to 0.62 percent.

Honda Accord, Civic are most stolen vehicles in U.S.

The Honda Accord, Honda Civic and full-size Chevrolet Pickup were the most stolen vehicles in the nation last year, according to the National Insurance Crime Bureau. The rest of the list, in order: full-size Ford Pickup, Toyota Camry, full-size Dodge Pickup, Dodge Caravan, Jeep Cherokee/Grand Cherokee, Toyota Corolla and Nissan Altima.

After a slight increase in 2012, the FBI predicts a reduction in national vehicle thefts of 3.2 percent when final 2013 figures are released later this year. The peak year for vehicle thefts was 1991, with 1.66 million. If the FBI's preliminary 2013 vehicle theft estimate holds, thefts will be under 700,000 – a number not seen since 1967 and a reduction of more than 50 percent since 1991.

Thought for the week...

Growing up, Labor Day signals many things: End to summer, fall just around the corner and one last road trip.

Perhaps Doug Larson, famed columnist with the Green Bay Press/Gazette, (1964-1988) said it best:

“If all the cars in the United States were placed end to end, it would probably be Labor Day weekend.”

