

# THE WANADA BULLETIN

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

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## Headlines...

**U.S. Auto sales surge to highest in more than 6 years**

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**Traffic deaths down 4% from a year ago**

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Models such as the revamped 2014 Corolla helped drive Toyota to a 23 percent increase from a year ago.

## U.S. Auto sales surge to highest in more than 6 years

Driven by pent-up demand, low interest rates and an increase in leasing, U.S. auto sales reached pre-recession levels in August. (It also helped that Labor Day sales were included.) The way in which sales exceeded expectations caused some analysts to revise their year-end forecasts upward, as high as 16 million. With the anemic job growth and gradual economic recovery, the auto industry is continuing to lead the broader economy.

Every sector showed gains, with the Detroit 3 relying more on pickups and SUVs and the Japanese OEMs more on passenger cars. The top sellers in volume were GM, Toyota, Ford and Honda. But the Japanese saw bigger increases from a year ago, at 27 percent for Honda, 23 percent for Toyota and 22 percent for Nissan. Subaru had its best month ever, with sales up 45 percent from August 2012. Among the European OEMs, BMW jumped 45 percent and Jaguar/Land Rover 40 percent. The Japanese gained market share, while the Detroit 3 lost share.



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The Ford F-series took the top sales spot as usual, but Toyota Camry was number two, taking the spot from the Chevrolet Silverado.

What about days' supply? Range Rover was the clear winner, with the redesigned 2014 Range Rover Sport selling out in just three days. The Range Rover SUV has just six days' supply. Those under 10 days: Ford Fusion and Fusion Hybrid; Honda CR-V; Mercedes-Benz GL SUV, especially the Bluetec diesel; Jeep Wrangler, and Subaru Forester.

Average transaction prices are up from a year ago and are now above \$31,000. TrueCar.com puts the figure at \$31,252, which it says is 3.2 percent above a year ago. Kelley Blue Book says it's \$31,657, just 0.7 percent over last August. Whether by a little or a lot, the price of cars is higher than a year ago.

Some in the industry are well aware of the big ups and downs the industry has seen in the past and of the uncertain economy. Ford's chief economist Ellen Hughes-Cromwick warned, "We don't want to get irrationally exuberant at this point."

## Self-driving cars will be 75% of global market by 2035

Self-driving cars, known as autonomous vehicles, will rise from 4 percent of the global market in 2020 to 41 percent in 2030 and 75 percent in 2035, says a new report from Navigant Research.

"Automated driving has the potential to make roads safer and reduce the large portion of accidents that are caused by driver error," the report says. Combinations of advanced driver assistance features, such as adaptive speed control, automatic emergency braking and lane departure warning, are already being brought together in some 2014 models, resulting in semi-autonomous driving in some markets.

Automakers will see autonomous driving as a way to distinguish *their brands*. High-tech manufacturers, such as Audi, BMW, Cadillac, Lexus and Mercedes, will push to be the first.

The change will likely be gradual, says David Alexander, senior research analyst with Navigant. "The first features will most likely be self-parking, traffic jam assistance and freeway cruising." The driver will become more like an airplane pilot, the report says.



The 2014 Mercedes S-class has a traffic jam feature: The driver keeps hold of the steering wheel and the system speeds up, slows down and keeps the car in the lane.



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Several obstacles remain. Some states require that *all* vehicles have a driver in control at *all* times. And who would be at fault in an accident? “Automakers will be reluctant to assume responsibility for not only supplying the vehicles, but also safety operating them,” the company says.

## Energy Dept. awards \$45 M for advanced vehicle technologies

The U.S. Energy Department last week announced \$45 million in grants for advanced vehicle technologies that meet three goals: Improved fuel efficiency, lower transportation costs and protection of the environment.

Thirty-eight projects span five areas: lightweighting and propulsion materials; advanced batteries; power electronics; advanced heating, ventilation and air conditioning systems; and fuels and lubricants. The lightweighting projects, for instance, will conduct research on lightweight materials such as advanced high-strength steel, magnesium and aluminum that allow automakers to include electric drive components, electronic systems and emissions control equipment without increasing vehicle weight. The research on advanced batteries is designed to further reduce battery costs. The projects aim to cut battery size and weight in half while improving efficiency and performance.

The remaining projects touch on other aspects of electric vehicles.

## Feds want more safety features *standard* on all cars

The heads of two federal traffic safety agencies said recently that safety features such as forward collision warning, electronic stability control and lane departure warning systems should be standard equipment on all vehicles, regardless of price. The remarks at the Governors



NTSB chairman Deborah Hersman wants to ban all portable electronic devices from vehicles. Photo by Jason Weaver.

Highway Safety Association conference by David Strickland, head of the National Highway Traffic Safety Administration, and Deborah Hersman, chairman of the National Transportation Safety Board, were reported by Edmunds.com.

“Safety should not just be for those who can afford it,” Hersman said.

Former Edmunds chairman Jeremy Anwyl told the panel that in the future, safety technology will focus more on collision avoidance than accident prevention.

The panel also focused on distracted driving. Hersman said NTSB aims to ban all portable electronic devices from vehicles. But Anwyl, saying consumers’ need to stay connected through their cell phones is “almost an addiction,” believes the answer lies in driver education.

## Traffic deaths down 4% from a year ago

Traffic deaths in the first quarter of 2013 fell 4.4 percent from a year ago, to 7,200, according to estimates from the National Highway Traffic Safety Administration. The number of deaths per vehicle miles traveled (VMT) has been decreasing steadily since the first quarter of 2012.

Last year saw an unexpected rise in traffic deaths, though NHTSA just lowered its estimate to 4.4 percent – still a big jump. Over the long term, traffic deaths were at a 60-year low in 2011. They dropped 26 percent from 2005 to 2011.

One possible factor in the decline in death rates is the decrease in vehicle miles traveled. VMT edged down 0.8 percent in the first quarter of 2013.

## Abrupt change in music can improve driver safety

A recent study shows somewhat unexpected results in the influence of music on safe driving behavior. Drivers started by choosing their own music to hear while driving. Researchers then switched to more soothing music, first changing the music gradually, then abruptly. The more abrupt change in music made the driver calmer and improved driver performance.

For the study, 28 test subjects were put in a driving simulator and subjected to different road conditions while hearing a variety of styles of music. During the soothing music, drivers were less likely to speed or to swerve out of their lane. Their response times were better and their stress levels lower – even though the driving subjects said they were happier during the more lively music. But this study and previous research has shown that people tend to drive faster when listening to high-energy music.

“In-car music presentation can be used as a tool to improve driver’s mood and behavior,” The researchers wrote in an article on the study published in the journal *Ergonomics*.

## Washington is America’s most dangerous city for driving

Washington, DC, ranks dead last in a list of driving safety in America’s 200 largest cities. Drivers in the nation’s capital are 9 percent more likely to have an accident than the average driver nationwide. Drivers here go just 4.8 years between accidents. The list is compiled by Allstate Insurance actuaries analyzing company claims. Allstate studied only drivers from the city itself, not the metropolitan area.



Washington and Baltimore drivers have the worst records for traffic accidents. Photo by [FreeFoto.com](http://FreeFoto.com).

Washington drivers are in good company. The next-to-last city on the list is Baltimore, where drivers are 86 percent as likely as the rest of the nation to have an accident. Drivers there go 5.4 years between crashes.

The safest cities are Fort Collins, Colo., Boise, Idaho; and Sioux Falls, S.D.

If anyone familiar with the notoriously dangerous habits of Boston drivers is curious how Washington's bad drivers could outpace their Bostonian counterparts, it's because the study excluded cities in Massachusetts because of limited data.

### **Staying ahead...**

We're a long ways off to reaching a point where you've essentially satisfied all the customer demand.

--GM Chief Economist Mustafa Mohatarem on the U.S. auto market