

THE WANADA BULLETIN

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

WANADA Bulletin # 37-15

September 21, 2015

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MD MVA Dealer Advisory panel gains solid footing with new MVA administrator



**Christine Nizer, administrator,
Maryland MVA**

Franchised and independent auto dealers assembled last week with the new Maryland Motor Vehicle Administration's administrator, Christine Nizer, and her senior staff for the second meeting of the recently formed Dealer Advisory Forum to MVA. The Dealer Advisory Forum's purpose is to bring regulators who enforce vehicle sales laws into regular contact with the state's auto dealers who make the automobile business happen for the benefit of Maryland vehicle consumers everywhere.

The four Maryland new vehicle dealers on the Advisory Panel are: J.P. Bishop, Bob Bell Automotive, chairman of MADA; Dick Patterson, RRR Automotive, chairman of WANADA; Geoff Pohanka, Pohanka Automotive; and Paul Ritchie, Hagerstown Honda. There are three independent auto dealer

representatives, also, bringing the total number of auto dealers to seven who serve on the panel.

Topics covered at the Advisory Forum included: 1) The new Maryland law on vehicle credit sales, or "spot deliveries," and the related questions about how MVA will enforce the law, scheduled to take effect October 1. 2) Used vehicle inspector certification tests administered by the state police. 3) Fair automotive advertising. 4) Background checks for licensed sales representatives. 5) The prospect of "bright line" legal triggers on the dealers' obligation to disclose pre-existing vehicle damage to consumers.

Procedural themes were: Establishing universally understood best practices for the industry; the need for clarity and specificity in MVA's vehicle sales laws; and regular, coordinated communication from MVA regulators to vehicle dealers. On this last point, Ms. Nizer said

MVA would develop alerts and newsletters to dealers, calling upon MADA, WANADA and the independent dealer associations for input, prior to MVA's publication to ensure the industry and agency are "all on the same page."

The dealers on MVA's Advisory Forum expressed their appreciation for Ms. Nizer stepping-up as administrator for MVA – which happened last month – given her nine year background in other senior MVA positions, along with her experience with the Maryland Public Service Commission, and her still earlier experience at the federal level with Homeland Security.

"The Dealer Advisory Forum Chrissy Nizer is personally directing as MVA administrator holds limitless promise for public/private sector success between MVA and Maryland dealers so Maryland car and truck consumers get their due from our auto industry," said Dick Patterson, WANADA chairman and panelist on MVA's Auto Dealer Forum.

Washington area dealers will be receiving a punch-list from WANADA on the logistics of Maryland's new spot delivery law this week relative to the upcoming October 1 effective date.

Dealer updates for DC DMV

What follows is information from DC DMV to all dealers tagging and titling vehicles for residents of the city. It is passed along to WANADA dealer members pursuant to WANADA's cooperative relationship with DC DMV leadership to ensure dealers have what they need in assisting their DC resident customers.



Dealer Vehicle Registration Services

Drop-off Services (unlimited transactions)

Southwest Service Center
95 M St., SW, First Floor
Washington, DC 20024
Tuesday – Saturday, 8:15 a.m. – 3:00 p.m.
7 business days processing time

Walk-in Services

(up to 3 registrations and/or Title Only transactions)
Southwest Service Center
Same address and hours

Current Dealer Office Updates

- *Letter of correction with notary* – A notarized letter of correction on the dealership's letterhead is required for correction of errors on the MCO, Title or Reassignment Form.
- *MD Security Interest Filing (SIF) Forms* – MD law allows financial institutions to release liens on MD titles via use of the MD Security Interest Filing forms or issuance of a signed letter from the lien holder specifically identifying the vehicle and stating that the lien has been released. DC DMV will continue to accept an original, notarized lien release letter from the lien holder on the lien holder's letterhead until October 31, 2015. **Effective November 1, 2015, MD title lien releases must be submitted via the MD Security Interest Filing Form.**
- *Online Excise Tax Calculator* – Dealers are required to submit Online Excise Tax Calculator printouts when submitting vehicle title applications. This means that the Online Excise Tax Calculations printout must be submitted with every application

whether or not an excise tax value exists on the printout. If an excise tax value does not exist on the printout (i.e., for new vehicles), DC DMV will use the bill of sale amount to calculate the excise tax. If the printout is not included with the transaction, the transaction will be rejected.

- DC residents can transfer their existing tag to a newly purchased vehicle as long as the tag is not expired and the ownership remains unchanged.

NADA protests Dept. of Labor's overtime proposal



Professional employees would continue to be exempt from overtime rules.

NADA has filed comments with the Department of Labor (DOL) arguing that its proposed overtime rule would harm dealers and should be changed.

Under the current rule, all employees who make less than \$455 a week (\$23,660 annually) must be paid time-and-a-half after 40 hours a week. The proposed rule would more than double that salary threshold to \$950 a week (\$50,440 annually) and would require automatic annual increases. Under current law, employees are exempt from overtime requirements if they are executive, administrative, professional, outside sales, computer or highly compensated

employees. DOL has also asked for comments on the job duties exemption, though it has not proposed to change it – at least for now.

The higher salary threshold could cause problems for dealerships, says NADA. They could put stricter policies in place about how many hours employees are permitted to work, including checking email at home. Second, dealerships might revise pay plans to shift non-salaried employees to salaried to meet the threshold. “This would be disruptive for both employers and employees alike, especially if it serves to reduce an employee’s earning potential,” NADA wrote in its comments. Third, dealerships could adjust pay plans so employees receive most of their compensation through commissions so they would be exempt from overtime. Fourth, dealerships could decide to cut regular pay rates so they could pay overtime.

NADA makes several alternative suggestions for revising the overtime rule, chief among them being the elimination of the salary threshold altogether or counting *all* compensation toward the salary threshold.

Pointing out that most dealerships are small businesses, NADA concludes its comments by saying the association “strongly disagrees with the DOL’s assessment that its proposal will not have a significant regulatory impact on small businesses.”

DOL is expected to issue a final rule next year. The agency received comments from more than 153,000 organizations.

Poll: Drivers overwhelmed by too many tech features in vehicles

Four in ten consumers feel automakers offer too many infotainment features, according to a recent Harris poll.

“Automakers believe they’re under intense pressure to launch new features and connected services to remain competitive,” said Larry Shannon-Missal, managing editor of the Harris Poll. But the poll suggests that educating consumers about the value of existing features and cultivating usage may do a better job both to sell cars and increase customer loyalty.

Because automakers measure car design success by the number of features offered, there’s a checklist approach to infotainment development, Harris Poll said. But redefining success with a focus on familiarity, usage, satisfaction and loyalty could be more effective.

Only 16 of 60 technologies evaluated got “good” familiarity scores. Backup cameras, satellite radio and backup warning systems scored the highest. The study found that if tech features are easier to use and consumers are educated about them, the technology will be used more.

Consumers are most interested in advanced technologies that prevent accidents and make them feel safer. That applies to some of the technologies that showed growth in consumer interest in the study: wireless mobile device charging, vehicle-Internet connectivity, lane-keep assist, hybrid electric engines and emergency front collision avoidance systems.

In-car features that are the least popular are built-in apps and voice-activated controls that compete with smartphone capabilities related to navigation, music and other areas.

Technology features are among the top five most important factors in recent car purchases (after price, fuel economy, reliability and value for the money), according to the Harris Poll. Women, parents, people with household incomes under \$50,000 and millennials all put more importance on technology in recent years.

Americans cutting down on daily trips, study finds

Americans spend 10 percent less time making trips for daily activities than they did a decade ago, says a University of Michigan researcher.

In an earlier report, Michael Sivak of the university’s Transportation Research Institute found that 2004 was the peak year for distance driven per person. In the current study, Sivak looked at total travel time for people 15 and older, using *all* modes of travel, not just driving a vehicle.

Activities for which average travel time has decreased since 2004 include dining out, shopping, caring for non-household members, work, education, and leisure and sports.



Wireless phone charging such as this Mopar device is a popular tech feature.

AutoNation won't sell cars with open recalls; NADA protests



AutoNation has announced that it won't sell vehicles with open safety recalls. But NADA said in a statement, "There is no evidence that a blanket grounding of all used vehicles with open recalls will make the roads or consumers any safer."

To the contrary NADA believes grounding the vehicles would "immediately and severely depress the value of consumer trades with unremedied safety recalls." Sometimes the parts to repair the vehicles may be unavailable and so the dealer may be unable to do the repair quickly.

NADA had opposed an amendment introduced in July by Sen. Richard Blumenthal (D-Conn.) that would have prohibited dealers from selling or leasing vehicles with open safety recalls. The association said the amendment would devalue trade-ins and cut down on consumer choice. Additionally, NADA said, by regulating dealer sales only, the law would encourage individuals to sell their vehicles privately, making it less likely that they would get needed safety repairs.

Sen. Blumenthal praised AutoNation's action. But it was criticized in *Automotive News* by news editor James Treece. The main problem, Treece wrote, is that some recalls present bigger safety concerns than others, and AutoNation's action doesn't distinguish among them. He said recalls should be categorized by the level of safety issue.

Toyota, MIT, Stanford start joint project on driverless cars

In a sign of the role autonomous vehicles will soon play in American society, Toyota will invest \$50 million in a new joint project with Stanford University and MIT to advance their development. The project will also focus on artificial intelligence and robotics.

The immediate goal is to reduce and perhaps prevent collisions. "Our team will collaborate with Stanford and Toyota to develop advanced architectures that allow cars to better perceive and navigate their surroundings in order to make safe driving decisions," said Professor Daniela Rus, who will lead the research at MIT. The project also aims to help older consumers drive more easily with artificial intelligence technologies.

California drops bill to cut gasoline use in half by 2030

California Governor Jerry Brown has dropped a provision from a climate change bill that required the state to cut its gasoline consumption in half by 2030. The bill had received nationwide attention because of the pressures of climate change and the leading role California often plays in passing environmental legislation before the rest of the country.

The oil and gas industry lobbied hard to defeat the bill, running ads saying the measure would lead to fuel rationing and bans on SUVs. There was no evidence the claims were accurate, but it's clear the bill would have resulted in big changes in driving habits. Governor Brown vowed to find other ways to cut gasoline use.

The Alliance of Automobile Manufacturers had opposed the bill, saying it could lead to a fragmented regulatory framework across the country on vehicle emissions.

Washington area is costliest place in U.S. to raise a family

It's bad enough that the Washington area has the worst traffic in the nation. Now we're told it's the most expensive place in the country to raise a family.

The news comes from the Economic Policy Institute, which says a family of four must earn \$106,493 just to make ends meet. Part of the problem is that we also have the most expensive child care in the nation, at an average of \$31,158 per year.

The study surveyed the cost of housing, child care, food, transportation, health care and taxes in 618 metropolitan areas.

Staying Ahead...

Sen. Lindsey Graham (R-SC), candidate for president had this to say during last week's Republican debates:

"Ronald Reagan as a conservative did some really big things when he was president that we should all remember. At the end of the day, he'd sit down with Tip O'Neill, speaker of The House and most liberal guy in the entire Congress.

They'd start drinking together. That's the first thing I'm going to do as president. We're going to drink more.

--Sept. 16, 2015



WASHINGTON AREA NEW AUTOMOBILE DEALERS ASSOCIATION