

THE WANADA BULLETIN

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

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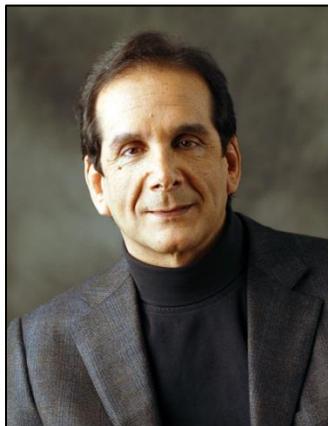
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Charles Krauthammer to keynote WANADA Luncheon, Nov. 25



Charles Krauthammer

Acclaimed political columnist and Pulitzer Prize winner Charles Krauthammer will be the keynote speaker at WANADA's Annual Meeting and Luncheon to be held at the Ritz-Carlton Tysons Corner on Monday, November 25, 2013. His topic: The Obama administration's short and long term impact on America.

Since 1985, Krauthammer has written a syndicated column for the *Washington Post* for which he won a Pulitzer Prize for distinguished commentary. He is a contributing editor to the *Weekly Standard* and *New Republic*. He is also a weekly panelist on *Inside Washington* and a contributor to Fox News, appearing nightly on the *Special Report with Bret Baier*.

Krauthammer has been remarkably influential with his commentary on American public policy for the past three decades. He coined the term and developed the concept of the Reagan Doctrine; defined the structure of the post-Cold War world in a 1990 article in *Foreign Affairs*; and outlined the principles of post-9/11 foreign policy for the U.S. in his much-debated Irving Kristol Lecture in 2004.

Well-schooled, *Dr. Krauthammer* attended Oxford, later receiving a medical degree from Harvard. From there he practiced psychiatry and later directed planning for psychiatric research in the Carter administration.



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The Ritz Tysons is located at 1700 Tysons Blvd., McLean, Va. In keeping with WANADA's Annual Luncheon format, a networking reception commences at 11:30 a.m., followed by lunch at noon and a dealer association business segment. During the business segment, WANADA's membership will elect the association's 2014 Board of Directors. And Dr. Krauthammer will speak at about 1 p.m. with adjournment at 1:40 pm. Individual tickets are \$135, with a table of 10 discounted to \$1,200.

A meeting information and registration sheet is available for downloading by [clicking here](#), or to register online please [click here](#). Questions on meeting logistics can be directed to Kristina Henry at kh@wanada.org, or (202) 237-7200.

Tesla reaches accord with commonwealth of Virginia and dealers on retailing cars here

EV automaker Tesla Motors may soon be able to list Virginia in its column of state jurisdictions where it is licensed to retail its vehicles directly to consumers. Per an agreement Tesla reached with the commonwealth of Virginia and VADA recently, the automaker withdrew its appeal to the courts of DMV's rejection of its application earlier this year to retail vehicles, in return for being able to open a single factory store in the Tysons Corner or greater Northern Virginia area. This single point store would offer direct sales to consumers with a service facility nearby.



The agreement further provided that Tesla must apply to the Virginia Motor Vehicle Dealer Board where approval for a license normally takes about two weeks, according to MVDB director Bruce Gould. The upshot is that Tesla will be required to meet Virginia's license requirements to retail motor vehicles, just as any dealer would.

The accord between Tesla and Virginia is responsive to Tesla's contention that its niche market position is such that its projected sales volume isn't large enough to warrant a dealer network right now. A dealer network, here and elsewhere, could come later, Tesla says, if the volume of new vehicle sales increases for them. The agreement also gives Tesla a chance to demonstrate that they are ready, willing and able to fully comply with vehicle retail licensing laws in Virginia.

Washington area dealers await impact of federal shutdown; one offers special deals to federal workers

Consumers can become anxious about buying big ticket items, like cars, in an uncertain economic climate, like now, with the current federal government shutdown underway. Close to 800,000 federal workers, many of them here in the Washington area, were furloughed. Then a week later, the Department of Defense called back nearly all of its 350,000 employees. Those numbers don't include all the employees of federal contractors in the Washington area.



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The nation is waiting for a resolution.

George Mason University economist Stephen Fuller originally estimated the shutdown would cost the region about \$200 million a day. But since the DOD action and the House vote to pay federal workers retroactively, the economic effect on the region doesn't look so dire.

(The effect on the federal budget is another matter, as federal agencies have had to spend a great deal of money preparing for the shutdown and now will likely be spending much more to pay workers for the time they didn't work.)

The more looming problem, of course, is the threat of a government default if lawmakers don't act to raise the debt limit next week. Most economists call that possibility disastrous.

Sequestration already cost the Washington area 26,500 jobs in August, Fuller told WTOP radio. He said the region's economy will recover quickly once federal workers are back on the job. Right now, prospects for a quick end to the standoff are touch and go.

One area dealership, Koons of Silver Spring, is offering furloughed government employees free service and special finance deals for buying a new vehicle. "In the midst of gridlock down the street on Capitol Hill, we wanted to give back to all those hard-working government employees who have been negatively affected," Koon's website says. Additionally, all government workers can get a free oil change, tire rotation and multi-point inspection. The dealership also offers employee pricing to any civil servant who wants to buy a new vehicle – and the first three months' payments are on Koons.

At the OEM level, Hyundai has offered to defer all loan and lease payments for furloughed government workers nationwide.

Among federal agencies, the Consumer Financial Protection Bureau is unaffected by the shutdown. By contrast, NHTSA has half of its employees furloughed, the result being that the agency won't conduct safety investigations or send out recall notices. And with the Census Bureau and Commerce Department closed, no one will be able to get the federal government's assessment on the economic impact of the shutdown – not even the unemployment figures that normally come out at the beginning of the month.

Ford sales up in September as industry sales overall drop

U.S. auto sales dropped 4.2 percent in September in the first decrease since June 2011. But the seasonally adjusted annual rate (SAAR) is still projecting a healthy 15.2 million in new vehicle sales. The average transaction price was \$31,854, up 5 percent from a year ago, according to TrueCar.com.

GM sales dropped 11 percent, but its retail sales were down only 6 percent. Chevrolet fell by 15 percent, with the new Silverado down 10.8 percent because of supply problems.

By contrast, Ford did the best of any of the major automakers, *with sales up 5.7 percent* in its strongest September since 2006. Pickups did even better, with the F-Series up 10 percent. Fiesta and Fusion saw big gains, too, at 28.5 percent and 62.4 percent, respectively. The third Detroit automaker, Chrysler, was up also, but only modestly at 0.7 percent.

All the major Japanese brands saw sales decline: Off 4.3 percent for Toyota; 9.9 percent for Honda; and 5.5 percent for Nissan.



Ford F-150: Number 1 again

Three of the top five best selling vehicles were pickups. The top five were the Ford F-Series, Chevy Silverado, Toyota Camry, Ram pickup and Honda Accord. Numbers 6 through 10 were more weighted toward cars: Toyota Corolla/Matrix, Honda Civic, Ford Escape, Honda CR-V and Nissan Altima.

There were a few clouds on the horizon as September sales figures were announced. Toyota North America CEO Jim Lentz opined that pent-up demand may dry up toward the end of 2014, according to the Associated Press. If the economy isn't creating more jobs by then, auto sales will see a downturn, Lentz predicted, even though the average car on the road is now more than 11 years old.

Consumer confidence, as measured by a University of Michigan survey, fell to a five-month low in September amid fears about a shaky economy.

And some automaker economists were expressing concern about the potential effects of a government shutdown. "Any type of disruption in government operations would adversely affect government spending, business and consumer confidence, and financial markets," said Ford senior economist Jenny Lin, before the shutdown had begun.

GM's vice president of U.S. sales operation Kurt McNeil is similarly concerned about a more prolonged shutdown. "If this thing drags out a couple of weeks, it starts to have more impact on customer sentiment," McNeil said, according to the *Detroit Free Press*.

September used sales up 3.9%, as used luxury prices fall

September used-vehicle sales rose 3.9 percent from a year ago, says CNW Marketing, with franchised dealers doing even better, delivering used sales 5.4 percent improved from last year. By contrast, independent used dealers experienced a 7 percent drop over the same period. Used-vehicle transaction prices jumped almost 11 percent at franchised dealerships, with more certified pre-owned and newer used vehicles on the lot.

Passenger cars continue to increase used-vehicle sales share, rising 2.2 percent to 52.8 percent of used transactions. SUVs fell 14.4 percent to a 7 percent share.

The number of vehicles financed climbed 10 percent, to 69 percent. The number of buyers who used a pre-approved loan fell nearly 10 percent; and the number of subprime buyers slipped slightly, by 0.34 percent.

In pricing, used luxury-car prices dropped the most, continuing a slide from last month, according to Cars.com. Price drops for individual models ranged from 2 percent to 4 percent. Of the top 10 used models to see a 1 percent price *increase*, half were pickups or full-size vans. No luxury models made the list.

13 models earn high ratings in front crash test



Cadillac ATS wins highest front crash rating.

In a new test program by the Insurance Institute for Highway Safety rating the performance of front crash prevention systems, seven vehicles earned the top rating and six models did very well.

Moderately priced and luxury midsize cars and SUVs were the first to be evaluated. The IIHS tested 74 vehicles, all 2013 models. Earning the highest rating were the Cadillac ATS and SRX, Mercedes-Benz C-Class, Subaru Legacy and Outback, Volvo S60 and XC60. The next

highest rating was given to the 2014 Acura MDX, Audi A4 and Q5, 2014 Jeep Grand Cherokee, Lexus ES and 2014 Mazda 6.

The test, done at 12 and 25 mph, is designed to help consumers decide which features to consider and encourage automakers to speed adoption of the technology. It is based on research by the Highway Loss Data Institute indicating that forward collision warning and automatic braking systems help drivers avoid front-to-rear crashes. Front crash prevention systems can add \$1,000 or more to the price of a new car.

Temporary plate reminder from Maryland MVA

Effective October 1, 2013 in Maryland, the former 60-day temporary plate displayed in a plastic bag is no longer valid. The new Teflon coated 60-day temporary plate is the only one authorized to be issued by selling dealerships.

To avoid problems, Maryland dealers are encouraged to ensure that they have the new paper stock available for use and that they are no longer issuing the obsolete plate to vehicle buyers. All 60-day temporary plates must be printed on the new stock using a laser jet printer.

Dealers still in need of the Teflon stock should contact the Maryland Correctional Enterprises at (410) 799-1240 or fax (410) 799-1370. Questions may be sent to mvablcsd@mva.maryland.gov.

Older drivers value safety technology in cars

A new survey suggests that older drivers value safety technology in their cars, rating blind spot warning systems the highest. The report by The Hartford Insurance Company and MIT AgeLab surveyed drivers 50 and older.

Older drivers who have at least one of the top 10 technologies report feeling more confident as they drive than those who have none. These drivers especially value technology that helps with changing lanes and parking.

Just over half said they would feel safer if their vehicle had all of the most up-to-date technologies. A little more than half plan to buy or lease another vehicle in the next five years. What's more, women are more likely than men to report that driving technologies would make them feel safer.

Here are the top 10 technologies, as ranked by older consumers: blind spot warning, crash mitigation, emergency response, drowsy driver alerts, reverse monitoring, vehicle stability control, lane departure warning, smart headlights, voice-activated systems and assisted parking.

Four counties in the Washington region rated “best to work in”

Four Washington area counties – three in Virginia and one in Maryland – were ranked in the top 10 best counties to work in by [nerdwallet.com](#).

The ranking looked at employment rate, median income, population growth and length of commute and workday. The last question only counted for 10 percent. Otherwise, the Washington area probably wouldn't have done as well.

Loudoun County came in at No. 2 (after Williams County, N.D.), with a median income of \$76,000 and just 4.4 percent unemployment. Arlington County was third, with 3.8 percent unemployment, a median income above \$70,000 and a commute of less than half an hour. Fairfax County, which is fourth, has 4.3 percent unemployment and median income of \$72,155. And Howard County in eighth place had 5.5 percent unemployment and an income of \$73,050.

Thought for the Week...

If Columbus had had an advisory committee, he'd have never left the dock in Spain in search of the new world.

--Arthur Goldberg

WASHINGTON AREA NEW AUTOMOBILE DEALERS ASSOCIATION