

THE WANADA BULLETIN

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

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Headlines...

Two auto shows, two national capitals: WANADA reps present Washington to OEMs in Paris
Auto Show makes top 100 Washington events, topping list in its category
Strong September sales driven by trucks, CUVs
George Will is keynote speaker for Annual Luncheon – Dec. 2, Ritz/Tyson's
Last dealership leaves DC; WANADA's O'Donnell weighs in
Infiniti Q70 gets good rating on frontal crash test
Consumer confidence falls in September on job market worries
Gas prices lowest since February, as gas spending reaches all-time high
Lexus RX 450h tops Cars.com's Worry-Free Index
Automotive first, or novelty? Complete car created on 3-D printer
Staying Ahead...

Two auto shows, two national capitals: WANADA reps present Washington to OEMs in Paris



WAS Chairman Kevin Reilly, Alexandria Hyundai, in the Hyundai exhibit at the Paris Motor Show.



WAS Vice Chairman Geoff Pohanka, Pohanka Honda, in the Honda exhibit at the Paris Show.

A delegation of WANADA dealers attended press days for the *Mondial de l'Automobile* in Paris, which opened to the public there this week, for the purpose of meeting with OEM executives, industry leaders and industry observers to present plans for the 2015 Washington Auto Show. As one of the grandest events of its kind in the world, the Paris Motor Show is an important venue to visit because of the scores of industry pacesetters and OEM auto show organizers who turn out.

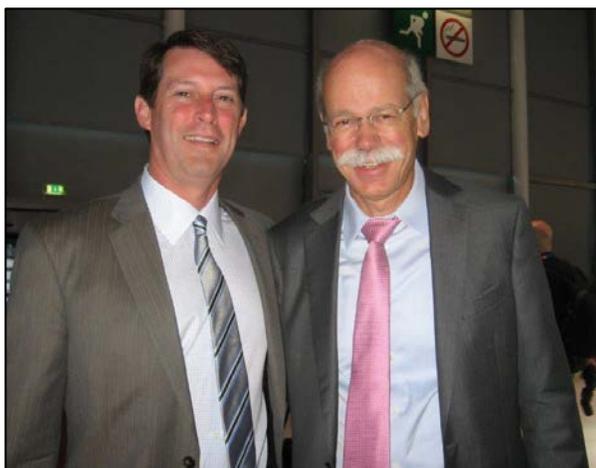
Washington Auto Show chairman Kevin Reilly headed WANADA’s delegation, joined by WAS vice chairman Geoff Pohanka and longstanding WAS Committee member George Doetsch.

“Visiting a major venue like Paris gets done at a fast pace that covers a vast floor plan such that we strategically target brand exhibits where OEM executives we need to see are located,” said Reilly. “Long hour days at the motor show are followed by a host of evening events that often run late, where media and industry operatives are on hand whom we engage to help Washington make its footprint as the important auto show it has become on the global circuit.”

In this regard, WANADA reps interacted with executives from the *Organisation Internationale des Constructeurs d’Automobiles* (OICA), with Washington being one of several major U.S. auto shows and one of a number from around the world that are accredited by OICA. Besides Washington, there were dealer representatives from other OICA accredited auto shows in Paris, including the North American International Auto Show and the New York International Auto Show.

The WANADA dealer delegation to the Paris Motor Show was joined by Allen Lew, city administrator for the District of Columbia, who observed firsthand how the largest and likely most important auto show in the world lays out from the standpoint of city services required and hospitality industry support. “It isn’t easy to get a hotel room or book a restaurant dinner in downtown Paris when the Motor Show is on because major industry events, the like of OICA caliber auto shows, are much like major conventions when they come to town, and that’s what many DC officials we’ve taken to the European shows have come to understand,” said Reilly. Besides the city administrator, WANADA has hosted the mayor of Washington and numerous City Council members at the European auto shows over the years because of the close working relationship WANADA must maintain with city leadership for Auto Show operations in the Walter E. Washington Convention Center.

“Our Auto Show has made herculean strides in Washington by establishing itself as the Public Policy Show on the industry’s global circuit, no less than one of the foremost events of its kind in the world, as OICA accreditation tangibly demonstrates,” said WAS producer John O’Donnell. “Growing into the industry event we’ve become expands our partnership with the city and hospitality industry here to unprecedented levels of mutually beneficial opportunity.”



WANADA CEO John O’Donnell (left) with Dieter Zetsche, CEO of Daimler, Mercedes parent company, who just introduced the new AMG C-63 at the Paris Motor Show.



Washington reps with Ford CEO Mark Fields (second from right). WAS Committee members (left to right) Geoff Pohanka, Kevin Reilly, George Doetsch, Jr. Right of Fields is WAS Producer John O’Donnell.

WANADA Reps present Washington's Auto Show in Paris



U.S. Ambassador to the Organization for Economic Co-operation and Development Daniel Yohannes (left) hosted WAS delegation and guests at his Paris mission. To the right of the ambassador, Allen Lew, DC City administrator, Patrick Blain, Organisation Internationale des Constructeurs d'Automobiles (OICA); John O'Donnell, WAS Producer, and Kevin Reilly, WAS Chairman.



Public relations directors, Barbara Pomerance (left), of The Washington Auto Show and Dominique Legendre (right) with Organisation Internationale des Constructeurs d'Automobiles (OICA) at Paris Show.



NADA Chairman Forrest McConnell at the Paris Motor Show flanked by WAS Chairman Kevin Reilly (left) and Peter Welch NADA CEO, right.

Auto show producers past and present at the *Mondial de l'Automobile*



Pictured left, Thierry Hess Commissioner General of the Paris Motor Show with Gerard Murphy, counsel Washington Auto Show; pictured right Mark Schienberg, producer of the New York International Auto Show (left) with Murphy. Until July, Murphy produced the WAS. Like Murphy, Hess said he'd be stepping away from the Paris Motor Show at the conclusion of this one, remaining engaged, but in a different capacity.

Auto Show makes top 100 Washington events, topping list in its category

Hot off the press from BIZBASH, which annually tracks the best events in Washington, the Washington Auto Show was named among the top 100 gatherings, social occasions, or industry assemblies to occur here, being first out of ten in its category of “Trade Shows and Conventions.” As Events Planning News keepsers here, BIZBASH describes its selection criteria for choosing the top 100 Washington events as those that generate the “biggest buzz, media focus, and donor attention and/or drawing the largest crowds and notable figures.” Other selection criteria include economic impact of the event, innovation, and prominence.

There were ten categories in all in the Best 100 Events in Washington, including Trade Shows and Conventions where the Auto Show was cited. The other nine categories were as follows: Literary and Publishing Events; Fashion and Beauty; Arts and Entertainment; Benefits; Food, Wine and Restaurants; Political and Press Events; Holiday Events; Sports; and Parades, Walks and Festivals. Along with the Auto Show, other groups and events taking top honors or otherwise being notable in their category were: DC Fashion Week; The National Press Club Book Fair; Kennedy Center Honors; The Leukemia Ball; The Wolf Trap Ball; Red Cross Salute to Service; International Wine and Food Festival; State of the Union; White House Correspondents Dinner; National Governors’ Association; A Capitol Fourth; the Marine Corps Marathon; and the National Cherry Blossom Festival.

BIZBASH made its top 100 Events in Washington announcement last week. “This news is well received by WANADA and its dealer membership which produces the Washington Auto Show,” said Kevin Reilly, chairman of the Washington Auto Show. “As an industry event here, the Auto Show clearly is an important part of Washington and its *Inside-the-Beltway* culture. But so, too, does it provide a completely unique year over year experience for the Washingtonians who live here, no less than significant economic benefit for DC and its hospitality industry,” Reilly said.

The 2015 Washington Auto Show will be open to the public here from January 23 through February 1, encompassing two weekends. Industry media days will precede the show’s opening, commencing January 21, on through January 22.

Strong September sales driven by trucks, CUVs

Nationwide, auto sales rose 9 percent in September, driven by consumers snapping up trucks and crossovers. Continuing pent-up demand, falling gas prices, low interest rates and an overall recovering economy all helped boost sales. Some analysts predict sales will top 17 million next year making the Great Recession seem like long ago and far away.

“Auto sales remained strong in September and rounded out an excellent third quarter, the best for the industry since 2006,” said Bill Fay, Toyota division group vice president and general manager. “SUVs and crossovers continue to be the industry’s hot spots.”



Sales on the Nissan Murano jumped 50 percent in September.

Acura, Audi, Chrysler, General Motors, Honda, Mercedes Benz and Nissan all saw double digit gains. The widespread increase was especially impressive because incentives didn't rise, TrueCar executive vice president Larry Dominique told TheDetroitBureau.com.

Kelley Blue Book put the average transaction price at \$32,500, a figure it said was boosted by nonluxury utilities. Sales of the Nissan Rogue and Murano jumped 50 percent. Toyota Motor Sales rose a modest 1.7 percent; but Toyota SUV sales saw a 35 percent hike.

GM and Chrysler sales rose 19 percent, and Nissan's 18.5 percent. For the Chrysler group, it was the 54th consecutive month of increasing sales. Jeep sales soared 47 percent in the brand's best-ever September sales. Subaru sales jumped 31 percent as the automaker prepared to sell 500,000 units for the first time this year.

Not every automaker saw higher sales. Ford saw sales fall 3 percent as it prepared for its new aluminum-bodied F-150. Volkswagen sales were down 18.6 percent.

In used vehicle sales, franchised dealers' unit sales rose 6.6 percent, according to CNW Research. They gained market share over independent and private party sales both year to date, where they hold 36.9 percent share, and for September 39.5 percent share. The value of vehicles sold rose for one- through three-year old vehicles, typically sold by franchised dealers. The numbers: one-year-old, up 11 percent; two-year-old, up 21.5 percent, and three-year-old, up 12 percent.

George Will is keynote speaker for Annual Luncheon Dec. 2, Ritz/Tysons

Tickets are on sale now to WANADA members for the Annual Meeting and Luncheon Tuesday, December 2, at the Ritz-Carlton in Tysons Corner, Va. Renowned political commentator and award-winning columnist George Will will be the keynote speaker for the event.

Will's column has been syndicated by the *Washington Post* since 1974 and still appears there twice weekly. He was a founding member and longtime commentator on ABC TV's *This Week with George Stephanopoulos* and has contributed to Fox News' daytime and prime time programming since 2013. He has a Ph.D. from Princeton and has taught at Michigan State, the University of Toronto and Harvard. WANADA members have a great opportunity to hear Will's views on the current state of politics in the nation and the world.



Will: Keynote speaker at WANADA's Annual Luncheon.

Also at the Annual Meeting and Luncheon, WANADA leadership will present a comprehensive state of the industry and regional automobile business report to the membership. Members will elect WANADA's 2015 Board of Directors in the Annual Meeting segment of the luncheon, as Danny Korengold passes the chairman's gavel to Dick Patterson.

Luncheon tickets are available now for individual seats or at a discounted table rate. To pay by credit card click [here](#). To pay with a check, click [here](#) and download the registration form. For more information on the Annual Meeting and Luncheon, contact Kristina Henry, director of events, at (202) 237-7200 or kh@wanada.org.

Last dealership leaves DC; WANADA's O'Donnell weighs in

The last franchised new-car dealership will soon leave DC, the end of a longtime trend of migration from city to suburb. Residents are moving back to the city, and the District's population is growing and becoming wealthier. But for a dealership, taxes and land costs are higher than ever in DC, and it's hard to make the economic case for staying.

Martens Volkswagen, with its sister Volvo store, were the solo dealerships in the District until earlier this year when Volkswagen became Ourisman Volkswagen of Bethesda, which will soon move from DC to the Maryland suburb.

WANADA CEO John O'Donnell, speaking to *Automotive News*, commented on the flight of dealerships from DC. "The city would very much like to see dealerships return to the District," he said. "Now how do we get dealers to return when taxes in DC are extremely high? The notion of tax abatements, incentives and deferrals has been loosely discussed without any firm offers made."

O'Donnell told *Automotive News* that Mayor Vincent Gray has mentioned that the city controls some property where dealers could store inventory and have a storefront. But the property is not in an ideal location. And the mayor is a lame duck.

O'Donnell's preference: Dealers could have a store in the city to showcase five or six vehicles and keep inventory and parts and service elsewhere. Such, in O'Donnell's view, could be a first step toward the restoration of an era when DC was home to many dealerships -- 36, by WANADA's accounting, in 1968.

Infiniti Q70 gets good rating on frontal crash test



The 2015 Infiniti Q70 now qualifies for the 2014 IIHS Top Safety Pick+ award.

In a small overlap front test for large luxury cars, the Infiniti Q70 received a good rating, the Lincoln MKS earned a not so good rating and the BMW 5 series only a marginal.

The good rating applies to the 2014 and 2015 Q70 and the 2013 Infiniti M, as the car was previously called. With good ratings in the Institute's four other crashworthiness evaluations and an available front crash prevention system, the Q70 qualifies for the 2014 IIHS Top Safety Pick+ award.

IIHS introduced the small overlap evaluation in 2012. In the test, which is more challenging than either the head-on crashes conducted by the

government or the Institute's moderate overlap test, 25 percent of a vehicle's front end on the driver side strikes a rigid barrier at 40 mph. The crash replicates what happens when the front corner of a vehicle collides with another vehicle or an object such as a tree or a utility pole.

Consumer confidence falls in September on job market worries

The Conference Board's Consumer Confidence Index, which had increased in August, declined in September because of a less optimistic assessment of the job market. The index now stands at 86 (the base is 100, in 1985), down from 93.4 in August. The fall in the index came after four consecutive months of improvement.

“A less positive assessment of the current job market, most likely due to the recent softening in growth, was the sole reason for the decline in consumers’ assessment of present-day conditions,” said Lynn Franco, director of economic indicators at the Conference Board. “Looking ahead, consumers were less confident about the short-term outlook for the economy and labor market, and somewhat mixed regarding their future earnings potential. All told, consumers expect economic growth to ease in the months ahead.”

Consumers’ optimism about the short-term outlook declined considerably in September. The percentage of consumers expecting business conditions to improve over the next six months fell from 20.8 percent to 18.6 percent, while those expecting business conditions to worsen rose from 9.9 percent to 12 percent.

Gas prices lowest since February, gas spending reaches all-time high

Although gas prices are the lowest since February at \$3.34 per gallon nationally, consumer spending on gasoline is near an all-time high, based on recent reports by the American Automobile Association (AAA) and Securing America’s Future Energy (SAFE).

Decreased demand because of less driving and more fuel-efficient cars, relatively lower crude prices and the cost savings from producing winter-blend fuel will keep gas prices low, says the AAA. Barring any major disruptions in supply, drivers are expected to see some of the lowest autumn prices since 2010. But DC has the tenth most expensive gas prices in the country -- ranked with states -- at \$3.52.

Still, SAFE reports that the average American household spent more than \$2,600 on gasoline last year, up 111 percent from 2002. Spending on gasoline increased an average of 8 percent per year, compared with 1 percent for other discretionary household spending. Because SAFE is focused on U.S. energy security and moving away from the current dependence on oil, it touts alternative-fuel vehicles as the best way to lower spending on gasoline.

Lexus RX 450h tops Cars.com’s Worry-Free Index



The 2014 Lexus RX 450h won for reliability, maintenance costs and warranty.

Another car ranking, another potential marketing tool for dealers. Cars.com has just inaugurated its Worry-Free Index, the 15 cars with the best mix of reliability rating, expected maintenance costs and warranty. The top three spots belong to Lexus, with Toyota division vehicles taking seven places. Cars.com did its own reliability surveys among consumers and also included data from J.D. Power and *Consumer Reports*. Only 2014 models were included.

Here’s the list, in order: Lexus RX 450h, Lexus ES 350, Lexus RX 350, Acura TL, Toyota Camry

Hybrid, Toyota Avalon, Toyota Tundra, GMC Yukon, Toyota Sienna, Honda Ridgeline, Chevrolet Tahoe, Toyota Camry, Lexus LS 460, Toyota Sequoia and Honda Civic.

Automotive first, or novelty? Complete car created on 3-D printer

For the first time, a complete car has been “printed” using a widely available technique known as 3-D printing, the *New York Times* reported. The 3-D printed car, the “Strati,” is a small two-seat convertible made from A.B.S. plastic, the same material used to manufacture Lego blocks. The Strati was produced by Local Motors in collaboration with Oak Ridge National Laboratory.

The process of 3-D printing involves laying down layers of molten plastic using a computer program that drives a printer to produce the 3-D image previously used to produce prototypes of auto parts. Ford has used 3-D printing to create prototype parts for test vehicles since the 1980s, according to the *Wall Street Journal*.

The Strati takes just 44 hours to “print” and contains fewer than 50 parts. It is driven by an electric motor and transmission manufactured by Renault. Local Motors has said the price could be \$18,000 to \$30,000, according to the *Times*. Early versions will be used as low-speed neighborhood electric vehicles.

Staying Ahead...

No man will make a great leader who wants to do it all himself, or to get all the credit for doing it.

--Andrew Carnegie