

THE WANADA BULLETIN

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

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HAPPY HALLOWEEN!

October 31, 2014

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Thought of the week...

Ben Bradlee's reach was wide and inclusive and hands-on with WANADA dealers

The storied executive editor at The Washington Post, the late Ben Bradlee, was remembered warmly at his funeral this week at the National Cathedral in an event rivaling those of former presidents in terms of pomp and circumstance and turnout. He died a week ago on Oct. 21 at the age of 93. Typical of Mr. Bradlee, he reportedly choreographed his own funeral arrangements, which reflected a full church turnout of notables and the ordinary.

He made history early into his 23 year stint as executive editor at The Post when he won the bet supporting his reporters Bob Woodward and Carl Bernstein as they broke the story in the Post in 1971 on the Watergate break-in to Democrat campaign headquarters which ultimately brought down the Nixon Administration.

Not long after that, former WANADA chief of staff Gerry Murphy remembers his predecessor, Mike Murphy, and some WANADA dealers meeting in the WANADA offices with Washington Post reps, including Bradlee, regarding an unflattering article that had appeared in the paper



Ben Bradlee, executive editor, Washington Post, keynoting WANADA's 1988 Annual Luncheon at Congressional Country Club.

about the automobile business. "I had just started at the association and recall hearing that Ben Bradlee had come over and him saying something to Dad along the lines of 'Mike, the article was off base and we never should have run it.' It took a lot for a man like Ben Bradlee to fall on his sword like that and I became a fan from that point forward," said Murphy.

Years later, Ben Bradlee was WANADA's 1988 Annual Meeting and Luncheon keynoter at Congressional Country Club, per the photo above. At that lunch meeting Barry Covington, formerly of Covington Buick GMC, stepped out as chairman of WANADA "passing the chairman's gavel" to Lou Kairys of Lustine. Bradlee cited a quote at the 1988 luncheon from his friend and protege President John F. Kennedy: "There are three realities in life, and they are -- God, human folly and laughter-- the first two are beyond our comprehension, so we must do what we can with the third." And in the Q & A when Watergate came up, he had this to say: "These Watergate tapes will take me to my grave with a huge smile on my face."

Rest in peace, Ben.

WANADA Annual Meeting and Lunch set for Dec. 2



George Will

WANADA's Annual Meeting and Luncheon is just over a month away --Tues., Dec. 2-- so plan now to schedule your attendance to network with colleagues while getting updated on your industry and market before hearing from renowned political commentator George Will, the keynote speaker. Taking place at the Ritz Carlton/Tysons Corner, the meeting will start with a networking reception at 11:30 a.m., lunch at 12 noon, a WANADA Business Session at 12:30 p.m. and Will's remarks at 1 p.m.

The need for U.S. leadership in the world from elected officials has rarely been as pressing as it is today, says Will, and the basis for such leadership must be grounded in bipartisan strategies and statesmanship. Alarming, the fundamentals of statecraft have eluded this administration and Congress. Against this backdrop, Will's remarks will be timely, coming, as they will, hot-on-the-heels of the midterm elections that could well shift the balance of power in Washington and state capitals.

Will is today's most widely read columnist. His column has been syndicated by the *Washington Post* since 1974 and appears in 500 newspapers in the U.S. and Europe. In addition to publishing eight collections of his columns, Will has written three books about baseball, his passion.

The business portion of the Annual Meeting will include a state of the industry and regional automobile business report from WANADA's leaders, along with an election for the WANADA Board.

Lunch tickets are available 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 & Luncheon, contact Kristina Henry, director of events, at (202) 237-7200 or kh@wanada.org.

Michigan governor signs legislation banning direct sales

Michigan Governor Rick Snyder has signed into law a bill banning direct sales by automakers to consumers in the state. The action ended a high-stakes faceoff between the dealers and General Motors, which announced its support of the bill. In signing the legislation,

Gov. Snyder insisted that the new law simply clarifies existing law that already bans such sales. Tesla, which initiated the direct sales controversy in Michigan, as they have in other states across the country, was relegated to the sidelines, grumbling that the bill was rammed through without public debate.

Maryland, Arizona, and Texas also ban direct sales. In Virginia, Tesla has a showroom in Tysons Corner, from which no sales or test drives are permitted. The company has been granted permission to operate a single dealership in Virginia, and the *Washington Post* has reported that it is eyeing a spot on Tyco Road in Tysons.

The Michigan Automobile Dealers Association told the *Detroit News* that it “had a hand in adding a direct sales amendment to the bill,” the paper reports. The legislation was originally introduced to address documentary fees, requiring dealers to charge all customers the same rate or no fees at all. Previously, documentary fees in the state were capped at \$200, or 5 percent of the car’s price, whichever is less. The Michigan bill was obviously very much broadened.

In Massachusetts, the state Supreme Court last month ruled in favor of Tesla, saying that only dealers of that make – in this case, Tesla dealers – could challenge a manufacturer’s right to sell directly to consumers. That means another automaker, such as a Chinese one, that does not have dealers in the state could open a direct sales store there, attorney Louis Chronowski of Dykema wrote in *WardsAuto*. Of course, Chronowski said, the court decision would no longer apply if the Massachusetts legislature passed a law banning direct sales.

John O’Donnell of WANADA joins DC panel on alt. fuel

WANADA CEO John O’Donnell was one of several panelists speaking at the National Alternative Fuel Vehicle Day Odyssey on the National Mall October 17. The event, one of scores around the country marking the biennial outreach and education event dedicated to promoting the use of alternative fuel and advanced technology vehicles, was sponsored by the Greater Washington Region Clean Cities Coalition. O’Donnell sits on the Board of the Coalition. American Honda Motor Co. was a national sponsor of the event, which included vehicle and table displays and educational videos. The Smithsonian Institution, proximate to the National Mall, also participated.



O’Donnell represents the Greater Washington Region Clean Cities Coalition as he speaks on the National Mall.

Northwood University to honor Jim O’Connell, Jim Koons Automotive, with Dealer Education Award

As it has done for more than forty years, Northwood University will recognize auto dealers from across the U.S. and around the world at the NADA Convention in January with its Dealer Education Award. And of the half a dozen or so in Northwood’s spotlight this year will be Jim O’Connell, president of Jim Koons Automotive Companies. Mr. O’Connell was put forward for Northwood’s DEA by John O’Donnell of WANADA who nominated him earlier in the year, which Northwood accepted for its DEA presentation at the 2015 NADA Convention.

As president of Jim Koons Automotive, Mr. O'Connell has seen to it that the automotive professionals staffing the organization's 17 dealership locations are fully schooled on state of the art product facts so the various vehicle brands that Jim Koons markets, sells, maintains and repairs are handled properly and efficiently. OEM recognition Jim Koons Automotive receives year over year is the illustrative that staff training and education accomplishes its objective.

Jim O'Connell has also seen to it that dealer departmental staff are fully up to speed on the regulations impacting workplace safety; privacy of customer information; and finance and insurance.

As an active member of WANADA's Board several years ago, Mr. O'Connell was involved in the establishment of the Auto Dealer Education Institute (ADEI), which subsequently has put into operation the eminently successful Auto Technician Development Program that "home grows" line technicians from a pool of young adults employed at WANADA dealerships and educated at Montgomery College, in Rockville and Marshall Academy, in Falls Church.

The Northwood University Breakfast, where Mr. O'Connell will be honored at the NADA Convention in San Francisco, will be held on Saturday, Jan. 24, 2015. Many dealers from across the U.S. attend the breakfast at NADA being alums of Northwood's longstanding Auto Dealer Executive Degree Program. Jim Koons himself is such a graduate.



Jim O'Connell, Jim Koons Automotive Companies

Dottie Fitzgerald of Fitzgerald Auto Malls, inducted into Montgomery Business Hall of Fame

The leadership of Montgomery County government came together in number with a lunch room full of county notables from the business community this week to spotlight those who have distinguished themselves for success in the private sector along with service to the community. Five longstanding county entrepreneurs were inducted into the Montgomery County Business Hall of Fame, one of whom was Dottie Fitzgerald, vice president of Fitzgerald Auto Malls, a position she has held for many years. In this role Dottie has been at *the center* of the FitzMalls organization, taking care that staff always know that they have an ombudsman in her. The results of her close working relationship with staff has been many who have grown into longstanding and devoted FitzMalls team players.

With the county school system, Ms. Fitzgerald has been an outstanding leader of the Montgomery Students Automotive Trade's Foundation which she has chaired and remained involved with as a member of the board. The "Minidealership", as it is known, has identified MCPS students with aptitude and ambition to pursue careers in auto technology which many over the years have done. She has also been passionately involved with pets and raising public awareness for the humanely care of dogs and cats.

Ms. Fitzgerald has been recognized previously as a Catholic Business Leader of the Year and is also the recipient of the Northwood University Dealer Education Award.



Dottie Fitzgerald, inductee to the MC Business Hall of Fame, flanked by WANADA execs John O'Donnell (left) and Joe Koch

Others inducted with Ms. Fitzgerald into the MC Business Hall of Fame were: Mark Choe, owner, Mark's Kitchen; David Reznick, co-founding partner, CohnReznick; Ola Sage CEO, e-Management; Annie Totah, founder & president, AST Partnership for Brighter Tomorrows.

WANADA wishes Dottie Fitzgerald all the best on the well-deserved recognition!

Americans rank fuel economy as top vehicle purchase factor

More than three-fourths of Americans say fuel economy is more important than safety, body type or price when buying a car, according to a new study sponsored by the American Chemistry Council (ACC) and *Plastics Make it Possible*. Nearly three-quarters say fuel efficiency is more important to them now than it was five years ago. Almost four in ten admitted to driving further to get lower priced gas.

The study reveals some confusion over what makes a car more fuel-efficient. Only about half of respondents recognized that a lighter weight vehicle is more fuel-efficient.

“For many of today’s cars, plastics make up 50 percent by volume – but only 10 percent by weight, which is great news for Americans concerned about paying too much at the pump,” said Steve Russell, president of ACC’s plastics division.

Automakers exceed fuel economy standards each year

Automakers *have surpassed* fuel economy standards each of the past three years since the new standards have been in effect, according to University of Michigan researchers. CAFE performance topped anticipated levels by 0.2 mpg for MY 2012, by 0.1 mpg for MY 2013 and 0.2 mpg for MY 2014.

Fuel economy has increased annually from MY 2008 through MY 2014, the researchers said. Overall, it improved by 5.3 mpg over those seven model years, from 25.5 mpg to 30.8 mpg.

“If the current trends in annual improvements persist, future achieved CAFE performance is expected to continue meeting or exceeding the projected performance levels – and desired greenhouse gas reductions – contained in the latest CAFE standards,” said Brandon Schoettle of the University of Michigan Transportation Research Institute.

Focus on older drivers, Chrysler design exec tells engineers

Automakers should stop trying to cater to millennials, Chrysler product design chief Ralph Gilles said at the Society of Automotive Engineers Convergence Conference in Detroit last week. Young people simply don’t have the money to buy cars right now. Most money is in the hands of baby boomers, age 60 and older – and that’s where the auto industry should focus, said Gilles, reports the *Detroit Free Press*.

The proportion of older Americans with driver’s licenses will keep rising in the next 15 years, and those drivers want to keep driving as long as they can. Technology, such as lane departure warnings and rear view cameras, can help.

By 2030, nearly one-fourth of Americans with driver’s licenses will be older than 65, Gilles said, according to the Federal Highway Administration.

Automakers work together to protect vehicle data privacy



Former NHTSA administrator warns of potential terrorism threat to customer information stored by in-vehicle systems.

The two most important associations of automakers are working on a cybersecurity initiative with the National Highway Traffic Safety Administration (NHTSA). The Alliance of Automobile Manufacturers and the Association of Global Automakers, which between them represent all the major automakers, have been working on the initiative since July.

The security principles that the automaker groups have written “reflect the reality that automobiles increasingly make use of innovative technologies and services that are designed to enhance vehicle safety, improve vehicle performance and enable a better overall driving experience,” Global Automakers told NHTSA, according

to the *Detroit News*. The data captured by the in-vehicle systems could include exact location and biometric information about the driver.

There have been no problems yet because there’s no money to be made from hacking in-vehicle systems. But terrorism is a potential concern, former NHTSA administrator David Strickland, now a partner with Venable LLP, said at the SAE Convergence Conference in Detroit, reports the *Detroit Free Press*.

To combat threats to privacy, the automaker groups are creating a virtual Information Sharing Advisory Center that will collect and share cyber threats. Although there have been no threats so far to the security of customer information, the groups said they are working to prevent information leaks before they occur.

Green Car of the Year finalists announced

The *Green Car Journal* has announced the five finalists for its 2015 Green Car of the Year in preparation for revealing the winner at the LA Auto Show November 21 to 30. The magazine’s publisher Ron Cogan regularly showcases the finalists for the Green Car Technology award at the Washington Auto Show and announces the winner here.

The finalists, to be announced in Los Angeles, are the Audi A3 TDI, BMW i3, Chevrolet Impala Bi-Fuel, Honda Fit (the only car in the group that is not an alternative fuel vehicle) and Volkswagen Golf.

“Each offers a distinctly different approach to driving ‘green’ that appeals to buyers with varying needs and perspectives on how best to lessen environmental impact, while maintaining the joy of driving,” said Cogan.

NTSB forum focuses on dangers of drowsy driving

Attendees at a recent forum sponsored by the National Transportation Safety Board (NTSB) heard estimates that anywhere from 1,000 to 7,500 people are killed annually because of drowsy driving.

“Sufficient, good quality sleep is fundamental to alertness and human performance, yet so many Americans are on the road dangerously impaired by lack of sleep,” said NTSB member Mark



Fatigued driving kills from 1,000 to 7,500 people annually.

Rosekind at the forum in Washington, “Awake, Alert, Alive: Overcoming the Dangers of Drowsy Driving.”

“We do not have a ‘fatigue-alyzer’ as we have a ‘breath-alyzer’ for alcohol intoxication,” Rosekind said. Yet the crashes are “tragic, needless and preventable.” Even one night losing just two hours of sleep is enough to significantly impair a driver’s abilities.

The conference uncovered the complexity of the problem. Some steps discussed were roadway design and construction that acknowledges the risks associated with fatigued-driving emergencies, and the diagnosis and treatment of sleep disorders. Some car models offer options that could be helpful in such situations, such as lane departure warnings.

Dealer gets creative with Halloween party – and marketing

Dealers often have Halloween promotions, but Franklin Sussex Auto Mall in North Sussex, N.J., raises the bar with its events marking the holiday. Customers who buy a car there in October are asked to choose a pumpkin from a “pumpkin patch” in the showroom. Each pumpkin has a card attached to it with prizes that range from \$50 cash to a \$100 service voucher to a flat screen TV, reports Edmunds.com.

The dealership also has a Halloween party where the staff dresses in costumes and gives out candy to neighborhood and customers’ kids. Adults and children alike are given prizes for original costumes. Children’s prizes include an xBox, iPad and a \$100 gift card to Toys R Us. A pumpkin is given to any adult who test drives a car.



One dealer gives away some unique prizes for good costumes at its Halloween party for area children and adults. Photo by Chris Feser

Thought of the week....

The more aggressive our search for the truth,
the more some are offended by the press.

So be it.

In a democracy, the truth is rarely available immediately.

In a democracy, the truth might take years to emerge, but that’s how the system is supposed to work.

Any relaxation by the press pursuing the truth will be costly to democracy.

--Ben Bradlee

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