

THE WANADA BULLETIN

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

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Headlines...

WANADA dealers join other industries in celebrating career training at annual FATE Partners Dinner

Virginia tests connected cars on 95 Express Lanes

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Thought for the week...

WANADA dealers join other industries in celebrating career training at annual *FATE Partners Dinner*



WANADA-ADEI receives a recognition plaque at the recent FATE dinner. From left, Chad Maclin, executive director of FATE; John O'Donnell, CEO, WANADA; Frank McCarthy, Sheehy Auto Stores; and Billy Painter, ADEI coordinator.

WANADA was pleased to attend a recent celebration of FATE, the Fairfax Applied Technical Education program at Fairfax County high schools. FATE trains students in several different trades, including auto repair. WANADA's ADEI (Automobile Dealer Education Institute) runs the auto tech training program through Fairfax County schools, and WANADA-ADEI is a sponsoring business partner of FATE.

Held at the Country Club of Fairfax, FATE's recent Student Enterprise and Business Partner Celebration

Dinner included an awards presentation. Frank McCarthy of Sheehy Auto in Springfield, a Board member of both WANADA and ADEI, was recognized for his role in re-establishing ADEI Technician Development Training through FATE at Marshall Academy and bringing it to Springfield High School. Two FATE students are currently working at Sheehy stores.

ADEI runs a similar program in Maryland, at Montgomery College in Rockville. This program is closely partnered with the Automotive Trades Foundation, which oversees Montgomery County

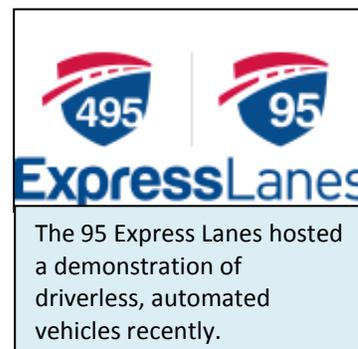
public high schools automotive technology and collision repair programs. Students in the program operate a licensed used-car dealership while in high school.

WANADA through its ADEI also has long sponsored the Students' Auto Sales Program that FATE operates through Fairfax County Public Schools. Similarly, ADEI has sponsored the MINIDealership through Montgomery County Public Schools. Both of these programs identify, educate, and inspire high school students toward auto dealer careers. Correspondingly, ADEI's Auto Technician Development Program recruits, employs and trains young adults as auto dealer-line technicians through MC in Rockville, MD and Marshall Academy in Falls Church and, more recently, Springfield, VA

"It was an honor to receive the award from Fairfax County on behalf of WANADA in recognition for our support of the Foundation for Applied Technical Education (FATE)," said Frank McCarthy. "It was very evident how important the partnership with WANADA is to the Fairfax County school system in their efforts to provide educational opportunities for students and to provide the dealerships with career-minded technicians."

Virginia tests connected cars on 95 Express Lanes

"Virginia is open for automated and unmanned business," said the state's Director of Technology, Karen Jackson, as state officials and reporters gathered recently for a demonstration of automated and connected vehicles on the 95 Express Lanes. A 10-mile stretch of road was closed off for the event, marking the first time the technology has been tested on a public road in the Washington area. U.S. Sen. Mark Warner (D) took a ride in a driverless Cadillac and was clearly startled when it jerked into the next lane to make room for a trooper who was on the Cadillac's tail.



Overall, researchers and state officials were pleased with the test. The work is part of the Virginia Connected Corridors and the Virginia Automated Corridors, which represent partnerships among the Virginia Tech Transportation Institute, the state DOT and DMV, Transurban and HERE, Nokia's mapping business. The test staged four scenarios: an active work zone, an emergency vehicle on the side of the road, response to a moving emergency vehicle and lane drift/blind spot warning.

Virginia officials told *The Washington Post* that the move toward such technology takes on added significance as the state tries to wean itself off too much dependence on defense contractors.

866,000 Virginians go to DMV unnecessarily

A state report shows that one-fifth of Virginians going to the DMV did so for services that could have been obtained online or by phone, increasing everyone's wait time and paying an unnecessary \$5 fee. Most of those residents were going to renew their vehicle registration.

The report also found that Northern Virginians have longer wait times than other state residents – 47 minutes in Arlington versus 24 minutes in the rest of the state. The Customer Service Center in Tysons Corner is the busiest in the state.

The state has been encouraging residents to complete transactions online. One-third of state DMV transactions occur online, up from 16 percent in 2011.

Task force forms to speed development of driverless cars

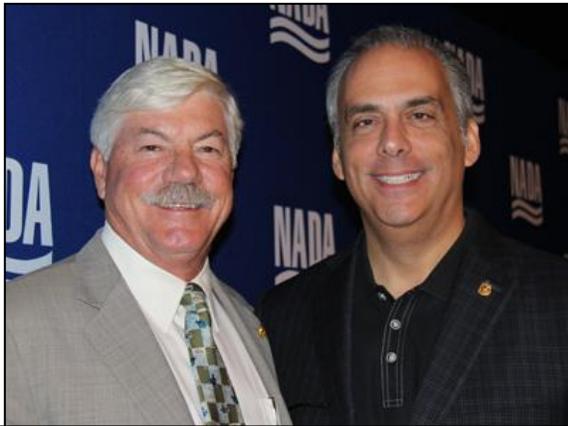
A group focused on reducing U.S. oil use has formed a task force to promote the development of autonomous vehicles. The Autonomous Vehicle Task Force was announced at an event at the National Press Club in Washington, DC, by Larry Burns, a former General Motors engineer and current Google advisor and member of the task force.

“Autonomy will accelerate the deployment and use of electric vehicles and stimulate the mobile sharing economy, breaking oil’s monopoly over the transportation sector and shielding the country from an increasingly volatile and unpredictable global oil market,” said Robbie Diamond, president and CEO of Securing America’s Future Energy (SAFE).

In the event at the Press Club, Burns said that autonomous vehicles have the potential to reduce car crashes by 90 percent. He also said they could save Americans more than \$1 per mile traveled. The reason: With the widespread use of autonomous vehicles, consumers would not have to own a car that now mostly sits idle. A shared car, used only when an individual needs it, would be much more efficient and create less waste. Burns did not address the potential effect on car sales.

The main opposition to widespread adoption of autonomous vehicles, Diamond said, would come from vested interests including oil companies, auto manufacturers and lawmakers.

NADA Board elects Colorado dealer as its chairman for 2016



NADA’s 2016 dealer leaders: Jeff Carlson, Chairman of the Board (left), with Mark Scarpelli, newly elected Vice Chairman

The NADA Board of Directors has elected Jeff Carlson, a new auto dealer from Colorado, as chairman for 2016. His term begins in January 2016, and the official passing of the gavel will occur at the NADA Convention, March 31 to April 3, in Las Vegas. Carlson is president of Glenwood Springs (Colo.) Ford and Glenwood Springs Subaru and co-owner of Summit Ford in Silverthorne, Colo.

Mark Scarpelli, who represents Metropolitan Chicago’s new-car dealers on NADA’s Board, was elected vice chairman. He is president of Raymond Chevrolet and Kia in Antioch, Ill., and co-owner of Ray Chevrolet in Fox Lake, Ill.

Bill Willis, president of Willis Automotive Group (Chevrolet, Buick and Ford) in Smyrna, Del., was elected secretary. Neale Kuperman, president of Rockland Toyota in Blauvelt, N.Y., was elected treasurer.

U.S. auto sales to peak at 17 million-plus in 2016 or 2017

Hard as it may be to believe as auto sales keep climbing, two sales forecasts see light vehicle sales topping out at 17.4 million to 17.6 million in 2016 or 2017.

NADA predicts sales of 17.2 million in 2015 and peaking at 17.6 million in 2016. The previous record was set in 2000, when dealers sold 17.4 million.

Starting in 2017, NADA chief economist Steve Szakaly sees sales falling as millennials start to eclipse baby boomers as the biggest group of buyers.

“If you look at spending power and income, millennials are poorer and have more debt than boomers,” Szakaly said. “They graduated into the global financial crisis, meaning little to no wage growth. They have lots of college debt, and they are just starting off in the working world.

“A retiring baby boomer new vehicle buyer has accumulated wealth and makes on average \$80,000 a year compared to the average millennial, who makes \$44,000 and has \$20,000 of debt,” he added.

IHS Automotive puts peak sales higher and a year later, forecasting 18.2 million in 2017. The company sees sales of 17.3 million in 2015 and 17.8 million in 2016.

Why the slowdown in future years, other than the rise of millennials? Credit will become tighter, as is already happening. The Fed will finally raise interest rates. And NADA says used-car prices will drop by 4.5 percent in both 2016 and 2017, making a used vehicle seem like a more appealing alternative to many new-car shoppers.

75% of buyers would pay for Wi-Fi in their next car

Three-quarters of consumers globally said they consider connected car services – meaning the car is equipped with a wireless Internet connection – important in their next car, according to a new survey from AT&T Drive Studio and Ericsson. U.S. consumers rank the Wi-Fi hotspot as the number one feature they want to buy for their next car.

A Wi-Fi connection can run apps such as streaming music and Internet radio, use navigation services with real-time traffic updates, conduct local searches and use restaurant services, all from the car’s dashboard.

“In addition to safety and infotainment features enabled by connectivity, automakers can also use the connectivity for over the air software updates and advanced downloadable engine configurations,” said Orvar Hurtig, vice president at Ericsson Global Services.

1 in 3 drivers skips car maintenance, repairs

More than one-third of American consumers have skipped or delayed service or repairs that were recommended by a mechanic or specified by the factory maintenance schedule, according to an American Automobile Association (AAA) survey. AAA’s certified auto repair shops estimated that drivers can save an average of \$100 per visit by properly maintaining their vehicle.

In 2014, AAA responded to more than 29 million calls for roadside assistance, with the majority because of battery failure, flat tires or key locked inside the vehicle.

“While problems with batteries, tires and keys are the most common reasons that members call AAA for help, there are more than 12 million calls each year related to engine trouble, fuel problems and other mechanical mishaps,” said John Nielsen, AAA’s managing director of Automotive Engineering and Repair.



Consumers waste a lot of money by not maintaining their cars properly, says the AAA.

For instance, although most modern vehicles are equipped with low-fuel lights, AAA provided gasoline delivery to more than half a million vehicles last year. And AAA towed more than 13,000 vehicles to repair facilities because members incorrectly fueled their gas-powered vehicle with diesel or vice-versa.

Another short-term measure likely for road funding

With federal transportation funding set to run out October 29 and no agreement at this writing, prospects look dim for the long-term bill that all parties say they want. A letter from 19 governors to members of Congress is the latest show of support for multiyear funding.

The Senate passed a multiyear highway bill this summer, and the House was scheduled to mark up a six-year bill in committee October 22. But that did not leave enough time for the full House to vote on a bill that would have to be reconciled with the Senate bill.

The main obstacle is finding a source of funding. There is no appetite in Congress for raising the gas tax for the first time in more than 20 years, although several states have raised theirs. Hopes seemed high earlier in the year for a measure that would use the revenue from a tax on overseas corporate profits to fund transportation, but that didn't work out. So we're likely looking at another short-term measure because everyone understands that *something* must be passed so roads and bridges can continue to be built and repaired.

DC area millennials more confident about money

Washington area millennials are more confident about their financial situation than young people nationwide, according to a Bank of America survey.

Just 31 percent of millennials here are stressed about money compared with 41 percent nationally. An impressive 71 percent of local millennials are satisfied with their finances vs. 55 percent nationally. So it follows that 58 percent of Washington area millennials are likely to pay off their credit card debt every month, but just 38 percent of millennials nationally are.

Perhaps not surprisingly, a whopping 76 percent of millennials in the Washington area are concerned about the cost of living, much higher than the 61 percent nationally who are.

Thought for the week...

I don't think (as Democrats) we should look at Republicans as the enemy. They are our opposition, and for the sake of the country, we have to work together.

-- Vice President Joe Biden

Oct 21, 2015