

# THE WANADA BULLETIN

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

WANADA Bulletin # 43-15

*Happy Halloween!*

October 30, 2015

## Headlines...

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Thought for the week...

## Popular political commentator, Laura Ingraham, to keynote WANADA Annual Lunch Tues., Dec. 8, Ritz/Tysons Corner



In keeping with WANADA Annual Meetings and Luncheons of recent years, the upcoming Washington Area New Auto Dealers Association membership event will be keynoted by a well-known, highly-regarded news commentator with *inside-the-Beltway* expertise. Laura Ingraham, WANADA's 2015 Annual Member Meeting and Luncheon speaker, will cover the complete range of presidential election year issues that are being brought to the forefront with increasing frequency and intensity by the well-publicized full field of candidates. This year's Luncheon will again be at the Ritz/Tysons Corner, set for Tuesday, December 8, 2015.

"While the competition to become the next president of The United States is entertaining to watch as it's been heating up for 2016, it's also critically important to all of us because the winner will lead America in an increasingly uncertain world through the end of this decade," said Dick Patterson, RRR Automotive, WANADA chairman of the board. "Laura Ingraham is as credible as any news commentator on today's Washington political circuit whose presentation at our Annual Luncheon should be as insightful as it is timely," he said.

A radio talk host since 2001, Ingraham has similarly distinguished herself as a TV news commentator across the gamut of news organizations from MSNBC to FOX and ABC. In this later regard, she is the guest host for *The O'Reilly Factor* on FOX and a contributor on ABC's Sunday show, *This Week*, with George Stephanopoulos. An eminently successful author, she has written a number of books reflecting her conservative political perspective several of which have

been *New York Times* best sellers to include her most recent *Of Thee I Zing*, and earlier books *The Obama Diaries* and *Power to the People*.

Ingraham has also been recognized as one of the 25 most influential women in the GOP by Newsmax and is a respected lawyer having graduated from UVA law school and practiced law in New York.

The Annual Meeting segment of WANADA's Annual Luncheon will include a Washington Area automobile business report and dealer association update and an election of directors to WANADA's 2016 board. If past is prolog, the reception that precedes the Annual Lunch will provide an unparalleled networking experience for WANADA dealer and supplier attendees.

The Annual Meeting and Luncheon registration can be accessed by clicking [here](#). Reservations can be done online and paid by credit card. For registration information, contact Kathy Teich at [kt@wanada.org](mailto:kt@wanada.org) or 202-237-7200.

WANADA dealers and senior managers and business associates are heartily encouraged to sign up for the Annual Lunch today!

Sponsors of the 2015 WANADA Annual Luncheon and Meeting are:



BG Products and Services



## NADA testifies at House hearing on auto safety

In a House subcommittee hearing on improving vehicle safety, NADA President Peter Welch said the association wants to boost the recall completion rate from its current 75 percent. But NADA doesn't support the grounding of all vehicles under open recall.

"Dealers support a 100 percent recall completion rate," Welch told the committee. "In general, Congress should focus on strategies that boost recall completion rates, while avoiding policies that indiscriminately ground recalled vehicles that may not result in them actually getting fixed." Grounding all rental and used cars under recall would also ground vehicles for minor compliance matters, such as a wrong phone number in the owner's manual, he said.

Welch urged Congress to direct NHTSA to upgrade its recall database so dealerships could automatically do a daily check of which used vehicles in their inventory are under recall. The current system is designed for single vehicle lookups by a consumer, not for commercial use.

The two main reasons why recall rates are not higher are back-ordered repair parts and recall notices that are disregarded by consumers, Welch said. It's not unusual for a dealer to wait 60 days or more for a back-ordered recall repair part – and sometimes as much as a year.



NADA's president Peter Welch testifying before the House Subcommittee on Commerce, Manufacturing and Trade

NADA also supports these measures in a proposal drafted by House subcommittee staff:

- Permit email and other communication channels to notify vehicle owners of recalls. Federal telemarketing and other restrictions should not apply to communications limited solely to the recall.
- Require state motor vehicle agencies to provide recall notifications at registration renewal and with state and local emissions and safety inspections.
- Extend recalls from 10 to 15 years.

Democrats were unhappy with the bill drafted by GOP staff members, saying it wouldn't improve efficiency or awareness of recalls and complaining that it doesn't boost NHTSA's budget. NHTSA Administrator Mark Rosekind has told the committee it's hard for his agency to keep unsafe vehicles off the road without an increase in budget.

Another point of contention was the link the bill makes between emissions requirements and safety features. "The bill would give automakers a break from health-based carbon emissions standards, in exchange for adding safety features that are readily available," said Rep. Jan Schakowsky (D-Ill.), according to the *Detroit News*.

## Dealer information email address for DC DMV

In an effort to improve communications with the dealer community, the DC DMV has set up an email address that dealership personnel can use to submit questions, [dcdmvdealerinfo@dc.gov](mailto:dcdmvdealerinfo@dc.gov). DC DMV operatives have said they intend to respond to all requests submitted through this email address by the close of the next business day. WANADA is aware that many in the dealer community have experienced long processing times and other problems with paperwork processing through the DC DMV. The association has been working with DMV officials to find workable solutions.

For more information, please contact Joe Koch, Vice President of Association Operations, at WANADA's office, (202) 237-7200, or [jk@wanada.org](mailto:jk@wanada.org).

## VW adds VIN lookup tool to website for troubled diesel owners

Volkswagen has added a VIN lookup tool to its website for owners of diesel models affected by the automaker's emissions scandal, [www.vwdieselinfo.com](http://www.vwdieselinfo.com). About 482,000 cars are affected in the United States: the 2012-2015 Beetle TDI, 2010-2015 Golf TDI, 2009-2015 Jetta TDI, 2012-2015 Passat TDI and 2010-2015 Audi A3 TDI. Consumers can now go on the site and see if their vehicle is included by entering the VIN.



Owners of cars such as the 2015 VW Jetta TDI can now input the VIN onto a VW website for diesel owners to see if their car is affected by the emissions scandal.

In a FAQs section on the site, VW says it can't offer a firm date for when a remedy will be offered but adds, "We are cooperating closely with the regulatory authorities to develop a remedy as quickly as possible." The site notes that VW has put a "stop sale" on all 2.0L 4-cylinder TDI models, new and used, and that it is working to get approval for its MY16 2.0L cars. The automaker emphasizes that all affected cars are safe to drive.

There have been some media reports saying that some owners won't get their emissions systems repaired because they prefer to sacrifice emissions compliance to let their car retain its power.

## **Driver's license for self-driving cars?**

Just like people, autonomous vehicles should be required to pass a driver's license test, say two University of Michigan researchers. Michael Sivak and Brandon Schoettle of the U-Mich Transportation Research Institute offer some reasons why that idea makes sense:

- The variability of software and hardware at different automakers results in varied road performance.
- Self-driving vehicles don't perform consistently in foul weather.
- Autonomous vehicles can't always recognize obstacles, such as downed power lines or flooded roadways.
- Autonomous vehicles occasionally face ethical dilemmas, such as a forced decision between hitting another car or swerving onto the sidewalk and hitting pedestrians.

One possibility is a provisional driver's license, with which autonomous vehicles would be permitted to drive in any situation --except at night or in the snow-- until the software is improved.

## **New transmission systems causing problems**

Consumer Reports' 2015 Auto Reliability Survey has found increased troubles with new transmission systems developed to improve fuel economy. The report is based on data from more than 740,000 vehicles, reported by CR subscribers. Many car buyers look to CR for guidance, so the trend is worth noting.

Acura is the latest brand to see its overall predicted reliability ranking drop, because of problems with in-car electronics and transmissions for its new RLX and TLX sedans. The same troubles have dragged down overall scores for Ford, Nissan, Fiat-Chrysler and others.

"We've seen a number of brands struggle with new transmission technology," said Jake Fisher, CR's director of automotive testing. "whether it's a complex system, such as a dual-clutch gearbox, a continuously variable transmission, or one with eight or nine speeds. Many vehicles require repair and replacements because of rough shifting among the gears and slipping CVT belts."

Lexus garnered top reliability marks for all seven vehicle lines scored in the survey. Other makes in the top five were Toyota, Audi, Mazda and Subaru. Infiniti and Honda both saw their scores drop because of problems with their infotainment systems. Buick, in seventh place, was the only Detroit 3 brand in the top 10.

## Dealership jobs outpace average U.S. wages, NADA report finds

The median weekly income for all employees at new-car dealerships increased 5.1 percent last year to \$1,026, according to NADA's latest Dealership Workforce Study. On average, dealership staff earned nearly 29 percent more than other jobs in the private sector.

"Jobs at new-car dealerships have continued to outpace average U.S. wages and are some of the best-paying jobs available," said NADA Chief Economist Steven Szakaly. "This highlights the importance of the retail auto industry to U.S. job growth, and how critical new-car dealerships have become in their communities across the country in providing high-paying, stable employment opportunities following the recession."

Dealership productivity, measured as monthly gross profit per employee, increased 3.4 percent to \$8,410 per month per employee in 2014.

High turnover for dealership salespeople remains a persistent problem, at 72 percent. Szakaly sees two reasons for this. One, many entry-level workers try auto sales and decide that's not what they want to do. And second, he said, "automotive retailing is going through major industry changes, which is putting pressure on sales staff earnings."

Staff turnover for other dealership positions is much lower, though it increased from 36 percent to 39 percent. That's still 5 percentage points lower than the 44 percent turnover in the entire private sector, as estimated by the Bureau of Labor Statistics.

## Finalists named for Green Car of the Year

The *Green Car Journal* has chosen five finalists for its 2016 Green Car of the Year, to be announced at the L.A. Auto Show, November 19. The cars are the Audi A3 Sportback e-tron (plug-in hybrid), Chevrolet Volt (hybrid electric), Honda Civic (conventionally powered, with excellent fuel economy), Hyundai Sonata (efficient gasoline, hybrid, plug-in hybrid models) and Toyota Prius (hybrid electric).

"All approaches are essential to achieving today's important environmental goals, including greater fuel efficiency, lower tailpipe emissions, reduced carbon emissions and overall environmental improvement, while providing satisfying performance and retaining the joy of driving," said *Green Car Journal* publisher Ron Cogan.

Cogan also gives out a set of Green Car Awards at The Washington Auto Show.

## Three-week highway funding bill expected to pass

Transportation advocates have lamented that Congress has passed only temporary transportation spending bills – usually two-year measures – since 2005. The latest patch is just three weeks. But the House passed it specifically to give lawmakers a little more time to finish work on a six-year measure passed by the House Transportation Committee a few days earlier. Senate leaders said they would pass the three-week bill, and the White House has said the president would sign it.



Dealership wages continue to outpace average U.S. wages.

The three-week measure will extend the October 29 expiration date for funding to November 20. The six-year bill sets aside \$325 billion -- \$261 billion for highways, \$55 billion for transit and \$9 billion for safety programs. But the bill requires Congress to pass a new bill in three years to fund the last three years of the measure.

## Hands-free technology poses lingering danger

Potentially unsafe mental distractions while driving can persist for as long as 27 seconds after dialing, changing music or sending a text using voice commands, according to new research by the American Automobile Association Foundation for Traffic Safety.

“The results indicate that motorists could miss stop signs, pedestrians or other vehicles while the mind is readjusting to the task of driving,” said Peter Kissinger, president and CEO of the AAA Foundation.

Researchers compared new hands-free technologies in ten 2015 vehicles and three types of smartphones. They found that the systems could pose a danger even at seemingly safe moments when there is a lull in traffic or the car is stopped at an intersection.

“The reality is that mental distractions persist and can affect driver attention even after the light turns green,” said AAA’s President and CEO Marshall Doney. “We are concerned that these new systems may invite driver distraction, even as overwhelming scientific evidence concludes that hands-free is not risk-free.”

### Thought for the week...

Double, double toil and trouble. Fire burn,  
and cauldron bubble!

--Witches' spell, Act 1 Scene 1  
*The Tragedy of Macbeth*  
By Wm. Shakespeare

### Halloween visitors



Costumed kids from the daycare center in Friendship Heights *trick or treat* at WANADA office.

