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Warren Brown

WANADA is pleased to announce that it intends to honor syndicated columnist and longstanding Washington Post staff writer Warren Brown for his extraordinary and distinguished news professional career covering the automobile business in Washington and across the global industry.

“Few are more insightful about the automobile industry or more passionate about vehicle design, utility and value than Warren Brown whose career as a news reporter in Washington covering our business is second to none,” said Chip Lindsay, chairman of WANADA. “From dealers and automakers to lawmakers and regulators, no one who writes the news about our industry is

more respected or highly regarded for their knowledge of the subject or fairness in reporting than Warren,” Lindsay said, “and it’s an honor for WANADA to recognize him for all he has contributed.”

WANADA’s Annual Meeting and Luncheon will be the situs of the association’s recognition of Brown, which is set for Wednesday, December 5, 2012 at the Mayflower Hotel in downtown Washington.

A graduate of Xavier University in New Orleans where he grew up, Brown as a young man went north to New York where he earned a fellowship from The New York Times to complete a master's degree in journalism from Columbia University. A writer at the Times subsequent to his graduate work at Columbia, he did a news stint at The Philadelphia Inquirer. After that, he came to Washington to write for the Post in 1981 where he began on the National Desk, later moving to Business where he was given the "automotive beat," as he has referred to it. The rest, as they say, is history, with Brown systematically focusing the Post on the auto industry as never before over the years that have followed.

"Warren has been a guiding light on WANADA's mission to make Washington a presence among the tier one auto shows on the global industry circuit, which kicked into high gear when the Washington Convention Center moved into the world class facilities it has occupied since 2005," said Robert Fogarty, chairman of The Washington Auto Show. "His counsel on the automaker relations of our Auto Show has been invaluable and has unequivocally contributed to Washington's position today as the Public Policy Show on the global circuit," he said.



Knight Kiplinger

For his part, Warren Brown thoroughly enjoys things automotive, and attributes his success over the years to "getting to know the people in the business you're covering." Besides getting the story, "I find the people that I cover to be my favorite part of the job," he says.

Knight Kiplinger, renowned economic and financial forecaster and editor of The Kiplinger Letter, will be the keynote speaker at WANADA's Annual Lunch. In the Annual Meeting segment, Danny Korengold, Ourisman Automotive of Virginia, will take over as Chairman of WANADA from Chip Lindsay of Lindsay Automotive. For more information and to register for WANADA's Annual Meeting and Luncheon click [here](#) or contact

Kristina Henry at (202) 237-7200; kh@wanada.org

What to expect now the election's over



The fiscal cliff scenario was created to avoid a perpetually rising deficit – but it could have dire consequences for the DC Metro region.

In the week after the election, pundits, politicians and prognosticators are pondering likely next moves by Congress and the White House. The fiscal cliff looms, with \$700 billion in tax increases and spending cuts set to start January 2, 2013, without swift action on Capitol Hill to come up with a deficit reduction plan in the lame duck session.

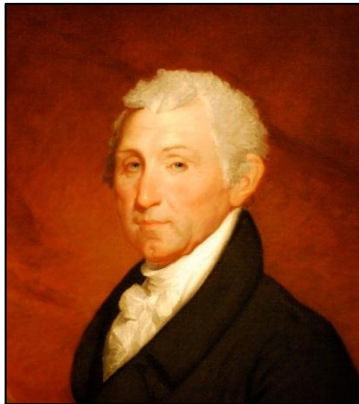
Some post-election predictions from the Small Business Legislative Council (SBLC) for 2013:

- Health care reform will take effect as planned in 2014, though Congress might throw in some obstacles or make some tweaks.
- Taxes will increase, as soon as January 1, for those making \$250,000 or more.
- New regulations in environmental, labor relations and workplace safety and health can be expected in 2013.
- Tax reform is a likely component of any deficit reduction deal.

House Speaker John Boehner (R-Ohio) has said he is open to new revenue measures but is not willing to let tax cuts for those earning more than \$250,000 expire. The SBLC says the taxes most likely to be used to help balance the budget are the Alternative Minimum Tax, which would affect more taxpayers than currently, and the estate tax, which will likely remain where it is.

If Congress fails to act, the Bush era tax cuts would expire on December 31, an action some economists believe would trigger a new recession in a fragile economy. At a minimum, car sales would be hurt as consumers pull back on making new purchases. The Washington metro area could quickly lose up to 95,000 federal contractor jobs and as many as 65,000 direct federal jobs, George Mason University public policy professor Stephen Fuller told wtop.com.

Another expected result of Obama's re-election could be a renewed interest in pushing electric vehicles. The president has set a goal of 1 million EVs on the road by 2015, and there are no indications that will change. Obama also proposed in February that the tax credit for EVs be raised from \$7,500 to \$10,000.



Not since President Monroe in 1821, has any president been the third in a row to win a second term until Obama.



Winning reelection this week, Obama again makes history

Already distinguished for being the first African American to be elected president, Barack Obama made presidential election history again this week by becoming the second president in history to be the third president *in a row* to win a second term. The only other time it happened in America's 223 years of elections and 44 chief executives was with James Monroe in 1821.

This development is noteworthy as it is historical, because the last time involved three *Founding Fathers*: Thomas Jefferson, 1801-1809; James Madison, 1809-1817; and James Monroe, 1817-1825. As successive presidents elected to a second term, Bill Clinton and Barack Obama as Democrats *bookended* Republican George W. Bush on the presidential continuum.

And while Jefferson, Madison and Monroe were all Democratic-Republicans as president, Madison, like G. W. Bush, as the second of three, had political views diametrically opposed to those of Jefferson and Monroe, when, as a young man in 1788, he co-authored *The Federalist Papers* with Alexander Hamilton, Jefferson's political nemesis. But Madison's U turn in political thinking appears to have put him in lockstep with his fellow Virginians, Jefferson and Monroe, who together ruled from the White House successively, if not successfully, for 24 straight years.

In all, there were 17 in the office of POTUS who were elected to a second term, with most finishing it, except, notably, Lincoln (assassinated), McKinley (assassinated), and Nixon (resigned).

While Franklin Roosevelt finished his second term, he then got reelected to an unprecedented third term, and then a fourth term, dying in office shortly after his final election. The four-term presidency was never replicated, thanks to the 22nd Amendment to the U.S. Constitution ratified in

1951, which prohibits anyone from being elected president more than twice, or being elected more than once, after completing two years or more of a predecessor's presidency.

Alert! Who is selling the 2013 Auto Show Program and who isn't

This follows up on a Special Bulletin/Alert WANADA sent to all members and auto show exhibitors yesterday entitled "*Setting the Record Straight on Who Represents the 2013 Washington Auto Show Program*" ([click here for the Nov. 8 publication](#)). In the Special Bulletin, WANADA CEO Gerard Murphy alerted auto show exhibitors of confusion WANADA has heard from prospective advertisers in the 2013 WAS Program caused by solicitations from what appears to be a competing publication from Washington Suburban Press Network (WSPN).

WSPN solicitations to WAS exhibitors deceptively portray their publication, known as "The 2013 Washington Auto Showcase," as the actual 2013 Washington Auto Show Program which WANADA publishes each year as the official WAS magazine which is distributed before and during the Auto Show at the Washington Convention Center.

In presenting their product, the WSPN reps are using terminology such as the "*Official Washington Auto Showcase*" in conjunction with the 2013 Washington Auto Show, with which WSPN has no *official* connection. WSPN has also falsely claimed that their publication will be distributed at the upcoming Washington Auto Show, which it will not.

WANADA ended its contract with WSPN for selling ads in the last (2012) WAS Program in favor of retaining Storin Associates for ad sales in the 2013 WAS Program. Storin is the only sales entity WANADA has retained to sell advertising in the 2013 WAS Program. Correspondingly, WANADA has no relationship with WSPN on The Washington Auto Show or anything else.

Ralph Frisbee at WANADA coordinates 2013 WAS Program operations at (202) 237-7200 or rf@wanada.org. Bob Storin of Storin Associates is at (301) 335-8289 or bob@storinassociates.com. Anyone in need of discussing the subject of this article can contact Gerry Murphy at (202) 237-7200.



The aftermath of Sandy will affect used-car prices – and supply—in December.

Used-car prices to rise in near term, thanks to Sandy, says NADA

Retail prices for used vehicles up to 8 years old will be 0.5 percent to 1.5 percent higher in December because of Hurricane Sandy, says NADA's *Used Car Guide*.

"The loss of used-vehicle supply and the increase in replacement demand after Hurricane Sandy will have the greatest impact on used-vehicle prices in December," said Jonathan Banks, executive automotive analyst with NADA's *Guide*.

As many as 200,000 vehicles could have been damaged by the storm, about a third as many as during Katrina, NADA senior analyst Larry Dixon told Bloomberg News. Toyota, Chrysler and Nissan have said they plan to scrap about 15,000 vehicles combined.

Warning: Fraudulent online ads could hurt Virginia dealers

The Virginia Motor Vehicle Dealer Board (MVDB) is warning dealers against “scraping,” a practice where Internet advertisers list on their websites inventory from dealers who never consented to the listing. In an effort to increase traffic, the advertisers “scrape” the listings from an online advertising site with which the dealers have a contract.

The problem is that the scraper often removes important disclosure information required under Virginia law. MVDB, not realizing that the listing is unauthorized, then sends a warning letter to the dealer. The issue was discussed at the November MVDB meeting this week, and the director said that any dealer who receives a warning letter and believes it’s the result of a scraping should notify MVDB with an explanation and backup material.

US fuel economy hits record high in October

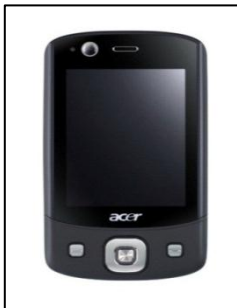
Fuel economy of all new vehicles sold in the United States hit an all-time high last month, according to the University of Michigan Transportation Research Institute (UMTRI).

Average fuel economy of new vehicles was 24.1 mpg, up from 23.8 in September. When UMTRI started tracking fuel economy in October 2007, it was 20.1 mpg.

“The improvement in fuel economy in the past five years corresponds to a 17 percent reduction in fuel consumption per distance driven,” says UMTRI research professor Michael Sivak.

He and colleague Brandon Schoettle have also created a national Eco-Driving Index, which estimates the average monthly emissions generated by an individual U.S. driver. It takes into account both fuel economy and distance driven, and is down 19 percent since October 2007.

The UMTRI study adjusted for revised CAFE figures by Kia and Hyundai, which admitted last week to overstating the mileage of 13 models after an EPA audit uncovered the discrepancy. EPA could audit other automakers, reports TheDetroitBureau.com.



Dealer ads on Facebook can attract buyers.

Buyers will drive farther to dealers with positive online reviews

Car buyers are willing to drive longer distances to dealers with positive online reviews, according to a new study of 1,600 consumers by Digital Air Strike, which manages social media and digital marketing for dealers and automakers.

“The study found evidence that car dealers actively engaging in social media and reputation management have the potential to increase both their market

share and their market reach,” said Alexi Venneri, the company’s cofounder and COO-social media.

Review sites, dealership websites and Facebook were the top three digital media that buyers used to choose a dealership. Two-thirds of those surveyed said they had used a review site when choosing a dealer. The top five review sites they named were Cars.com, Edmunds, Google+ Local, Yelp and Yahoo!.

Nearly one-third of buyers said they would drive 50 miles or more to a dealership with positive reviews. The great majority said they are using photo or video sharing networks and named the top five as YouTube, Pinterest, Flickr, Instagram and Photobucket.

The fallout from Suzuki’s exit from US

Since American Suzuki announced it is filing for Chapter 11 and will no longer sell cars in the United States, it was cleared to borrow \$45 million to pay dealers cash if they decide to shut their franchise. It will work with other dealers who want to become parts and service outlets. NADA is monitoring the situation closely.

Suzuki has sold only a little more than 21,000 cars in the U.S. this year, third worst-performing behind Saab and Smart among non-luxury brands, says Edmunds.com. Which brands will take up the slack? Kia and Nissan are the brands most shopped against Suzuki on Edmunds.com.

In a statement, Suzuki blames the bankruptcy on “low sales volumes, a limited number of models in its lineup, unfavorable foreign exchange rates,” and the high costs of maintaining a dealer network and of complying with “stringent state and federal regulatory requirements unique to the U.S. market.”

Hope your customers aren’t on this list



Volvo models like this S60 have the dubious honor of being kept the longest by the buyer.

Which car brands do Americans keep the longest? A new study by 24/7 Wall St., based on data from Edmunds.com, has some surprising findings. For instance, longer ownership appears to be related to lower vehicle quality, as measured by the J.D. Power Dependability Survey. Of course, the 2012 Dependability Survey measured problems found in newer models than those in the 24/7 study.

The nine brands kept the longest also have shrinking market share (perhaps because owners don’t trade in their cars often enough). And, not surprisingly, the owners tend to be older. Older buyers may need to save money and may not drive as much.

Drivers who own vehicles for a long time often switch makes when they trade their cars in.

The brand that has been kept the longest at turn-in is Volvo, at 7.05 years, followed by Jaguar, Buick, Mitsubishi, Lincoln, Infiniti, Ford, Chrysler and Dodge (6 years).

Age discrimination found in Maryland pension plan

A pension plan that required higher contribution rates for older employees was found to be unlawful by a federal district court in Maryland.

In *EEOC v. Baltimore County*, the county maintained a defined benefit pension plan that required participation by all employees younger than 59. Employees were required to contribute to the plan at different rates, based on their age when they joined. The older an employee was when joining the plan, the higher his or her contribution rate.

The county argued that the different contribution rates based on age were justified by non-age-related financial considerations. But the court disagreed, noting that an early retirement option separated an employee's age from the number of years until retirement. The court ruled that the plan violates the Age Discrimination in Employment Act.

(Thanks to Shawe/Rosenthal for providing this information.)

Thought for the Week...

At a time like this, we can't risk partisan bickering and political posturing. Our leaders have to reach across the aisle to do the people's work.

– Mitt Romney conceding the 2012 election to President Obama