

### Headlines...

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## Virginia Dealer Board rejects special assessment

### Action considered to rebuild Transaction Recovery Fund

The Virginia Motor Vehicle Dealer Board (MVDB) has rejected a special assessment on dealers to rebuild the Transaction Recovery Fund, which is “perilously” close to the statutory mandated minimum of \$250,000, according to MVDB director Bruce Gould. Gould said the law’s mandate of at least \$250,000 means there are virtually no funds available for use.

MVDB discussed the potential for a special assessment of dealers across the Commonwealth to increase the fund at its last meeting, but in the end rejected the idea. Instead, the Board said it will lend assistance to a legislative solution during the 2012 session of the General Assembly to accomplish the recommendations of a special work group that has been evaluating changes to the Transaction Recovery Fund.

That work group recently recommended that legislation be pursued to (1) increase the maximum recovery for any claim on the Transaction Recovery Fund to \$25,000 with an annual increase based on the cost of living; (2) establish a maximum recovery with respect to any one dealer of four times the individual maximum recovery; (3) ensure that dealer bonds pay for attorney’s fees since demands for attorney’s fees now go through the Transaction Recovery Fund even when a bond pays for a loss; and, (4) take care that the minimum balance requirement of \$250,000 in the fund be removed.

The Virginia Motor Vehicle Transaction Recovery Fund was established to reimburse persons who have suffered loss or damage in connection with the purchase or lease of a motor vehicle due to illegal actions of licensed or registered motor vehicle dealers or salespersons.

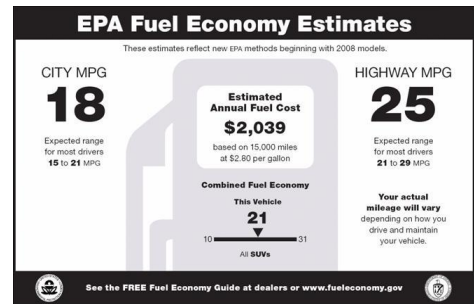
Over the last decade, the Commonwealth of Virginia has taken almost \$5 million from the Transaction Recovery Fund to help offset shortfalls from the government’s general operations.

## Fuel economy push by Feds to cost \$157 billion over next 14 years

The Obama administration announced new fuel economy rules this week requiring automakers to double average fuel economy of vehicles to 54.5 miles per gallon by 2025. The agencies that will monitor compliance with those rules said it will cost \$157 billion to meet the standards and add an average of \$2,000 to the price of each new passenger vehicle sold by 2025.

However, the National Highway Traffic Safety Administration and Environmental Protection Agency said the benefits of the new rules would range from \$419 billion to \$515 billion in fuel savings. For automakers and franchise dealers, the new requirements created considerable concerns.

“The proposed regulations present aggressive targets, and the administration must consider that technology breakthroughs will be required and consumers will need to buy our most energy-efficient technologies in very large numbers to meet the goals,” said Mitch Bainwol, chief executive officer of the Alliance of Automobile Manufacturers.



NADA president Phil Brady also weighed in saying that, “This regulation gambles that millions of consumers will be able to afford thousands more for generally smaller, more expensive vehicles that may not meet their needs. This policy is contrary to what most consumers are actually buying today, despite the wide availability of more fuel efficient models.” Brady went on to say that fuel economy policies that encourage the sale of fuel efficient vehicles, instead of risky mandates that frustrate consumer demand and depress fleet turnover, is what’s required. “How many people will be able to afford a new vehicle if the government raises the price of a new car by \$3,000?” asked Brady, who said he hoped Congress would ponder this question.

The White House said that by 2025, the fuel-economy standards and other fuel-efficiency moves will save 12 billion barrels of oil; reduce oil consumption by 2.2 million barrels a day, and save consumers more than \$8,000 per vehicle in lifetime fuel costs.

The draft fuel economy rules are the same as those concluded in July between the Obama administration and automakers including Ford, Honda, Toyota, Hyundai and General Motors. Daimler AG and Volkswagen were among automakers that didn’t sign on. The final rule is scheduled to be published next year after the agencies receive comments from the public.

## Registered vehicle count up 4% in metro region

More than 3.8 million vehicles now are registered in the Washington DC region, a 4 percent increase since 2008, according to a report from the Metropolitan Washington Council of Governments.

The report was prepared by the council’s staff for its Transportation Planning Board, a panel of elected and appointed officials from across the region. One of the board’s duties is tracking

vehicle emissions, and the report draws on motor vehicle agency data from DC, Maryland and Virginia to determine the types and ages of vehicles registered here.

The researchers found that the number of vehicles in the Maryland suburb and Northern Virginia had increased by 4 percent since 2008, while there had been a 3 percent increase in the District.

Cars and motorcycles are more popular in DC (65 percent of the total), while SUVs account for 40 percent of the total in the suburbs. Trucks and buses are about 5 percent of the vehicle fleet in all three jurisdictions.

Also of interest, in the report was the trend away from SUVs that has been dropping from its high point of 50-50 in 2004 here to only about 40 percent presently.

The researchers also found that cars on average are a year older than they were when the last study was done in 2008. SUVs are 18 months older and heavy trucks are two years older.

## CarMD.com unveils Vehicle Health Index

CarMD.com, a popular consumer website for diagnosing vehicle problems, announced the release of its first annual CarMD® Vehicle Health Index™ ranking of the top manufacturers and vehicles this week. Toyota came out on top in what the CarMD says is the first index to rank manufacturers and vehicles using real world, statistically-based data on "check engine" related failures and repair costs.



Top 10 Ranked Vehicle Manufacturers					
Rank	Manufacturer	% Vehicle Pop.	% CarMD Red Light Reports / Problems Seen	Average Repair Cost (Parts & Labor)	Overall CarMD 2011 Index Rating
1.	Toyota	13.2%	6.9%	\$417.37	0.67
2.	Hyundai	3.1%	2.9%	\$219.35	0.85
3.	Honda	10.6%	7.3%	\$429.57	0.89
4.	Ford	18.1%	18.2%	\$240.68	0.95
5.	General Motors	32.1%	32.5%	\$245.47	0.97
6.	Mitsubishi	1.8%	1.7%	\$317.36	1.03
7.	Nissan	6.2%	5.8%	\$323.61	1.04
8.	Kia	1.9%	2.2%	\$257.73	1.16
9.	Volkswagen	2.9%	3.9%	\$294.16	1.38
10.	Chrysler	6.6%	15.0%	\$198.94	1.97

The Index ranking is based on the combined fewest average repair incidents and lowest average repair costs for model year 2001 to 2011 vehicles in the U.S. from Oct. 1, 2010 through Oct. 1, 2011. The index also ranks the top 100 vehicles, the top three vehicles by category and most common problems by make. The complete index is available at <http://corp.carmd.com>.

The ranking index is derived from the fewest percentage of "check engine" light-related problems and lowest average repair cost per vehicle. Toyota, which includes Toyota and Lexus brands, has the lowest index rating of 0.67, followed by Hyundai, Honda, Ford and GM.

The data for the 2011 CarMD® Vehicle Health Index™ came from CarMD's network of independent and original equipment, ASE Certified technicians who have input and validated failures and fixes into the CarMD diagnostic database from 1996 to today utilizing OBD2 scanners.

## WANADA's Annual Meeting & Luncheon, Dec. 7, 2011

AutoNation's Mike Jackson to headline event at Mayflower Hotel



Mike Jackson

The WANADA Annual Meeting & Luncheon will be held at the Mayflower Hotel in downtown Washington, and will be headlined by AutoNation chairman, Mike Jackson.

Seats for the luncheon are \$125 each and tables of 10 are available at a 10% discount, or \$1,125. To register, please click [HERE](#), complete the form and fax to 202-237-9090. For more information,

contact Kristina Henry, 202-237-7200 or [kh@wanada.org](mailto:kh@wanada.org)

### WANADA Annual Meeting & Luncheon *at a glance*

**The Renaissance Mayflower**  
1127 Connecticut Avenue, N.W.  
Washington, DC 20036

**Networking Reception: 11:30 am**  
**Lunch: 12:00 - 12:45 pm**  
**Business Meeting: 12:45- 1:00 pm**  
**Keynote presentation: 1:00- 1:40 pm**

### Staying ahead...

The biggest cause of unhappiness is the inability to sit quietly in the solitude of one's room.

--Blaisé Pascal, 17<sup>th</sup> Century mathematician and philosopher