

Headlines...

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New brake rotors may mean fewer brake jobs

Join the WANADA Vehicle Trading Network today!

Reflection...

AutoNation CEO Mike Jackson poised to deliver a bright note of economic news at WANADA's Annual Luncheon

Last Call for tkts: Next Wed., Dec. 7, Mayflower Hotel.

Mike Jackson, AutoNation's animated CEO, is expected to present his forecast for an upswing in the U.S. auto industry to WANADA members at the association's Annual Lunch next Wednesday, Dec. 7.

Known for his decisive leadership and insightful analysis, Mike Jackson, was recently selected one of Fortune Magazine's 2011 top 50 Businesspersons of the World. Jackson was also named a 2011 Automotive Industry All Star by Automotive News for the seventh year.

Calling Jackson "a powerful player in the U.S. auto industry," Fortune notes that AutoNation "sells a higher proportion of domestic car brands" than other major retailers. "That was a liability during the GM and Chrysler bankruptcies but is looking like more of an asset as the Big Three automakers recover. The proof: Over the past year, AutoNation's sales and profits rose by 13.3% and 15.9%, respectively."

Jackson, 62, has devoted his career to the auto industry. He has led AutoNation since September, 1999, subsequent to heading up Mercedes-Benz USA and running Euro Motorcars, right here in Bethesda, MD before that.



Mike Jackson

The WANADA Luncheon will begin with a networking reception at 11:30 am for members and allied industry attendees, followed by lunch at Noon. The association will then hold its annual business meeting and election of new board members and officers. Mr. Jackson will speak thereafter and take questions. The program will conclude by 1:40 pm.

There has been a strong response for the lunch, and with it set for next Wednesday, its last call for tickets! 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



***This just in!* Auto sales recovery back on, as rail strike is called off**

Auto groups had urged Congress to act

Three rail unions that had threatened to strike at noon on Dec. 6, settled their differences with the railroad *today*, Dec. 2, averting what would have been a serious blow to a recovery in auto sales that was headed for a 13.4 million year. Analysts had projected that a strike would have cost the U.S. economy about \$2 billion daily and crippled auto production and sales.

A coalition of automaker and auto associations had pressed Congress to push for a settlement of the dispute. "Production at assembly plants and independent parts manufacturers throughout the country would be impacted immediately, and inventory at dealerships nationwide would quickly become constrained," they said in a letter to all 535 members of Congress from the: Alliance of Automobile Manufacturers; the Association of Global Automakers; the National Automobile Dealers Association; the American International Automobile Dealers Association; the Motor and Equipment Manufacturers Association; Specialty Equipment Market Association; and the American Automotive Policy Council.

"We respectfully urge you to pursue all possible options — including imposing the terms recommended by the Presidential Emergency Board on both rail management and labor — to help avert a rail strike," the letter said.

A strike, or partial strike, would have significantly hampered the ability of all auto manufacturers with plants in the U.S. to move components to assembly plants and pretty much stop shipment of finished vehicles. GM, for example, ships nearly 9,000 vehicles daily on rail cars.

This is great news!

UAW may picket dealerships as part of broader effort

The UAW has announced plans to "picket" dealerships as part of an overall effort to try to unionize foreign auto assembly plants in the U.S. The union's plan may include "informational picketing," at selected automobile dealerships.

While no such picketing has occurred as yet, dealers are advised to contact their attorney or outside labor counsel to determine what steps they should take to protect themselves and their customers should picketers show up on or near their dealership. This is because the general rules under the National Labor Relations Act governing handbilling and picketing tend to be very fact-specific and counter intuitive.

In response to press inquiries, NADA has provided the following statement on this effort:

“While details of the UAW's 'dealership campaign' are not public, the National Automobile Dealers Association (NADA) would have serious concerns about any efforts that interfere with the car buying process or frustrate customer satisfaction at dealerships. Attempting to disrupt new-car sales by targeting small businesses whose employees and families are dependent on those sales could create a public backlash and be counterproductive for the entire industry. NADA represents nearly 16,000 new car and truck dealerships, both domestic and international, employing almost 1 million people.”

WANADA dealer members who become aware of any picketing incidents are asked to call Jake Kelderman at 202-237-7200 or jak@wanada.org.

Zipcar expands into Zipvan

Zipcar, the car sharing network, is branching into the truck sharing business. In this connection, the company is running a pilot program in San Francisco that includes full size cargo vans through a new offering called *Zipvan*. The vans will allow consumers to transport items too bulky for cars or pickup trucks, and gives small businesses a new and more affordable option for transporting goods. This pilot program is similar to van service currently being offered by Zipcar's UK operations and a Zipcar member survey indicating that nearly 40 percent would be likely to use Zipvan if available.



The company is using Ford E-150 cargo vans for hourly or daily use with rates starting from \$14.75 per hour and \$99 per day, which include gas, insurance, parking, roadside assistance and up to 180 miles of driving per day. Access to the vans is self-serve, just as it is for members signed up for the car program.

Zipcar's cargo van service in London has been operating for more than three years and proven to be very popular. The company says it expects similar results in San Francisco and will likely launch the service in select U.S. and Canadian markets during 2012.

New brake rotors may mean fewer brake jobs

GM announced this week it has come up with a new manufacturing process that may well double the life of brake rotors and even eliminate brake dust that builds up on alloy wheels.

GM engineers extended the life of the rotors by changing the steel disc's chemistry through a process known as Ferritic Nitro-Carburizing, or FNC. It makes the steel harder and adds a thin

layer of nitrogen bonded to the steel. The process requires baking the rotors at 1,040 degrees for a day.

The new process means the rotors will last up to 80,000 miles instead of 40,000 before they need to be ground. They will still rust but at half the usual rate. Braking performance with the new rotors is as good as or better than existing rotors.

John Calabrese, GM's vice president of global vehicle engineering, said warranty claims on brakes treated with FNC were down 70 percent. He said GM intends to have 80 percent of its lineup using these better discs by 2016. Analysts expect the rest of the industry to follow suit.

Join the WANADA Vehicle Trading Network today!

WANADA's exclusive online auction site for dealer members to buy, sell or trade frontline, aged and off-brand units among themselves, and a national audience, is up and running and loaded with inventory.



The Vehicle Trading Network (VTN), operated by OPENLANE, the online affiliate of Adesa Auctions, is designed to reduce the cost of wholesaling vehicles for WANADA members, while also enhancing retail used sales opportunities through more efficient local vehicle sourcing. The key elements of the WANADA VTN are:

1. **Registration and listing is free**
2. **Uploading to the site is automatic and dealers can utilize standard back end tools to describe and list vehicles (including photos)**
3. **“Sell and buy” fees are typically 20% to 40% below comparable options.**
4. **Third party inspection is available at \$30/unit; free if you have a 20% sales rate.**
5. **24/7 backend and sales support and onsite assistance as requested/needed**

To learn more and register your dealership, click [here](#). For an in-dealership demonstration and assistance with set-up, contact WANADA's field representative Billy Painter at 202-237-7200 or bp@wanada.org

Reflection...

Most of the change we think we see in life is due to truths being in and out of favor.

--Robert Frost