

THE WANADA BULLETIN

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

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Bobby Ourisman wins Northwood Dealer Education Award

Longtime Washington-area dealer Robert Ourisman of the Ourisman Automotive Group in Rockville has been named for the Northwood University Dealer Education Award after being nominated by WANADA. The award is a high honor, awarded to only a small number of dealers from the U.S. and Europe every year at the NADA Convention. It will be presented at a breakfast at the convention in New Orleans, at 8 a.m. Saturday, January 28, 2017 at the New Orleans Marriott Convention Center.

For more than 50 years, Northwood University has sought to recognize individuals in the retail automobile industry who have made noteworthy contributions to education, public or private, on any level, inside or outside the industry. They are people of distinction, and the award is in recognition of substantial dedication over time to the education process and the field of automotive marketing.

Bobby Ourisman, a third generation dealer, has based his eminently successful automobile retail operations on the belief that a business is only as good as the professionals who staff it. That means recruiting the right people and retaining them. That is why education and training are key.

At Ourisman's direction, the group's fixed operations manager, Dave McFadden, was deeply involved in creating WANADA's Automobile Dealer Education Institute (ADEI) and its industrywide auto technology career training program. ADEI's program is a unique on-the-job training regime that became known as the Auto Technician Development Program. Established eight years ago by ADEI, with a classroom component at Montgomery College, Auto Tech Development has "home grown" scores of career aspirants into productive line technicians who have gone to work at Ourisman Automotive and other Washington area dealerships.

Before the creation of ADEI, Ourisman's leadership supported the Automotive Trades Foundation's Students Mini-dealership programming through the high school department of Montgomery County Public Schools. When high school students are immersed in an auto



technology curriculum designed to mimic a dealership, they acquire not only the skills required for auto technology but also the practical application of their skills to the overall auto retail organization.

Ourisman was also instrumental in creating WANADA's Finance and Insurance Professionals Training Seminar, now in its eleventh year. He and his general manager at the time, the late Dennis Rippeon, identified the burgeoning need for F&I professionals to be fully up to speed on the rules and regulations around vehicle sales to consumers with dealer-arranged credit.

A comprehensive, one-day seminar for F&I training professionals was created with the dealer management consulting firm JM&A Group. WANADA now offers JM&A F&I training several times a year, with the content continually updated.

Congratulations to Bob Ourisman on this well-deserved honor!

Year in Review, from NADA Chairman Jeff Carlson



By Jeff Carlson, NADA Chairman

As the last month of 2016 is well under way, it's important to pause and appreciate what we've accomplished over the past year. The National Automobile Dealers Association would like to thank its amazing dealer network – over 16,500 strong – for the hard work and passion that helped us earn a record-breaking year.

2016 has been an excellent year for the auto industry, as we end with about 17.5 million new-car sales. In the regulatory and legislative arenas, NADA continued to hold its defensive line with the Consumer Financial Protection Bureau's intrusion into our business. We worked hard to gain traction

for the critical Senate Bill 2663, which aims to curb the CFPB's regulatory overreach.

We tackled many other regulatory agencies whose policies can significantly hurt dealer business. We quantified and communicated the potentially negative economic impact on consumer affordability. The policies include CAFE rules, recall mandates, manufacturer direct sales and many others. NADA's messages were effectively circulated and re-circulated through the year in major news outlets including the *Wall Street Journal*, Bloomberg and the *New York Times*, just to name a few.

I have had the honor of reminding the general public that dealers are the solution, not the problem. We are agents of change, and I've had the great opportunity to meet many of you and speak at your dealer association meetings.

Internally, NADA has never been stronger. Our re-branding is complete and with NADA President Peter Welch at the helm, this association has never been leaner, more focused and more ready to take our members through the challenges of this new century.

Let's celebrate NADA's century milestone together at the 100th Convention & Expo in New Orleans in January. Allow me the opportunity to thank you in person while handing the keys over to 2017 NADA Chairman Mark Scarpelli.

Finally, I want to thank each of you for an excellent year as your NADA chairman. I have met so many passionate and hardworking dealers throughout the United States and abroad in four different countries. Each time, I'm amazed at the kinship we have and the spirit we share. We are all resilient and energetic, with high tolerance for risk and boundless entrepreneurial skills.

U.S. dealers have the best advantage with our incredible business model called the franchise system. It is a valuable asset for dealers and the envy of the world. For 100 years, we've served the driving public better than anyone else through this system, and I know it will take us through the next 100.

On behalf of NADA, I wish you a very happy holiday season and a boundless and prosperous New Year!

Proposed rule issued for vehicle-to-vehicle communication

The National Highway Traffic Safety Administration has issued a proposed rule for vehicle-to-vehicle (V2V) communication that requires automakers to install the technology on all cars within about five years. Transportation Secretary Anthony Foxx touted V2V's ability to provide "360-degree situational awareness."

The Federal Highway Administration plans to issue guidance soon for vehicle-to-infrastructure (V2I) communication. The guidelines will help transportation planners integrate the technologies to allow vehicles to "talk" to roadway infrastructure, such as traffic lights, stop signs and work zones. V2I should improve mobility, reduce congestion and improve safety.

V2V and V2I could eliminate or cut the severity of up to 80 percent of crashes not caused by drunk or drowsy driving. Although the incoming Trump administration has made no statement on the subject, "from a safety perspective, this is a no-brainer," said Foxx.

The V2V rule protects privacy, as the technology does not link information to an individual. The rule applies only to passenger vehicles, but NHTSA officials were enthusiastic about using the technology in buses and medium- and heavy-duty trucks.

The rule will be open for comment for 90 days.

Automakers seek flexibility on autonomous driving rules

Comments on the guidelines on autonomous vehicles issued by the National Highway Traffic Safety Administration are as might be expected. Automakers, including the Auto Alliance, Toyota and General Motors, want flexibility in the guidelines, while consumer groups, such as Consumer Watchdog want to make them mandatory to ensure the safety of the new technology.

NHTSA issued the voluntary guidelines for public comment in late September (see our earlier report in the *WANADA Bulletin* [here](#)). The guidelines ask manufacturers to sign and send a safety assessment to NHTSA certifying that their vehicles are ready for public roads before they are put on the street. The government wants to know in advance how the autonomous systems work and why they fail. The guidelines, if adopted, would involve the government more in the development of the autonomous systems.

Transportation Secretary Anthony Foxx has said he will make the voluntary guidelines mandatory, but his time as head of the agency is running out. Although the incoming Trump administration has not spoken specifically about autonomous vehicles, the president-elect has expressed his dislike over regulation and of a strong government role in business.



Automakers had been anxious to avoid a 50-state patchwork of laws, as some states are starting to write their own rules on autonomous driving. Now the Auto Alliance has expressed concern that there would be a state-by-state effort to mandate adoption of the voluntary guidelines.

When NHTSA held its second public hearing on the guidelines recently, NHTSA Administrator Mark Rosekind talked about the need to develop a single set of standards for automakers and technology companies to follow. Several speakers scheduled to appear at the meeting did not show up, an occurrence that reporter Keith Laing of the *Detroit News* described as “the specter of President-elect Donald Trump” hanging over the event. No names have been publicly floated yet for the post of NHTSA administrator.

Michigan last week enacted what it said is the first comprehensive law on autonomous driving. The law, written in cooperation with automakers and technology companies, allows for public road testing of cars without wheels, pedals or the need for a human driver. Once the technology has been tested and certified, the cars may be sold to the public.

In Austin last week, a blind man successfully took a solo drive in a Google autonomous car. That drive coincided with Google’s spinoff of its self-driving car project into a separate company, Waymo.

Autonomous and connected cars will be discussed in depth at MobilityTalks International, a two-day forum of high-level speakers during the public policy days of the 2017 Washington Auto Show. For more information, click [here](#).

Average vehicle transaction price hits record of \$34,077

The average new-vehicle transaction price will reach an all-time high this year of \$34,077, up 2.7 percent from 2015 and up 12.6 percent from 2011, according to Edmunds.com. The market research company predicts that next year’s average price will top \$35,000.

The main reason for the increase is the larger market share of utilities and light trucks, which tend to be more expensive and have more options, said Edmunds. Those segments now make up 62 percent of the U.S. market. Leasing, at a high of 31 percent, makes those vehicles more affordable, as do longer loan terms and low interest rates.



Higher sales of light trucks such as the Ford F150, including in the Washington area, drove up the average vehicle transaction price this year.

On the other end of the market, “higher prices are putting a bit of a squeeze on the market for lower-cost used vehicles,” said Jessica Caldwell, Edmunds executive director of industry analysis. “More people are looking for affordable, older vehicles than are actually sold, driving up values and demand.”

Gas prices rise 14 straight days after OPEC cuts production

The national average price of gas rose 14 days in a row after the November 30 agreement by OPEC (Organization of the Petroleum Exporting Countries) to cut oil production starting in January, said the American Automobile Association. The mid-December average price of \$2.21 is up 2 cents per gallon for the month and up 20 cents compared with the same date last year.

Since OPEC agreed to cut output by 1.2 million barrels per day starting in January, crude oil prices have hit an 18-month high. The effectiveness of the deal and continued market impacts will hinge on all countries adhering to the agreed-upon production levels.

Virginia was one of the states with the largest weekly increase, up 5 cents to an average of \$2.11.

Thought for the season...

The simplest acts of kindness are by far more powerful than a thousand heads bowing in prayer.

--Mahatma Ghandi

From all of us at WANADA, a joyous holiday season to you and yours!

