

# THE WANADA BULLETIN

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

WANADA Bulletin # 50-14

\*\*\*Merry Christmas!\*\*\*

December 23, 2014

## Headlines...

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Thought for the Week...

## Duck Dynasty star Sadie Robertson to appear at the Auto Show Opening Day, Friday, Jan. 23



Sadie Robertson

After winning the hearts of countless admirers in the latest season of *Dancing with the Stars*, 17-year-old charmer Sadie Robertson is headed to meet her fans at the Washington Auto Show. The star of A&E's cult hit *Duck Dynasty* will appear on Friday, January 23, at the show, where she will spread her message to "live original."

A motivational speaker, Robertson spends her summers on church mission trips and working at a Christian youth camp where she urges kids to "live original" by learning to express themselves with confidence.

Carrying on the entrepreneurial spirit of her family, Robertson has instilled her philosophy in several business ventures, collaborating with fashion designer Sherri Hill on a signature Live Original line of "daddy-approved"

prom dresses and crafting a Live Original line of school supplies. In October, she released her first book, which is already a bestseller: *Live Original: How the Duck Commander Teen Keeps It Real and Stays True to Her Values*.



Robertson is also a devoted athlete. She plays high school tennis and basketball and is ranked sixth in Louisiana for javelin throwing.

## Auto Show Industry/Media Days, Wed.-Thurs., Jan. 21-22.

Click [here](#) to register for the 2015 WAS Industry/Media Days. They will take place Wednesday, January 21, from 1:30 to 3:00 p.m. in the Cannon House Office Building, and Thursday, January 22, from 8:00 a.m. to 5:00 p.m. in the Walter E. Washington Convention Center. Cadillac President John de Nysschen will give the keynote address at the media breakfast to kick off the

day's events. The Sneak Peek Preview will be that evening, from 5:00 to 8:00 p.m. For more information, contact Kristina Henry at (202)237-7200.

## Congress extends tax benefits on equipment purchased in 2014

Some tax credits and deductions that expired at the end of 2013 were restored in a bill recently passed by Congress, but they will expire again at the end of this year. Dealers may be able to expense a larger portion of equipment purchases for 2014 *if* they are bought by December 31.

The bill, H.R. 5771, raises the limit on business equipment that can be expensed under Section 179 for small businesses from \$25,000 to \$500,000. NADA says the bill also extends the 50 percent bonus depreciation deduction for new business equipment bought and put into service in 2014.

For your business customers, the bill extends the additional \$8,000 in first-year depreciation for certain business vehicles bought this year. Again, to qualify, the vehicles must be purchased by December 31, 2014.

An earlier version of the bill would have made the tax provisions permanent, but President Obama threatened a veto. He has signed this bill, which has NADA's strong support.

This article is not intended as accounting or tax advice. Dealers should consult their tax advisor about their particular circumstance.



Congress did something helpful for dealers in the final days of its session.

## NADA to hold seminar on its Fair Credit Compliance Policy

NADA offers dealers and general managers a critically important overview of the NADA Fair Credit Compliance Policy and Program at its headquarters in McLean, Va., on Wednesday, January 7, from 10:00 a.m. to 11:30 a.m.

This optional compliance program was designed by NADA to assist dealers who adopt it in demonstrating their commitment to the fair and consistent treatment of all customers and to help protect them against allegations of fair credit and steering violations. Because the success of a comprehensive compliance program depends on a hands on understanding of it by senior dealership managers, this program has been designed specifically for senior dealership management.

The program will be held in the 10<sup>th</sup> floor boardroom at NADA headquarters, 8400 Westpark Drive, McLean, Va. For information on registration, call Kristina Henry at (202) 237-7200 or kh@wanada to register.

## Expert on fatigued driving confirmed as NHTSA chief

In a flurry of last-minute activity before adjournment, the Senate confirmed Mark Rosekind, Ph.D, to be the new administrator of the National Highway Traffic Safety Administration. Deputy administrator David Friedman has held the post on a temporary basis for the past year, as the agency was attacked by some in Congress for inadequate oversight of defective vehicles that caused several deaths.



Mark Rosekind, Ph.D.  
New NHTSA  
administrator

“I pledge to work with [NHTSA employees] to build on the agency’s strong record of saving lives, preventing injuries, and making travel on our roadways safer,” said Rosekind, according to the *Detroit News*.

The immediate crisis facing NHTSA is the partial recall of driver-side airbags by Ford, Chrysler and BMW. NHTSA said it will force Takata Corp., the airbag manufacturer, and the automakers to expand the recall from regional to nationwide. Takata has insisted that a nationwide recall is not needed, and that it does not have the parts to accommodate one. But NHTSA deputy administrator Friedman has said NHTSA is willing to go to court if necessary, a process that could take years.

During a Senate committee hearing on Rosekind’s nomination, Sen. John Thune (R-S.D.) noted that this year had seen a record number of auto recalls. “In many of these cases, there are legitimate questions about whether NHTSA should have identified the defective products earlier and communicated more effectively with the public,” Thune said, according to *The Hill*. “That is why Dr. Rosekind will face substantial challenges at NHTSA.” Thune will be chairman of the Senate Commerce Committee in the new Congress.

Rosekind said that if automakers don’t act to recall defective vehicles promptly, “NHTSA needs to be the enforcer.”

A member of the National Transportation Safety Board since 2010, Rosekind is a national expert on fatigued driving.

## Some hope seen for highway funding in next Congress

Some members of Congress on both sides of the aisle see hope that 2015 will be the year that Congress finally passes a transportation bill – not just the short-term funding patch that has been used for the past several years.

“As you think about building a healthy economy, we have a long list of important infrastructure needs in this country, and that is a priority,” House Republican Conference Chairwoman Rep. Cathy McMorris Rodgers (R-Wash.) said on MSNBC’s *Morning Joe*.

And Rep. Peter DeFazio (D-Ore.) told *Transport Topics* he’s hopeful that Congress will pass a long-term plan before the current bill expires in May. “If you adopt another temporary patch, you’re having a huge detrimental impact on larger projects that states might be planning that require multiple years’ expenditures,” DeFazio said.

One problem is that it has been many years since the receipts from the Highway Trust Fund – funded in large part by the gas tax – have been enough to pay for the nation’s expanded transportation needs. With Americans driving less and driving more fuel-efficient vehicles, gas tax receipts are dropping. Very few in Congress will even suggest raising any taxes.

Of course, if sales of trucks and SUVs continue to rise as they have recently in response to low gas prices, gas tax receipts could also increase. But they likely would still not be enough to deal with our immediate and serious infrastructure needs.



American infrastructure needs are immediate and serious. Will Congress get serious?

## Lower gas prices don't result in more car travel, says DOE



Car travel is not influenced by the price of fuel, says the DOE.

Lower fuel prices don't equate to more car travel, says a recent report by the U.S. Energy Information Administration. So even though the average retail price of regular gasoline has fallen 28 percent from its 2014 peak of \$3.70 per gallon, the lower price is not expected to influence demand.

Unlike air travel, car travel is inelastic, meaning it is generally not influenced by the price of fuel. The EIA says it takes a 25 to 50 percent decrease in the price of gas to increase car travel by just 1 percent.

The EIA predicts that "gasoline prices in 2015 will be 23 percent lower than the 2014 average, and consumption in December will be virtually unchanged from year-earlier levels, as increased fuel economy balances out increases in vehicle miles traveled in response to lower prices and other factors."

## U.S. auto market is more competitive than ever

Competition at the top of the U.S. auto market has never been greater, says a recent IHS Automotive analysis. In the past 14 years, market share range among the eight largest OEMs in the U.S. has dropped from nearly 26 percentage points in 2000 to just 14 points through October.

With such a large number of vehicles on the road, the number of vehicles needed to gain market share has risen. Based on the IHS Automotive projection for U.S. sales in 2015 to reach 16.7 million, to gain 1 percent share, an automaker needs to sell an additional 167,000 vehicles. In 2009, in the middle of the recession, 1 percent could be gained by selling 104,000 vehicles.

"Since no OEM wants to slip in the rankings, each is doing everything possible to retain each tenth of a point share, while opting to avoid risky product programs that could cause disruption in their product portfolio," said IHS Automotive solutions consultant Tom Libby.

## Older drivers support tougher driving laws for themselves

More than seven out of 10 drivers age 65 and older favor policies that require drivers age 75 and older to renew their license in person and also support requirements that seniors pass a medical screening to remain licensed, says by the American Automobile Association Foundation for Auto Safety.

The survey also found:

- Nearly 80 percent of drivers over age 75 favor medical screenings for drivers their age.
- Nearly 90 percent of drivers 65 and older report no crashes and no moving violations in the past two years.
- 65 percent of drivers 75 and older said they never use a cell phone while driving, compared with 48 percent of those age 65 to 69.

"Even though public perception tends to unfairly characterize seniors as a menace on the road, these findings indicate that older Americans tend to support policies to keep them safer behind the wheel," said Peter Kissinger, president and CEO of the AAA Foundation for Traffic Safety.

**Thought for the Week...**

Stars keep the watch, when night is dim:  
One more light, the bowl shall brim.  
Shining beyond the frosty weather,  
Bright as sun and moon together;  
People look east and sing today:  
Love, the star, is on the way.

-- Eleanor Farjeon, People Look East, 1928  
lyrics set to medieval French carol, *Besancon*

**A HAPPY HOLIDAY SEASON TO YOU AND YOURS  
FROM ALL OF US ON STAFF AT WANADA!**

*Archie Avedisan  
Ana Campos  
Huda Farooq  
Judi Fike  
Trish Frisbee  
Isabel Garcia  
Jonathan Henry*

*Kristina Henry  
Andrea Holmes  
Joe Koch  
Ed Mullaney  
Gerry Murphy  
Jackie Murphy  
Kendra Northrup*

*John O'Donnell  
Katy Orme  
Billy Painter  
Connie Ryan  
Charley Spiridopoulos  
Kathy Teich  
Curtis Wowk*

