

THE WANADA BULLETIN

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

WANADA Celebrating 100 Years of Service (1917-2017)

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January 26, 2018

Headlines...

2018 Washington Auto Show Industry/Media Days launched this week with action packed schedules

Final deadline for Used Car Buyer's Guide is this week, Jan. 27

Mulvaney requests zero funding for CFPB

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EPA, California to meet this month on fuel efficiency rules

Automakers push autonomous vehicle bill at Detroit Auto Show

Staying Ahead...



2018 Washington Auto Show Industry/Media Days launched this week with action-packed schedules

The Show opens to the public *today*

Industry Days for the 2018 Washington Auto Show (WAS) were eminently successful Tuesday and Wednesday of this week, Jan. 23 through Jan. 24 on Capitol Hill in DC, and *onsite* at the W.E. Washington Convention Center. Media Day rolled out yesterday, Thursday, Jan. 25 with a full day of OEM press conferences and media announcements at the W.E. WCC.

WAS *MobilityTalks International* kicked off with industry panel presentations from notable industry spokesmen in the Russell Office Building of the U.S. Senate, moving the next day to the Auto Show *onsite*, which featured among other things, a Senate Commerce Committee meeting amidst all the new vehicles, up and out and on display at the 2018 WAS.



Gov. Rick Snyder (D-Mich)



Bill Wehrum, EPA

WAS Media Day, Thursday, Jan. 25, featured a full array of new vehicle automaker announcements and press conferences from the floor of the Auto Show, complemented with keynote presentations by Michigan Gov. Rick Snyder and EPA's Bill Wehrum, assistant administrator for air and radiation.

Media Day culminated with the Sneak Peek Preview *onsite* at the Auto Show for Washingtonian VIPs, and the Lifetime Achievement Award Dinner,

honoring Automotive News Publisher Keith Crain.

The Washington Auto Show opens to the public *today*, commencing a ten day, two weekend run of consumer days at the W.E. Washington Convention Center.

The first of two Washington Auto Show reports will appear in the next WANADA Bulletin. Stay tuned! For show highlights and various activity schedules at the Auto Show call the show office this weekend and next week at (202) 249-4060, or go to the website at www.washingtonautoshow.com

Final deadline for new Used Car Buyer's Guide is this week, Jan. 27

WANADA reminds dealers that they may no longer use old Used Car Buyer's Guides after Saturday of this week, Jan. 27, 2018. The original effective date to start using the revised guide format was a year ago, Jan. 27, 2017, but dealers were allowed to use up their inventory of old forms for 12 months after that.

That grace period ends tomorrow, Jan. 27. All dealers **must** attach the revised form to every used vehicle for sale and on display for consumers after that date. Fines for noncompliance can run up to \$40,654 **per violation!**

Dealers may ask their forms company about obtaining the revised Used Car Buyer's Guide, or may download a copy from the [FTC website](#). It is important to use the wording, type style, type sizes and format specified in the [Rule](#). Completion of the revised guide is generally similar to the old guide. The FTC has provided directions and guidance that can be accessed [here](#).

Mulvaney requests zero funding for CFPB

Dealers should not have to worry about the Consumer Financial Protection Bureau for the next quarter. The regulatory agency will have a modest budget, no reserves to carry out its mission and a director who dislikes burdensome regulations.

The CFPB acting director, Mick Mulvaney, has never been a fan of the agency he now heads. In the spirit of cutting back on regulations, he sent a zero



No thanks! Mick Mulvaney says the CFPB doesn't need any more money. Photo by 401calculator.org.

dollar budget request to the Federal Reserve Board, which receives a budget request from the CFPB every quarter. That's \$0. The action was first reported by *Politico*.

The reason: Mulvaney discovered that the CFPB has a reserve of \$177 million for emergencies. The agency's second quarter budget is \$145 million, which is more than covered by the reserve. Mulvaney said the reserve is unnecessary because the Fed has always given the CFPB the money it requests.

In fact, Mulvaney plans to return the \$145 million from its reserve to the Fed as the CFPB's contribution to reducing the deficit.

Since Mulvaney came to the agency, it has changed its mission statement, adding as its first priority "regularly identifying and addressing outdated, unnecessary, or unduly burdensome regulations." Dealers will clearly see a very different CFPB than they did under its former director, Richard Cordray. The FTC has provided directions and guidance that can be accessed [here](#).

U.S. Chamber of Commerce advocates 25-cent hike in gas tax

The U.S. Chamber of Commerce is pushing for a 25-cent increase in the gas tax to help pay for infrastructure. The recommendation is part of a four-point plan that includes leveraging more public and private resources; streamlining permitting; and expanding the American workforce through education and immigration reform.

A gas tax is "the simplest, fairest and most effective way to raise the money we need for roads, bridges and transit," said U.S. Chamber President and CEO Thomas Donohue. "Our political leaders need to stop hiding behind the fallacy that this can't be done and just go do it." The Chamber says a gas tax increase of 5 cents a year, indexed to inflation, would generate \$375 million over ten years.

Infrastructure is a stalled priority of President Trump and could be the next item on his agenda. Reuters previewed the infrastructure plan Trump is expected to introduce in his State of the Union Address to Congress on January 30. It would include \$200 billion in federal funding over ten years, with the hope of leveraging more than \$1 trillion in state, local and private funds.

The administration's goal is to reduce the share of federal funding from its current level of 80 percent. Republicans back that approach, but Democrats believe the bulk of the money must come from federal funds.

A gas tax increase looks politically impossible now. But obviously any boost to the tax would have a major effect on new-vehicle sales, which every month are more heavily skewed toward SUVs and light trucks. Another possibility would be a tax on vehicle miles traveled, which would also cover electric and hybrid vehicles.

EPA, California officials to meet this month on fuel efficiency rules



Increased sales of SUVs, including the Honda Odyssey pictured above, have caused dealers and automakers to push for adjusting fuel economy rules.

Officials from the Environmental Protection Agency and the California Air Resources Board will meet this month to discuss 2022-2025 fuel efficiency standards.

The agreement the EPA struck with automakers in 2012 on fuel efficiency rules included a midterm review by April, 2018. The EPA finished the review more than a

year early, days before President Obama left office. The agency concluded that automakers were on track to meet the stringent fleetwide standard of 51.4 mpg by 2025. EPA had earlier revised that down from 54.5 mpg based on the increasing number of SUVs and light trucks.

NADA and automakers are pushing for a further downward revision based on the changing consumer preference for larger vehicles. Automakers met with President Trump soon after he took office, and he reopened the midterm review. That has given auto industry officials hope that the standards will be lowered. The National Highway Traffic Safety Administration is also part of the midterm review and plans to issue any proposed changes by March 30.

California has long had a waiver to federal rules and has been allowed to create its own rules to deal with its own severe air pollution. Dealers and automakers very much want a single national standard, and that is why the talks between EPA and CARB are important. Twelve states (including Maryland and DC) follow California fuel efficiency rules. Last June, those states threatened to go to court to protest any rollback in the rules.

Automakers push autonomous vehicle bill at Detroit Auto Show

Automakers and elected officials expressed hope at the North American International Auto Show (a.k.a, the Detroit Auto Show) last week that Congress would soon pass the stalled autonomous vehicle (AV) bill, though they admitted it could be several months. Legislation not related to the budget will clearly have to wait a while.

If the bill passed, automakers could sell up to 80,000 AVs a year, each within three years if the companies can show AVs are as safe as conventional vehicles. Opponents say the bill lacks sufficient safety measures. AVs would not have some of the basic elements of conventional vehicles, including steering wheels and brakes. Thanks to the work of NADA, WANADA and other U.S. dealer associations, the bill includes state franchise law protections for dealers.

The Alliance of Automobile Manufacturers urged quick passage of the bill. The OEM group has emphasized how AVs could help disabled and blind consumers.

Staying Ahead...

The fact is I don't drive just to get from point A to point B. I enjoy feeling the car's reactions and becoming part of it.

--Enzo Ferrari