

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)

WANADA Bulletin # 11 -18

March 23, 2018

Headlines...

WANADA reps visit Geneva Motor Show

WANADA CEO discusses autonomous vehicles in Fairfax County

WANADA staff hosts fundraiser for Anthony Brown

Ins-and-outs of the Maryland paid sick leave law

MADA/VADA/WANADA Reception at NADA Show, March 23

EPA, CARB set for emissions rule showdown by April 1 deadline

Good service quality makes consumers recommend dealer for service or sales, JD Power finds

Staying Ahead...

WANADA reps visit Geneva Motor Show



From left: Washington Auto Show Chairman John Ourisman, Subaru corporate communications director Mike McHale, WANADA CEO John O'Donnell, WAS committee member Jamie Darvish, WANADA Chairman John Bowis.

Amid all the talk at the Geneva Motor Show of autonomous vehicles, environmental regulations (especially in Europe) and trade tariffs, and the displays of vehicles that were high-end, exotics, SUVs and sports cars, was the WANADA delegation.

Befitting the Washington Auto Show's status as a tier one auto show, WANADA arranges to attend major global auto shows each year. At the Geneva show, the delegation consisted of WANADA Chairman John Bowis, Washington Auto Show Chairman John Ourisman, WANADA Board member Jamie Darvish, WANADA CEO John O'Donnell, and Washington Auto Show Manager Bob Yoffe. The group met with

OICA Worldwide representatives. OICA is the French acronym for the International Organization of Motor Vehicle Manufacturers, the group that certifies tier one auto shows on the global industry circuit.

WANADA representatives also interacted with NADA leaders – Chairman Wes Lutz and CEO Peter Welch – as they connected with a variety of automaker executives. O'Donnell declared the trip a grand success.

As for the vehicles, automakers at the show in Geneva acknowledged the reality of making more electrified and autonomous cars and trucks. Automakers are spending a lot of money on research

to make those vehicles more practical and appealing to a wider customer base. But the vehicles on prominent display in Geneva were the exotic cars that make many people come to auto shows.



Mazda's Vision Coupe, named "The Most Beautiful Concept Car of the Year" in Paris in January, was one of many exotic cars shown at the Geneva show.



WANADA CEO John O'Donnell (left) meets with Mark Gillies, Volkswagen.

WANADA CEO discusses autonomous vehicles in Fairfax County

WANADA CEO John O'Donnell brought the auto dealer perspective to a panel in Merrifield, Va., earlier this month on the future of autonomous vehicles (AVs) in the Washington region and around the world. The discussion was put on by the Northern Virginia Transportation Authority and the Intelligent Transportation Society of Virginia. ITS Virginia is a coalition of small businesses and government officials studying how to use cutting-edge transportation technologies to develop more effective infrastructure and urban planning.

Automakers and dealers are leading the way in promoting AV technology to help move people around more efficiently, O'Donnell told the panel, moderated by WTOP reporter Max Smith. This technology, O'Donnell said, is of particular importance in areas like Fairfax County, which have rapidly shifted from suburban and exurban to having many densely populated areas that more closely mirror Washington, DC, and areas close to the region's urban core.



From left: Nick Zabriskie, Uber; John O'Donnell, WANADA; and John Foust, Fairfax County Board of Supervisors

AV technology will only be as effective as governments at all levels want it to be, O'Donnell said. Global buy-in is critical. MobilityTalks International, the Washington Auto Show's industry seminar that precedes the consumer show every year, has positioned itself as an industry forum for transportation leaders from around the world to discuss AV issues. A variety of panels covers best practices for smart growth policies that harness the huge progress that AVs have undergone in the past decade.

O'Donnell appeared on the Virginia panel with Michelle Chaka, program director of the Virginia Tech Transportation Institute; Nick Zabriskie, a public policy manager for Uber, and Fairfax County Supervisor John Foust. In the audience were officials from the National Highway Transportation Safety Administration and the Virginia Department of Transportation, numerous Northern Virginia government officials, and representatives from other state, local and national transportation stakeholders.

WANADA staff hosts fundraiser for Anthony Brown



From left: Bob Storin, WANADA; Rose Bayat, RRR Automotive; Joe Koch, WANADA; John Bowis, Chevy Chase Acura; Rep. Anthony Brown (D-MD); John O'Donnell, WANADA; Samantha Morash, DARCARS; Randy Whalen, RRR Automotive; and Daniel Jobe, Capitol Cadillac.

WANADA hosted a fundraiser this month for Congressman Anthony Brown, who represents much of Prince George's and Anne Arundel counties in Maryland in the U.S. House of Representatives.

Brown, now in his first term in Congress, following eight years as Maryland's lieutenant governor, thanked WANADA for its support. He also reaffirmed his commitment to support the interests of franchised auto dealers in the Washington area

and across Maryland, as dealerships are some of the region's and state's most visible and largest local businesses, all privately held and with a large employee base.

The event took place at the DoubleTree Hotel in Largo, MD.

Ins-and-outs of the Maryland paid sick leave law

Updated information on the Maryland paid sick leave law – officially known as the Healthy Working Families Act – is just out from the state Department of Labor, Licensing and Regulation. It includes an updated employee notice poster for businesses, which can be accessed [here](#).

Dealers can access a list of Frequently Asked Questions [here](#). The site also links to model policies for an employee handbook or other employee benefits documents.

Answers to the most commonly asked questions are these:

- The law became effective Feb. 11, 2018, for businesses with 15 or more employees;
- All businesses with employees whose primary work location is in Maryland are required to offer sick and safe leave, no matter where the employer is located;

- Leave accrues at the rate of one hour for every 30 hours an employee works;
- The state law pre-empts the Montgomery County paid sick and safe leave law.

The FAQs are intended to provide general guidance and do not constitute legal advice. Questions about the new law can be directed to small.business@maryland.gov

MADA/VADA/WANADA Reception at NADA Show, March 23



The MADA/VADA/WANADA party is generally thought of as one of the best at the NADA Show.

Maryland and Virginia dealers attending the 2018 NADA Show (formerly the NADA Convention) in Las Vegas this week are cordially invited to stop by the MADA/VADA/WANADA Reception at the TopGolf Club on Friday, March 23, from 6:30 to 8:30 p.m.

The MADA/VADA/WANADA party at NADA is widely regarded as one of the best at the Show, and this year promises to be no exception! The TopGolf venue is spectacular, located at 4627 Koval Lane. There is no need to register – just show up, ready to mingle with old friends and meet some new ones!

The event is generously sponsored by Armatus; Chesapeake Petroleum; Charapp & Weiss, LLP; Cox Automotive; DHG Dealerships; JM&A Group; Rifkin/Weiner/Livingston, LLC; SunTrust; and TrueCar.

EPA, CARB set for emissions rule showdown by April 1 deadline

Environmental Protection Agency Administration Scott Pruitt said last week that California should not decide emissions standards for the nation. The state has a waiver under the U.S. Clean Air Act that allows it to create its own tougher emissions rules through the California Air Resources Board (CARB) for California itself.

Some conservative organizations are pushing for the EPA to nullify California's waiver. The decision is important for the entire auto industry because several other states including -- Maryland and DC -- follow California emissions standards.

The nation's emissions standards are under review. EPA has until April 1 to decide whether to keep the standards approved by the Obama administration in the last weeks of its tenure, or slow down the schedule.

Pruitt made his remarks in an interview with Bloomberg, reported by *Automotive News*. When EPA Deputy Administrator Bill Wehrum was asked twice on Media Day at the Washington Auto Show whether his agency would seek to nullify the California waiver, he said, "I have no interest whatsoever in withdrawing California's ability to create its own fuel efficiency standards." But he emphasized, "I think we should have one national standard."

NADA and automakers also want one national standard; that was why they came on board with the stringent standards set in 2012. All parties agreed then to a midterm review by April 1, 2018, which the Obama administration completed more than a year early, just before leaving office. But soon after Donald Trump was elected president, industry representatives lobbied him to reopen the midterm review, with an eye toward slowing down the schedule for the standards to take effect. Trump agreed, and the deadline for a decision is April 1.

“California is not the arbiter of these issues,” EPA Administrator Pruitt told Bloomberg. Although it can set its own state standards, “that shouldn’t and can’t dictate to the rest of the country what these levels are going to be.”

Good service quality makes consumers recommend dealer for service or sales, JD Power finds

A customer’s experience with service quality affects whether that person will recommend using a dealer for service *or* sales, as well as their loyalty intentions toward a particular brand or model. That’s the conclusion of the 2018 J.D. Power customer service satisfaction study. The good news: Overall satisfaction with service in 2018 improved 12 index points from 2017.

The study measures customer satisfaction with service at franchised dealers and independent service facilities for maintenance or repair work among owners and lessees of 1- to 3-year-old vehicles.

The study also found:

- *Customers prefer online service scheduling capability.* Not surprisingly, Generation Y customers (those born from 1977 to 1994) have adopted internet scheduling at a much faster rate than older customers.
- *White glove valet service improves loyalty among premium brand customers.* Catering to luxury customers with home or office vehicle pickup and delivery services substantially increases intended loyalty to return for future services, with 68 percent of these customers saying they “definitely will” return to their dealership.
- *Promotions, coupons and word of mouth attract young customers.* The most common reasons customers choose their dealer for service are previous experience and convenient location, but younger customers are more likely to rely on recommendations from friends or relatives.

Staying Ahead...

The real man smiles in trouble, gathers strength from distress, and grows brave by reflection.

--Thomas Paine

