

# 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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## Geoff Pohanka carries NADA agenda to members of Congress

Last week, WANADA's NADA, Director Geoffrey Pohanka met with several Washington-area members of Congress to discuss NADA's legislative priorities, in conjunction with NADA's Legislative Affairs committee meeting. The legislators Pohanka met with were Rep. Jamie Raskin (D-MD), Rep. Barbara Comstock (R-VA), Rep. Anthony Brown (D-MD), Rep. Don Beyer (D-VA), Rep. Gerry Connolly (D-VA) and both Maryland Senators, Ben Cardin and Chris Van Hollen.



WANADA's NADA Director Geoffrey Pohanka (left) with Rep. Jamie Raskin (D-MD) at the NADA Legislative Affairs Committee meeting.

Topping the list of NADA issues that were discussed was NADA's support of legislation to rescind the 2013 CFPB auto finance guidance (see article below). The Senate voted to rescind the guidance.

## Senate passes NADA-backed bill to rescind auto loan guidance

NADA got a step closer last week to a goal it has pursued since 2013, to rescind the auto loan guidance issued by the Consumer Financial Protection Bureau (CFPB). Now that the Senate voted to rescind the legislation, the bill will go to the House of Representatives for a vote this week. NADA urges dealers to call their member of Congress and ask them to vote "yes" on S.J. Res. 57.

The Trump administration has already indicated its support for the bill as part of its effort to curb federal regulations, a point that Senate Majority Leader Mitch McConnell echoed during Senate debate on the legislation.

“The goal here is simple,” McConnell said. “We want to protect consumers and job creators from needless interference by the federal bureaucracy.”

The White House said the CFPB guidance “limits the ability of auto dealers to offer auto loans to their customers and was not issued pursuant to notice-and-comment rulemaking.” The White House noted, additionally, that the Dodd-Frank Act explicitly bars the CFPB from regulating auto dealers. If, as expected, President Trump signs the legislation, consumers will have more options for auto financing.

All four senators from Maryland and Virginia voted against S.J. Res. 57. Only one Democrat in the Senate voted for the bill.

NADA is still urging dealers to use its Fair Credit Compliance Policy, developed with the National Association of Minority Automobile Dealers and the American International Automobile Dealers Association, to ensure compliance with fair lending rules.

## WANADA Seminar covers new and challenging laws and how to navigate them in the dealership



Mike Charapp at the WANADA legal seminar

WANADA dealers came together last week to hear from lawyers from Charapp & Weiss, LLP, and tax advisors from Councilor Buchanan & Mitchell, P.C. (CBM) on important new and ongoing laws impacting new car dealer operations.

Mike Charapp and his partner, Kimberly MacCumbee of Charapp & Weiss covered dealer responsibilities under the Military Lending Act and two new state laws, the Maryland Leave Act and Maryland Consumer Data Protection. Charapp and MacCumbee also delivered an overview on how dealers can protect themselves from the ever escalating assault from cyber-criminals.

CPAs from CBM, Richard Morris and John Comunale, took dealers through recent changes in federal income tax law at the corporate and individual levels, which, while designed to reduce rates and simplify processing, require new and technically different ways to proceed. Messrs. Morris and Comunale successfully presented the breadth and complications of “the most significant changes since the Tax Reform Act of 1986” to a level of understanding for the many dealer executives at the seminar.

WANADA greatly appreciates the good work of its Kindred-Line Members, Charapp & Weiss and CBM, in effectively presenting changes in the law impacting dealerships to WANADA members.

## Tony Santy to Retire



Tony Santy, vice chairman and CEO of Chesapeake Petroleum and Supply Company announced his retirement on April 30, 2018, his 45th anniversary with the company.

Tony has been the Kindred line member to the WANADA Board of Directors for 18 years. He earned a bachelor's degree in business from the University of Maryland and joined Chesapeake Petroleum as a sales representative in 1973. In 1987, he was elected president of Chesapeake Cars & Services, a division of Chesapeake Petroleum, and turned that division into a profit center. In 1990, he became president of Chesapeake Petroleum. He instituted several programs that raised the profit of Chesapeake to unprecedented heights and he was the driving force in the purchase of P&W Lubricants, a major competitor of Chesapeake, which nearly doubled the size of the company.

Over the last 28 years, under Tony's guidance, Chesapeake has sold lubricants, equipment, after market and automotive products to over 700 car dealers in the Mid Atlantic.

Tony says, "The best part of my job was getting out of the office to visit dealers. They were always a source of great ideas to make both their and our business better. They challenged me to look for new ideas, and beyond our business relationships, we became friends."

WANADA thanks Tony Santy for his years of dedicated service and many contributions and wishes him every continued success.

### *Signup deadline is approaching*

## WANADA event: What health insurers don't want you to know

WANADA will feature a special forum for its dealer members, "What the Health Insurance Companies Don't Want You to Know," with an executive conversation between the CEOs of WANADA and WellNet Healthcare. The event will take place Thursday, May 3, from 8:00 a.m. to 10:00 a.m. at the Ritz-Carlton in Tysons Corner, VA.



WANADA members and senior finance executives are encouraged to attend. Attendees will gain a comprehensive overview of:

- The underlying problem in the economics of healthcare;
- Ways to build a better health plan at a much lower price;
- Concrete solutions that are working for WANADA dealer members.

WANADA members can get a preview of WellNet CEO Keith Lemer's ideas by reading his opinion pieces in the [Wall Street Journal](#) and on [cnbc.com](#).

The May 3<sup>rd</sup> forum includes breakfast and complimentary valet parking. Doors will open at 8:00 a.m. and the session will begin at 8:30 a.m.

Register by clicking [here](#).

## Maryland MVA sends recall reminders to 40,000 vehicle owners

The Maryland Motor Vehicle Administration earlier this month sent recall notices to 40,000 owners of vehicles with open recalls who have not yet had them repaired. The notice tells the owner to bring their vehicle to a franchised dealer for a free repair.

Maryland applied for a grant from the National Highway Traffic Safety Administration (NHTSA) to administer a recall notification program. The notices were sent to owners who cannot be easily tracked because they are not the original owner, or they have moved, or had their vehicle repaired at an independent service center.

The Maryland MVA was awarded a \$222,000 grant for the program. NHTSA is looking for the most effective way to notify owners of recalls and wants to know if the notices result in owners getting their vehicles fixed.

## Automakers lobby for higher octane fuel to boost fuel economy

Automakers testifying before a House environment subcommittee last week asked for a higher octane fuel as a national standard. The OEMs said it would be an inexpensive way to raise fuel economy for the internal combustion engine, since electric vehicles and hybrids are making slow headway in the marketplace.

General Motors, Ford and Fiat Chrysler all support the idea of making 91 the national standard for octane in motor fuel. Today's standards are generally 87 for regular gas, 88 to 90 for midgrade and 91 to 94 for premium. A standard of 91 would improve fuel economy for 3 percent and add less than 3 percent to the cost of vehicle ownership, said Dan Nicholson, GM's vice president of global propulsion systems.

Germany already has an octane standard of 91, and the idea has been widely debated in Europe. "America deserves at least as good a fuel as Europe has," Nicholson said.

## Gas price average hits highest point since summer 2015

The national gas price average of \$2.76 is above the average price in both Maryland (\$2.72) and Virginia (\$2.56), though not DC (\$2.86). That national average is at its highest point in nearly three years, says the American Automobile Association.

"Expensive crude oil prices, unrest in the Middle East, strong domestic demand, record production rates and global oil supply surplus have created the perfect storm to drive spring gas prices toward new heights," said AAA spokeswoman Jeannette Casselano. "Consumers can expect gas prices to increase another 5 to 10 cents per gallon this season, but the national average is not expected to reach the \$3 mark."

## Toyota to launch connected car technology in U.S. by 2021

At WANADA's MobilityTalks International Conference earlier this year, there is much discussion of connected cars, and how it is likely they are years away. But Toyota has announced that it and Lexus plan to start deploying the technology in the U.S. by 2021, with the goal of having it in most of its lineup by the mid-2020s.

"By allowing vehicles' intelligent systems to collaborate more broadly and effectively through DSRC [Dedicated Short-Range Communications Systems] technology, we can help drivers

realize a future with zero fatalities from crashes, better traffic flow and less congestion,” said Jim Lentz, CEO of Toyota Motor North America.

DSRC transmissions enable vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) communications. DSRC technology has been tested through government-industry collaborations and is already deployed in some areas of the U.S. It supports the broadcast of precise, anonymous vehicle information several times per second, including location, speed and acceleration. DSRC is based on industry standards, so different manufacturers’ vehicles will be able to communicate with one another.

Communication can also be enabled to provide helpful real-time information to drivers, such as potential hazards, slow or stopped vehicles ahead, or signals, signs and road conditions that may be hard to see.

### Notice to Readers:

## **WANADA Bulletin publication to shift from weekly to bi-weekly**

Plans are in the offing to change the publication timetable of the *WANADA Bulletin* from once every week to once every other week. On a yearly basis, this works out to be 26 issues of the *WANADA Bulletin* as opposed to 52 issues. The changed publication timetable may occur as soon as next month.

All will be kept advised.

--The Editor

### **Staying Ahead...**

Failure is simply the opportunity to begin again, this time more intelligently.

--Henry Ford

