

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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WANADA presents Glenn Mercer talk on Dealership of Tomorrow



Glenn Mercer

WANADA is bringing renowned auto industry analyst Glenn Mercer for a special presentation to members on Thursday, Sept. 13, at the Trump International Hotel in downtown Washington, D.C.

Mercer has three decades of industry experience, including more than 20 years at McKinsey & Co., where he was a leader of the automotive practice. He has been an advisor to various industry entities, a board member for several automotive firms, an expert witness in automotive legal actions and a lecturer on automotive economics.

All WANADA members are invited to attend this special presentation, at a cost of \$75 per person, followed by a networking *happy hour* with complimentary cocktails and hors d'oeuvres. The presentation and *happy hour* are generously sponsored by Porter Construction, a WANADA Kindred-line member.

The event will take place from 4 p.m. to 6p.m. in the Lincoln Library of the Trump Hotel, 1100 Pennsylvania Ave., NW, Washington, D.C. 20004.

To register, click [here](#). Those with additional questions can contact Kathy Teich in the WANADA office, kt@wanada.org, or (202) 237-7200.

Trump fuel economy proposal would affect area dealers' vehicle mix as states threaten to sue over it

The Trump administration's [proposed rollback](#) of fuel economy standards to freeze them at 2020 levels is an important issue for Washington-area dealers, as the final standards will affect the vehicle mix they have to sell. Although the final rule will not be issued for several months, 19 states – including Maryland and Virginia – and D.C. have said if the final rule is the same as the proposed one, they will sue the Trump administration. Virginia signed on to the statement even though it does not follow California emissions standards, as Maryland and D.C. do.

If the final rule is the same as the proposed one, dealers will not have to worry about selling a certain percentage of zero-emission vehicles (ZEVs), as they do under the Obama-era rules now in place. Under those rules, agreed to in 2012 by automakers, California, and the Obama administration, the automaker's obligation ends when it delivers a vehicle to a dealer. It's then up to the dealer to sell it.

That's a potential problem for dealers. Automakers can meet their obligation by sending a certain number of ZEVs to dealers. But retail sales of ZEVs have been modest so far, and dealers may have a hard time selling the ones they are sent.

NADA plans to comment on the proposed rule, focusing on changing consumer preferences and cost. When the original rules were written in 2012, no one foresaw the extent to which SUVs and light trucks would come to dominate the market. As for cost, the Trump administration estimates that the Obama-era rules would add an average \$2,340 to the price of a new vehicle, though Obama officials argued that their rule would save money for consumers. NADA is concerned that the cost increase could put a new vehicle out of reach for many.

Maximizing vehicle turnover – helpful not just for sales, but because newer vehicles are cleaner and provide greater health benefits – depends on affordability and consumers' willingness to buy. Creating the most beneficial program means looking at both what is technologically feasible and economically practical.

A joint statement from the two major automaker groups, the Alliance of Automobile Manufacturers and the Association Global Automakers, urged California and the federal government to reach a compromise. But Trump administration officials have already met with California officials over the past several months, with no signs of progress. The Trump administration has shown it is determined to roll back Obama-era standards, and California is determined to retain the tough standards it has in place.

The rule is not final. The public has 60 days to comment on it, and public hearings will be held in Washington, D.C., Detroit, and Los Angeles. Dates for the hearings have not been set as yet.

Register for WANADA's dealer employee flu shot program by August 31

WANADA offers a reminder that the deadline to register dealership employees for the seasonal WANADA flu shot program is August 31, 2018.

The program, for adults aged 18 and older, will again be available on-site at WANADA dealerships and administered by Norvar Health Services.

The fee will be \$31 for the quadrivalent vaccine with a minimum of 20 participants required at each location. Locations with less than 20 participants will be billed as if 20 doses of vaccine were administered. The difference will be billed at \$24 per dose. For instance, if 10 people are participating, they will be billed at \$31 each and another 10 will be billed at \$24 per shot.

As in the past, those 65 and older may opt to get the high-dose trivalent flu shot for \$50. It offers better protection against the flu for older people.

To have your dealership participate, register online at www.norvarhealthservices.com, under "Scheduling," or call Norvar at (202) 744-1360. Do not fax your registration. Register early to

guarantee the date of your choice. Any request received after August 31 may be subject to vaccine availability.

Norvar Health Services will begin conducting on-site visits to WANADA dealerships starting October 1. All scheduling will be done by Norvar upon submission of your registration. Norvar will contact the dealer's designated representative with the scheduled date/time and forward all appropriate forms. Norvar will invoice the dealership directly.

Questions can be directed to Connie Ryan, WANADA Insurance Services at (202) 237-7200.

Morty Zetlin receives NADA 20-Year President's Club Award



Joe Koch of WANADA (left) presents Morty Zetlin of Mercedes-Benz of Arlington with the NADA President's Club Award.

Morty Zetlin received NADA's 20-Year President's Club Award from WANADA's Vice President of Operations Joe Koch. Mr. Zetlin is the longstanding dealer principal of Mercedes-Benz of Arlington and a longtime WANADA member. He is also a past chairman of WANADA and a former director on the NADA Board representing Washington-area dealers. Among his many honors, Mr. Zetlin is a TIME Magazine Dealer of the Year.

The President's Club Award is given to dealers who have donated generously to NADA's PAC, which Mr. Zetlin has done consistently over the years.

WANADA salutes Morty Zetlin on this well-deserved recognition

Millennials pick up the pace of car buying

It seemed for some time that millennials would be the generation to break off the American love affair with the car. But now that they are making more money, starting families, and in many cases moving to the suburbs, their car buying has increased substantially.

In fact, new research from Experian shows that "millennials accounted for all new vehicle sales growth in the North American auto industry during the first quarter of 2018," writes Marty Miller, a senior auto industry consultant with Experian. Millennial vehicle market share jumped from 27.9 percent last year to 29.7 percent this year (figures are for the first quarter). Although *baby boomers* still have a higher share of the market, that share fell this year to 34.1 percent.

Clearly, millennials should not be written off as potential vehicle buyers. But, says Miller, "it's critical for [dealers] to analyze their local markets and make sure they're making the best decisions and connecting with prospective millennial car buyers."

DC area is in top third of best big cities to live in

And why do millennials choose to live here? Well, WalletHub has just named the Washington area No. 18 on its list of the top 62 U.S. cities to live in. The list is based on 56 indicators ranging from quality of public schools and life expectancy to job opportunities and property taxes.

And here are some other positive facts about the Washington area: the region is ranked No. 1 for access to public transportation; No. 6 for income growth; No. 10 for quality of life; and No. 18 for public schools.

Seattle ranks No. 1 on the list overall based on its economy, education and health, while Detroit is dead last.

Click [here](#) for the full methodology and ranking.

In Memoriam: Joe McCary

WANADA is sad to report the passing of its longtime photographer Joe McCary of Photo Response. He died from complications of Multiple Myeloma, a long term illness with which he'd struggled with for many years. He was 69.

Joe handled WANADA's photography for about 30 years, from the Annual Open Golf Tournament and Soap Box Derby to the Snow Ball Gala, Annual Members Luncheon and Washington Auto Show. He was adept at organizing photo collages where his masterful photos told the story and effectively complemented the many narrative reports.

A number of WANADA dealers over the years who came to know the high quality of Joe's photography utilized his services for their own personal and business projects.

Joe McCary was, indeed, a fixture on the Washington area new car dealer scene for three decades, who was always appreciated for his good work and friendly demeanor.

A memorial for Joe has been organized by his family to take place on Sunday, August 26 at 2:00 pm at Pirates Cove Restaurant, 4817 Riverside Drive, Galesville, MD, (410) 867-2300. Contributions to his memory can be made to the Multiple Myeloma Research Foundation, 383 Main Avenue, 5th Floor, Norwalk, CT 06851, (203) 229-0464.

To Joe's wife Mary and his family WANADA extends its sincerest condolences.

Thought for the Week ...

Freedom came when my parents and black neighbors bought their own cars. That way they could not only sit up front but could also drive the things. And that to me was power, that to me was freedom.

--Warren Brown, 1948-2018

The Washington Post auto columnist and longtime friend of WANADA

