

THE WANADA BULLETIN

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

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WANADA Annual Meeting Recap

The evening of November 7 was one of the most memorable in a long time, as the extended WANADA membership gathered at Columbia Country Club in Chevy Chase, MD for the 2023 WANADA Annual Meeting & Dinner. Following on the heels of last year's successful event, which saw the association's traditional lunch in Tysons Corner transform into an unforgettable evening of dinner, drinks and entertainment, the 2023 iteration was even better.



[CLICK HERE FOR MORE PICTURES FROM THE ANNUAL MEETING](#)

After the attendees socialized over cocktails in Columbia's cozy confines, the program began in earnest as dinner was served. Following some brief welcome remarks from WANADA President & CEO John O'Donnell, Chairman Chip Doetsch of Apple Ford provided an informative address on the state of the auto industry in the DC region. Noting the area's robust economy and educational attainment, Chairman Doetsch unequivocally stated that being a dealer here is preferable to nearly anywhere in the country. Even so, Chairman Doetsch outlined a string of challenges emanating from certain federal regulatory agendas, continued attempts to undermine the franchise system, and unpredictable market dynamics that make trade associations like WANADA more critical than ever before. He particularly highlighted the ongoing health of

The Washington, DC Auto show as being of singular importance to the vitality of the organization.

Following Chairman Doetsch's address, Past Chairman John Bowis of Chevy Chase Cars presented the slate of changes to the Board of Directors to the gathered members. He reported that the Nominating Committee had selected Alex Perdakis of Koons of Silver Spring to renew his three year term, Bob Hager of Ourisman Automotive of Virginia to come into the executive chairs, and Conrad Aschenbach of the Aschenbach Automotive Group to fill the empty Board seat. With a vote of acclamation, the WANADA members ratified these nominations unanimously.



Left: New Chairman Jamie Darvish of DARCARS presents a token of gratitude to Chip Doetsch of Apple Ford. Right: Entertainer Jason Suran attempts to manipulate the thoughts of former WANADA CEO Gerry Murphy, which of course no man can do.

Finally, it was time for Chairman Chip Doetsch to pass the gavel to WANADA's new Chairman Jamie Darvish of DARCARS. Mr. Darvish thanked Mr. Doetsch for his many years of exemplary service, noting that Doetsch's guidance through the pandemic and subsequent years made an indelible impression on his perception of association leadership. Chairman Darvish continued that the next few years would be equally as crucial to the health of the industry and called upon all of the members to support WANADA's employee benefits program, The Washington, DC Auto Show, and the ADEI Technician Training Program.

Once the business portion of the evening was completed, the entertainment commenced. The attendees were treated to an hour of stupefying illusions from mentalist Jason Suran. His tricks included a plethora of mind reading, audience influencing and memorization that left the crowd both mesmerized and stunned.

WANADA would like to extend a special thanks to all of the sponsors who made such a wonderful evening possible: BG Crovato Products & Services, Capital Automotive Real Estate Services, Chesapeake Contracting Group, Councilor, Buchanan & Mitchell, Penney Design Group, and The Keats Group at RBC Wealth Management.

Capitol Hill Updates from NADA

Our friends at NADA recently published two important updates from Capitol Hill regarding regulatory & legislative priorities germane to the retail automobile business:

- **NADA-Supported Letter On EPA’s EV Mandates Sent to Leadership:** The [letter](#) was led by Rep. Lisa McClain (R-Mich.) and signed by [223 signers](#) (35 Senators, 188 Members of the House) urging Republican leadership to include the House-passed language stopping EPA’s unrealistic electric vehicle (EV) mandate that the fleet be 67.5% EV by 2032 in any final government funding package.

On Nov. 3, the House passed the Interior Environment appropriations bill ([H.R. 4821](#)) which includes a **one-year** limitation to stop the EPA from using funds to finalize or implement its EV mandates. NADA/ATD sent a letter in [support of H.R. 4821](#).

Next week, the House is scheduled to vote on H.R. 4468, the [“Choice in Automobile Retail Sales Act”](#) (CARS) introduced by Rep. Tim Walberg (R- Mich.) which would **permanently** stop the EPA’s proposed rule mandating 67.5% EVs by 2032. NADA supports H.R. 4468 and the companion Senate bill introduced by Sens. Mike Crapo (R-Idaho) and Pete Ricketts (R-Neb.) S. 3094. ([issue brief](#))

- **House Votes on CFPB Small Business Data Rule:** Today, the House voted 221-202 to disapprove a Consumer Financial Protection Bureau (CFPB) lending rule that would require financial institutions to collect and report demographic data to the CFPB on certain business loan applicants, including whether they are women-owned, minority-owned, or a small business.

This CFPB rule would not directly affect dealers **engaged in indirect financing**, who are exempt from CFPB’s jurisdiction. However, the Federal Reserve Board, which regulates dealers in this area, may consider something similar to the CFPB’s onerous rule. The Senate resolution ([S.J.Res. 32](#)) passed by a [vote](#) of 53-44 on Oct. 18. The White House has threatened to veto the resolution, and the resolution lacks the two-thirds vote necessary to override the veto.

Dealer Group Pushes Back Against Agency Model

In recent weeks, dealers from around the country have been faced with different attempts to slowly transition our nation’s franchise system toward more of a so-called “agency” model that is favored by manufacturers in other regions of the world. In a significant victory for the existing system, a group of 26 Illinois Ford dealer won a legal battle that could significantly impact the rollout of that automaker’s national EV certification program. Ford’s “Model E Plan” would have imposed such measures as significant dealership investment in largely unnecessary infrastructure, non-negotiable pricing on EVs, OE control over trade-in valuations and an unfair allocation of product. In a statement, Jim McMahon of the Illinois Auto Dealers Association (IADA) said, “I’m proud of the IADA board and the 26 Ford dealers who stepped up to file this protest. We stood up to the manufacturer and won a big victory for the franchise model. We will continue to do whatever is necessary to oppose the agency model, which is bad for consumers and dealerships.”

Consumers Becoming Aware of High Cost of EV Collision Repairs

A [recent article](#) in the Wall Street Journal highlighted that electric vehicle (EV) customers are learning that their cars are far more expensive to repair than traditional ICE engines. Relevant portions of that article have been reprinted below.

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For EVs, repairs following a collision can cost thousands of dollars more than their gas-powered counterparts, because the fixes tend to require more replacement parts, the vehicles are more complicated and fewer people do such repairs. While those issues may ease over time, first-time electric owners may be startled by the higher costs and longer wait times.

Last year, repairing an EV after a crash cost an average \$6,587 compared with \$4,215 for all vehicles, according to CCC Intelligent Solutions, a company that processes insurance claims for auto repairs in the U.S.

The increased costs following collisions contrast with the maintenance savings that dealers and automakers promote when trying to get buyers to switch to electric cars and trucks. In addition to not needing gas, EVs tend to require less upkeep. Not needing to do regular chores like oil changes, engine tuneups or replacement of timing belts means that electric-vehicle owners spend half as much maintaining their vehicles as their gasoline-owning counterparts, according to Consumer Reports, a nonprofit consumer organization.

Higher repair costs are also helping to drive up insurance premiums for electric owners, who pay on average \$357 a month for coverage compared with \$248 for gas vehicle owners, according to insurance comparison website Insurify.

“People are used to hearing that EVs have fewer parts than a combustion vehicle, but that is not the case in collision repair,” said Marc Fredman, chief strategy officer for CCC Intelligent Solutions.

Bringing down repair costs is another complication for automakers as they try to attract first-time buyers and reignite sales growth of electric models, which has slowed in recent months. Companies including Tesla and Ford Motor have slashed prices this year in hopes of attracting new customers.

Last year, on average, an EV repair required roughly double the replacement parts compared with a conventional vehicle, according to CCC Intelligent Solutions. The way many electric models’ parts are bolted or welded in the vehicles often means the components cannot be repaired and have to be replaced, Fredman said.

When these vehicles do get into a crash, repairs can be more complex for many reasons. The bodies can be more complicated to disassemble, and the repairs tend to require more steps and precautions, Fredman said.

Vehicles containing lithium-ion batteries also require special storage consideration because of the risk of fire when they are damaged, said Scott Benavidez, chairman of the trade group

Automotive Service Association and owner of a collision repair business in New Mexico. Those precautions add both time and cost to the repair process, he added.

The vehicle bodies themselves can result in higher parts and labor costs because EVs tend to use more exotic materials than traditional steel, collision-repair specialists said. Some of these materials, like aluminum, require specialized tools and storage facilities, narrowing the number of shops that can perform the work, they said.

“Those shops will charge more because they’re taking on the risk of working on them and retrofitting their shop,” Benavidez said.

Repairing an electric car tends to take longer, as well, in part because there are still a limited number of shops capable of doing this type of work. It takes 25% longer to get an EV into a body shop than a traditional vehicle, according to data from CCC Intelligent Solutions. Those repairs tend to take roughly 57 days compared with 45 days for non-EVs, the data showed.

[Source](#)

Save the Date: WANADA Member Reception at the DC Auto Show

On Thursday, January 25, 2024, all WANADA members are invited to the Washington Convention Center to attend the WANADA Member Reception at the Washington, DC Auto Show. As every year, the event is a great opportunity to view the floor of the show while networking with your colleagues from around the Beltway. Mark your calendars now! More details will be forthcoming as soon as they are confirmed.

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