

THE WANADA BULLETIN

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

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January 30, 2024

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The 2024 DC Auto Show Kicks Off Year with a Bang

On Sunday, the 2024 Washington, DC Auto Show concluded an eminently successful event. “We’re very happy with this show’s performance,” said WANADA CEO John O’Donnell. “We had a record-breaking Public Policy Day, all of our conference partners set attendance records as well, and all of our exhibitors met or exceeded their engagement goals. It was a great show!”

The show’s annual “Public Policy Day” kicked off the proceedings on Thursday, January 18. The day opened with the newly minted Champions for Automotive Education Awards, a dynamic partnership between DARCARS, Toyota and WANADA’s Automobile Dealer Education Institute (ADEI), which honored automotive educators from around the region and presented them with keys to a leased, pure-electric Toyota BZ4X.



Left: the standing-room only crowd at the 2024 Public Policy Day; Right (from left): Volvo North America CEO Michael Cottone; National Climate Advisor Ali Zaidi; General Manager of Central Atlantic Toyota Ben Pyle; DARCARS COO and WANADA Chairman Jamie Darvish.

Following the awards, several hundred lawmakers, members of the media, and the auto industry gathered at the Public Policy Day stage for lunch and a robust program of keynote addresses, panel discussions and vehicle reveals. The wide array of notable speakers included National Climate Advisor Ali Zaidi, the Deputy Secretaries of both the U.S. Department of Energy and U.S. Department of Transportation, the Administrator of the General Services Administration,

senior officials from the U.S. Department of the Treasury, and Volvo North America chief executive Michael Cottone. Perhaps the highlight of the day, however, was a fiery roundtable from five members of the Congressional Auto Caucus. Reps. Debbie Dingell (D-MI), Marcy Kaptur (D-OH), Mike Kelly (R-PA), Bob Latta (R-OH) and Roger Williams (R-TX) engaged in a passionate debate over the current state of the automotive industry, most notably trading barbs over the appropriate level of government involvement in electric vehicles (EVs).



Top Left: DARCARS & Toyota present the Champions of Automotive Education Awards; Top Right: 5 congressional representatives participate in an Auto Caucus roundtable; Bottom Left: DOE Dep. Sec. David Turk and DOT Dep. Sec. Polly Trottenberg participate in a panel discussion on EVs; Bottom Right: Show attendees are among the first in the world to view the Lamborghini Huracan STO and Ducati Streetfighter V4 combo, which were revealed at the auto show's annual Sneak Peek Preview.

Amid the political discussions, several manufacturers introduced or showcased new models, including the all-new Lexus TX 550h+, their 3-row plug-in hybrid SUV; the Rolls Royce Spectre, the famed luxury automaker's first full battery electric vehicle; and the first-ever Aston-Martin DB12 convertible. "We can't think of a better place to showcase these products," noted David Bilger of Exclusive Automotive Group. "This show is always full of our customers and potential customers looking for Bentleys, Aston-Martins, and the like. It just makes sense that we would pick The Washington, DC Auto Show to premier a car like the DB12 convertible." Rounding out the product portion of the Policy Day programming, U.S. News & World Report delivered their annual "Best Cars for the Money" awards, highlighting vehicles that present the best value for those consumers perhaps not in the market for high-end exotics.

Following Public Policy Day, the show's annual Sneak Peek Preview provided an opportunity for lawmakers and industry insiders to take in the sights and sounds of the show before opening to the general public. In addition to live music, drinks and hors d'oeuvres, this year's guests

were also treated to a reveal of a special edition Lamborghini Huracan STO and Ducati Streetfighter V4 companion set from The Driver's Vault.

On Friday, January 19, the auto show opened to the public. In spite of some light snow, the public showed up in droves throughout the weekend. Saturday and Sunday were characterized by large crowds, with many exhibitors reporting that lead goals were met or exceeded. The ride & drives, including indoor tracks from Hyundai & Nissan, and outdoor drives from Ford, Hyundai, Kia, and Tesla, were all quite popular, sporting strong lines for the duration of the weekend.



Top Left; Buick-GMC joined Tesla and Lucid as new or returning exhibitors; Top Right: Kevin Reilly of Alexandria Hyundai smiles with the Hands On Hope contestants; Bottom Left: the opening weekend crowds in the upper hall; Bottom Right: as part of the Thrill Street display, Nissan brought enhanced exhibit properties and an indoor Ariya track (not pictured).

Another highlight of the weekend was the Hyundai Hands-On Hope contest. Six contestants, drawn from the pediatric cancer units at Georgetown Lombardi and Children's National, maintained physical contact with a brand-new Hyundai IONIQ6 for 44 hours to have a chance to win the car for themselves and a \$60,000 research grant for their institution. The runner-up institution would not be left in the cold, of course, as they would then receive a \$40,000 donation from Hyundai, for a total contribution of \$100,000 to fight pediatric cancer. The winner, Mithcell Haverty from Children's National, was understandably thrilled to be the new owner of such a highly prized new car.

In addition to the fun atmosphere, beautiful surroundings, and hundreds of new cars, The Washington, DC Auto Show also offered several additional activities for WANADA members. The Tag & Title seminar, which was held on Wednesday, January 24, featured motor vehicle

agency regulators from DC/DMV and Maryland/MVA discussing the special tag and title issues facing Washington Area dealers. The seminar was attended by area tag & title processors from WANADA dealerships and focused on proper document processing, inter-jurisdictional coordination and administrative efforts.



Top Left: crowds wait in line to get inside the Tesla Cybertruck; Top Right: The FedFleet Expo floor; Bottom Left: Sen. Ben Ray Lujan (D-NM) visits with Honda representatives; Bottom Center: Sen. Joe Manchin looks at a new Corvette with GM staff; Bottom Right: Over 200 auto tech students attend Career Day, sponsored by Toyota.

Director of Education Joe Hemberger discussing the [ADEI technician training program](#), Chris Peterson from Toyota, and Farzad Makarehchi from DARCARS. The event was attended by over 200 high schoolers, who then had the opportunity to enjoy the auto show before returning to their respective campuses.

Thursday, January 25th featured the 2024 WANADA Member Reception, which was sponsored by BG Crovato Products & Services and The Kirvan, Pierce, Sweeney Group. Many dealers and kindred line members took the opportunity to view the show floor and network with their colleagues. Of utmost interest were the models on display from both Tesla and Lucid after both direct-to-consumer EV brands decided to participate in the show. “It’s good for the show to have these brands represented,” said show chairman Bob Biagi of Ourisman Automotive of Virginia. “The Board of Directors was unanimously in support of having them exhibit to demonstrate to those non-participating OEMs what they are missing out on.” The Tesla Cybertruck and Lucid Air were among the most popular vehicles on display, underscoring the importance of getting new and innovative products in front of the buying public at a venue like the auto show.

Another benefit to exhibiting in the show is the prevalence of lawmakers who use the event as an opportunity to educate themselves on the latest automotive technology and to engage with the

manufacturers on policy issues facing the industry. Over 100 Hill staffers attended various tours throughout the week, and several congressmen and senators also came to the show for this purpose. As The Public Policy Show on the international auto show circuit, the DC Auto Show uniquely fills the role as a lobbying hotspot for the car business.

Another unique feature of The Washington, DC Auto Show is the annual FedFleet Conference & Expo, which is the only place that General Services Administration (GSA) fleet managers can travel for education, training and to view product. The three-and-a-half day event featured over 2,600 federal government fleet managers from around the world, as well as top executives from the GSA, including GSA Deputy Administrator Katy Kale, over 70 exhibitors, and an indoor FedFleet Ride & Drive.

“We have influenced the classification of vehicles that receive credits under IRA, been the site of many important conversations that shape our industry, have some of the most important policymakers in the country stop by to review product and much, much more,” said O’Donnell. “We are one of the strongest markets in the entire country, *and* we help influence decisions on the highest levels. This is why we are one of the most important auto expositions in the world.”

FTC Vehicle Shopping Rule Postponed Due to Legal Challenge

On December 12, 2023, the Federal Trade Commission (FTC) announced it has finalized the dubiously named “Combating Auto Retail Scams” Rule (CARS Rule), which would impose numerous onerous obligations on dealership sales practices as well as having dramatic impacts on downstream finance companies that purchase retail installment contracts from dealers. The CARS Rule follows several FTC enforcement actions against dealers in recent years and was set to take effect on July 30, 2024.

However, on January 18, 2024, the FTC issued an order staying the effective date “to allow for judicial review” after NADA challenged the CARS Rule in court.

On January 5, 2024, the National Automobile Dealers Association and the Texas Automobile Dealers Association (together, the petitioners) petitioned the U.S. Court of Appeals for the Fifth Circuit for review of the CARS Rule. The petitioners request that the Fifth Circuit vacate or modify the rule on the grounds that the rule is “arbitrary, capricious, an abuse of discretion, [and issued] without observance of procedure required by law.”

Although the petition did not elaborate on those grounds, the petitioners also filed a motion for stay of the rule and expedited consideration (which the petitioners have since moved to withdraw), which previews some of the petitioners’ arguments. In that motion, the petitioners argue that the FTC unlawfully promulgated the CARS Rule by failing to comply with advance notice requirements. Petitioners further argue that the rule is arbitrary and capricious because the FTC did not reasonably evaluate the rule’s costs and benefits. Petitioners also argue that the FTC failed to “show that a significant industry-wide problem exists that would justify a disruptive and burdensome industrywide regulatory response.”

Following the FTC’s stay of the rule’s effective date, the FTC and the petitioners have requested that the Fifth Circuit expedite the case. The parties have proposed a schedule under which

briefing would conclude in mid-June 2024, with oral argument to follow shortly after. We will follow and discuss those developments here, so stay tuned.

Damon Lester Nominated for TIME Dealer of the Year

WANADA is proud to select Damon Lester, owner of Nissan of Bowie, as its 2024 nominee for the TIME Dealer of the Year award. Damon Lester is one of a select group of 49 dealer nominees from across the country who will be honored at the 107th annual National Automobile Dealers Association (NADA) Show in Las Vegas, Nevada, on February 3, 2024. The TIME Dealer of the Year award is one of the automobile industry's most prestigious and highly coveted honors. The award recognizes the nation's most successful auto dealers who also demonstrate a long-standing commitment to community service.



“My journey is a testament to unwavering dedication, a passion for advocacy, a love for people, strategic partnerships, and the insatiable thirst for continuous learning and growth,” Lester said. “All these elements collectively steered me to where I stand today.”

Lester received a B.S. from Temple University in Philadelphia, Pennsylvania, in 1994. He launched his automotive industry career at the National Association of Minority Automobile Dealers (NAMAD) in 2002, where he was hired as vice president of operations and was named president in 2006, a position he held for more than 15 years. Today, he serves as vice chair of the organization while overseeing his own dealership, Nissan of Bowie, which he acquired in 2021.

“While at NAMAD, I became a prominent voice advocating for diversity in the automotive sector,” Lester said. “My work was primarily directed towards ensuring equitable access and creating meaningful opportunities for minority professionals across various facets of the industry.”

A recognized authority on consumer finance, entrepreneurship, and economic diversity within the auto industry, Lester has received numerous accolades for his leadership and advocacy. He was recently named one of Automotive News' Notable Champions of Diversity in 2022. Lester has also received recognition from Real Times Media; Extraordinary Is (Otis and Rosie Brown Foundation); Savoy magazine; Carma Foundation; Rainbow PUSH Coalition; and The Network Journal (40 Under Forty Achievement Award); to name a few.

Lester's notable personal and professional journey is featured in The HistoryMakers, a digital repository for the black experience. This prestigious oral history archive of more than 3,300 videotaped interviews is preserved in the Library of Congress.

After founding Lester Automotive Group and acquiring Nissan of Bowie in 2021, Lester has made a successful transition to entrepreneurship. “I've worked to transform the dealership culture, prioritizing people over profits,” he said. “My most rewarding impact lies in cultivating

an environment where employees feel valued, and customers experience unmatched trust and loyalty. By ensuring diversity and pushing for equitable opportunities within our dealership, I've not only driven business success but also fostered community connections."

He added, "Every time an employee achieves his or her potential or a customer becomes a lifelong fan, I'm reminded of the profound, positive change we've initiated, reinforcing our mission to alter the perception of car dealers."

And Lester also works to make positive changes in the lives of area youths through his involvement with Bowie-Mitchellville (MD) Diamond Foundation, which is the philanthropic arm of the Bowie-Mitchellville (MD) Alumni Chapter of Kappa Alpha Psi Fraternity.

"We encourage the development and leadership training among young males in Prince George's County; assist in advancement of young men who are disadvantaged; promote the benefits of receiving a college education; and provide mentorship to school-age children in single-parent households," he said.

Lester also supports the Military Warriors Support Foundation, a group that assists wounded combat veterans in their transition to civilian life, by donating an electric Nissan vehicle to the nonprofit organization annually.

"This group provides critical support, empowering veterans to regain independence and thrive," he said. "We are proud to be part of its noble mission to honor and aid those who have served our nation."

Dealers are nominated by the executives of state and metro dealer associations around the country. A panel of faculty members from the Tauber Institute for Global Operations at the University of Michigan will select one finalist from each of the four NADA regions and one national Dealer of the Year. Three finalists will receive \$5,000 for their favorite charities and the winner will receive \$10,000 to give to charity, donated by Ally.

In its 13th year as exclusive sponsor, Ally also will recognize dealer nominees and their community efforts by contributing \$1,000 to each nominee's 501(c)3 charity of choice. Nominees will be recognized on AllyDealerHeroes.com, which highlights the philanthropic contributions and achievements of TIME Dealer of the Year nominees.

"At TIME, we are proud to uphold the decades-long tradition of honoring automotive dealers who make a positive impact and show dedication to their communities through our TIME Dealer of the Year award," said TIME CEO Jessica Sibley. "We are excited to keep this tradition of applauding these community contributions together with our partners at Ally."

Doug Timmerman, president of dealer financial services, Ally, said, "Auto dealers nominated for the TIME Dealer of the Year award have demonstrated an unwavering commitment to not only the industry but to their respective communities through volunteerism, sponsorships, and supporting charitable causes, no matter the market climate. Whether their clients are purchasing a first car or upgrading for a growing family, these selected dealers have successfully extended their relationships beyond the showroom and have been steadfast in driving their communities forward."

Maryland & Virginia General Assembly Updates

Maryland Updates from MADA

Last week our friends at the Maryland Automobile Dealers Association (MADA) released the following report on the 2024 session of the Maryland General Assembly:

The 2024 Session of the Maryland General Assembly kicked off on January 10th, 2024. The budget will be the biggest issue facing the General Assembly this Session – Maryland is facing a budget deficit of more than \$760 million and the Transportation Trust Fund has more than a \$3 billion dollar shortfall.

The Governor's proposed budget released last week contains no new taxes and relies on one time shifts and some fee increases (none which impact dealers as of yet) to deal with the deficit for this year.

The House of Delegates would like to put together a package of revenue (tax) increases this session to address Maryland's ongoing structural deficits. The Senate President has indicated that there will be no revenue increases this session. The General Assembly will also be looking at reforms to our Juvenile Justice System.

The number one priority of the Association this session is making changes/modifications to the Clean Cars II EV Sales Mandate which start in the fall of 2026 (43% of what each manufacturer ships to Maryland must be EV).

The MADA Board feels strongly that we must start the conversations about the significant problems with Clean Cars II THIS SESSION. We have introduced legislation which would delay the implementation date and drastically reduce the penalty paid by the manufacturers for failure to meet the sales mandate. The legislators need to recognize/fix the cross border sales issue which will hurt Maryland dealers, our employees and customers.

The Association has also introduced legislation that gives MADA standing which would allow the Association to sue the manufacturer on behalf of dealers for violation of Maryland franchise law.

We are currently following over 40 bills which could impact dealers. The issues created by the EV Sales Mandate are difficult but they need to be discussed and we need solutions that will address the reality of the current market for EV's. We will keep you updated throughout the session and we will be asking dealers to communicate with their legislators as we get further into the session.

Virginia Updates from VADA

Last week our friends at VADA provided an update on attempts to roll back vehicle emissions laws in the Commonwealth. Three proposals that would have decoupled Virginia from California's vehicle emissions standards, reverting the state to federal standards, were voted down this week. [Here's the report from the Virginia Mercury.](#)

As VADA has said: Most auto manufacturers have made it clear they are committed to phasing out gas-powered engines over the next 15 years. Virginia's new car dealers are embracing the future of EVs along with their manufacturers.

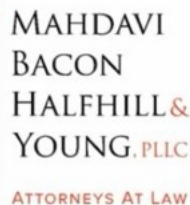
Mass adoption, however, requires government policies that are technologically achievable, maintain affordability, and complement the efforts of the private sector in advancing the vehicle fleet turnover needed to achieve the targeted environmental benefits within a timeframe that helps, not hurts, new vehicle buyers. We appreciate that Senate Agriculture, Conservation and Natural Resources Chairman Sen. Dave Marsden (D-35th/Burke), along with Commerce and Labor Chairman Sen. Creigh Deeds (D-11th/Charlottesville), intend to convene a working group to ensure Virginia's policies achieve those goals.

"We look forward to working with them as Virginia dealers intend to continue to be leaders in this important transformation of our transportation system," says VADA's Don Hall.

Going to NADA in Vegas? Last Chance to Register for the WANADA/MADA/VADA Reception!

This Friday, February 2, 2024, join us at the Bellagio Monet (3600 Las Vegas Blvd S) for our annual tri-association reception at The NADA Show. The event is "come and go" as you see fit, so please stop by for cocktails and hors d'oeuvres at your convenience. The reception will run from 6:00 – 9:00 p.m. [Click here](#) to register.

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