

Headlines...

White House step back from 56.2 mpg CAFE standard to 54.5 gains substantial OEM support

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Thought for the Week...

White House step back from 56.2 mpg CAFE standard to 54.5 gains substantial OEM support

President Obama today announced his plan to nearly double corporate average fuel economy (CAFE) standards to 54.5 mpg by 2025, a change from his first plan to go to 56.2 mpg. The current law requires that CAFE increase from 27.3 in 2011 to 35.6 by 2016.

The president's latest plan gained the endorsement of leading auto manufacturers, which were opposed to the first plan. Today's announcement was also supported by California state regulators, the UAW, some environmentalists and consumer advocates. The plan would require a 5 percent annual improvement in the fuel economy of passenger cars from 2017-2025. The annual increase for light trucks from 2017-2021, however, would be 3.5%, with the 5% yearly increase only kicking in from 2022-2025.

The administration's original plan would have increased average fuel efficiency to 56.2 mpg between 2017 and 2025 on all vehicles. But when the industry and sympathetic lawmakers voiced loud concern about the attainability of such a standard, the White House revised its plan to the 54.5 mpg standard announced today.

Obama said the proposal was backed by automakers that account for more than 90 percent of all vehicles sold in the United States. The Detroit Three CEOs Alan Mulally (Ford), Dan Akerson (GM) and Sergio Marchionne (Chrysler) were joined by UAW President Bob King at the press conference, according to Automotive News. Top OEM executives from BMW, Honda, Hyundai, Jaguar/Land Rover, Kia, Mazda, Mitsubishi, Nissan, Toyota and Volvo were also there in support of the revised White House plan.

"This agreement on fuel standards represents the single most important step we've taken as a nation to reduce our dependence on foreign oil," Obama said. "By 2025, the average fuel economy of their vehicles will almost double to 55 mpg," according to the president. "This is an incredible commitment that the OEMs have made (which) they wouldn't be doing if they didn't think it was good for business and good for America."

Conspicuous by their absence today from the president's CAFE announcement were Daimler AG maker of Mercedes Benz vehicles and Volkswagen AG who haven't signed on to the new plan offered by the White House. Among other things Volkswagen was concerned that their clean diesel Passat TDI that gets 43 mpg didn't get a fair consideration in the proposal. "The White House plan encourages manufacturers and customers to shift toward larger, less-efficient vehicles, defeating the goal of reduced greenhouse-gas emissions," said Tony Cervone, a Volkswagen spokesman.

For now, California, which has the authority under the Clean Air Act to go its own way on regulatory greenhouse gas emissions, is on board with one national standard. Environmental groups had pressed the administration to raise the fleet wide fuel economy standard to 62 mpg.

OEMs lock down exhibit space for the 2012 Washington Auto Show, yielding a six percent increase in square footage

Earlier this week, all the automakers that had exhibit space in the 2011 Washington Auto Show (WAS) re-committed to space in 2012 and, in fact, took 6 percent *more* space in the composite. The WAS lays out annually over two floors and 750,000 square feet and is the largest exposition the Walter E. Washington Convention Center.

Once again this year the WAS will dedicate nearly 10 percent of the show floor to The Advanced Technology Super Highway (ATS). Each OEM exhibitor will be offered complimentary space in the ATS to be joined by a host of special exhibitors displaying the gamut of cutting-edge innovations in alternative fuels--

including fueling infrastructure--along with the latest strides in motor vehicle passenger safety.



Auto Show Committee member, Mark Zetlin, American Service Center with WAS manager, Bob Yoffe at the 2012 Space Draw.

If the past is prologue, Congressional leaders and high level regulators and operatives from the Obama administration will likely tour the ATS pavilion as a precursor to visiting the individual OEM exhibitor displays.

OEM exhibitor representatives at the WAS space meeting also were enthusiastic about the *ride-n-drive* opportunities some took advantage of in this year's show, suggesting that this popular exhibitor offering will become even more so in 2012.

OEM exhibitors are pretty much in the same location for the 2012 WAS that they were in 2011. A floor plan showing the exact locations will be available soon.



Barbara Pomerance, Washington Auto Show promotions, media and communications director, speaking to media executives at the National Press Club, July 25, 2011 as WANADA Auto Show organizers look on (from left to right) Kevin Reilly, Alexandria Hyundai; Robert Fogarty, Sport Automotive, 2012 WAS chairman; George Doetsch, Apple Ford/Lincoln, WANADA chairman; and Gerard Murphy, WANADA CEO

Each year, WANADA hosts advertising sales representatives from the various TV and radio stations and newspapers that cover Washington to present plans for the upcoming auto show. The space draw for the 2012 Washington Auto Show occurred the following day, July 26.

Tammy Darvish elected to a second term on the NADA board representing metro Washington dealers

NADA this week confirmed that Tamara Darvish, DARCARS, was elected to a second three year term on its Board of Directors to commence in February, 2012 at the NADA Convention in Las Vegas. She has represented dealers in the Metropolitan Washington Director District for NADA since 2009, a turbulent time in the automobile industry by any measure.

Metropolitan Washington is one of the 58 "state" seats on the national dealer board that are supplemented by four at-large seats and a seat for truck dealers resulting in a 63 member governing body at NADA. By design, the Metropolitan Washington director works closely with the dealer directors representing Maryland and Virginia, which are, respectively, David Williams of Anchor Buick-GMC, in Hartford County and Mike Martin of Dudley Martin Chevrolet in Manassas. By design, too, the NADA director of Metro Washington works in tandem with

WANADA which manages a number of the organizational logistics of the NADA “state” of Metro Washington.

Tammy also serves on WANADA’s board as immediate past chairman. WANADA wishes her all the best on her next term with the NADA leadership!

President Bush and Marchionne to Keynote NADA/ATD Convention in Las Vegas

Attendee registration is open for convention and housing

NADA has announced that the keynote speakers for the 2012 NADA and ATD Convention and Expo in Las Vegas next February are President George W. Bush and Sergio Marchionne, chief executive officer of Chrysler Group and Fiat S.p.A.



Outgoing and incoming chairmen, respectively, Stephen Wade and Bill Underriner will also deliver presentations on the state of the industry. The inspirational address will be provided by Aron Ralston, who had to amputate his right arm with a knife to free himself from a boulder after a hiking accident. His autobiography “Between a Rock and a Hard Place” was the subject of the film “127 Hours.”

The 2012 convention, which runs Feb. 3-6 at the Las Vegas Convention Center, will mark the first time that the NADA and ATD conventions will be held together.

The convention also includes workshop sessions with renowned dealer operations experts, franchise meetings, hundreds of exhibits and a new Social Connection Zone.

“The exchange of ideas, updates on the latest marketing concepts and networking with fellow dealers at the convention is a rewarding experience,” says Rick Morrison, NADA 2012 convention chairman. “There is no other event in the industry that offers dealers and their managers so much at one time, in one location.”

Once again, WANADA, MADA and VADA will team up on a joint dealer associations’ reception at a Las Vegas venue, TBA. The MVW tri-associations’ reception has distinguished itself as one of the NADA Convention’s best events! More to come soon...

Super Bowl XLVI will also be held Sunday, Feb. 5, during the convention. Dealers and their managers are encouraged to register early to take advantage of discounted pricing and reduced hotel rates. To register online, visit nadaconventionandexpo.org.

Thought for the Week...

This is a moment of great crisis for our country and for our citizens and a crisis that demands putting aside our partisanship and politics for the good of our people. We are not there yet, but it is my great hope that we as a body can live up to that challenge. Our fellow citizens expect it, our duty demands it, our oath requires it.

--Rep. Steny Hoyer (D-MD), Minority Whip

July 29, 2011

**to his Congressional colleagues on the escalating
debt ceiling crisis**