



New Motor Vehicle Board

In-Site

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SEPTEMBER 10, 2009 GENERAL BOARD MEETING

The New Motor Vehicle Board (“Board”) held a General meeting on September 10, 2009, in Ontario, California. At that meeting, the members considered several administrative matters. There were no case management matters at this meeting.

Discussion concerning the annual review of the Board delegations in compliance with the 1996 Performance Audit conducted by Business, Transportation & Housing Agency, which was postponed from the June 5, 2009 meeting, was approved by the Board members. The delegation will be revised to delegate to the Executive Director the authority to procure any necessary equipment, supplies, and services up to the amount budgeted in a line item of the Board’s approved budget.

Out-of-state trips for the 1st and 2nd half of fiscal year 2009-2010, were discussed and it was decided that Bill Brennan and Dawn Kindel would be authorized to attend the National Association of Motor Vehicle Boards and Commissions (“NAMVBC”) Fall Workshop in Charleston, South Carolina. The Board further authorized two staff to attend the National Automobile Dealers Association (“NADA”) Convention and Expo, February 13-15, 2010, in Orlando, Florida.

In compliance with the Bagley-Keene Open Meeting Act during the consideration of Proposed Decisions and Orders or Rulings conducted pursuant to the Administrative Procedure Act, Board adopted language will be inserted into the President’s or presiding officer’s introductory statement prior to Board consideration of a proposed decision or proposed order, as follows: “Comments by the parties or by their counsel that are made regarding any proposed decision must be limited to matters contained within the Administrative record of the proceedings. No other information or argument will be

considered by the Board. Members of the public may comment on such matters at the end of the meeting.”

A review of the Board’s website over the last fiscal year was discussed. Board staff performed a complete review of the website, fine-tuning each page for accuracy and ease of utilization. Staff continues to work with the Webmaster on additional features and is dedicated to making the site useful and successful.

A report on the Board Development Program for 2010 was given. It was suggested that relevant speakers and topics be included in Board meetings to the extent such inclusions are timely and relevant to educate Board members.

Other matters discussed were methods for determining Board fees, legislation, status of protests, petitions and appeals, and judicial review. After adjournment, staff and Board Members were given a tour of the BMW training center and a presentation on the BMW Hydrogen 7 Series vehicle (see related article on page 3.)

ATTORNEY ROUNDTABLE CANCELED

The Board canceled the Attorney Roundtable scheduled for Thursday, October 15, 2009, 10:00 a.m., at the Ziggurat Building in West Sacramento, CA. In its on-going effort to reduce costs and expenses to the industry and their attorneys, it was decided that the materials relating to the policies and procedures of practicing before the Board can be effectively and efficiently presented by teleconferencing or webcast.

Board staff is working on a new time and date for the teleconference or webcast, along with information regarding registration. Also, the NMVB Industry Roundtable, which was cancelled the past two years by budget constraints, may be restructured into a combined Industry/Attorney Roundtable format tentatively scheduled for spring 2010. Look for a “Save the Date” announcement later this year announcing the time and place of the Industry/Attorney Roundtable.

NAMVBC 2009 FALL WORKSHOP

The National Association of Motor Vehicle Boards and Commissions (“NAMVBC”) held its Fall Workshop in Charleston, South Carolina, October 3-7, 2009. The workshop included a packed agenda of information and ideas of common interest to motor vehicle regulators, industry associations, manufacturers, and consumer advocates who attended. During the four days of the event, several keynote speakers discussed industry issues.

The Sunday morning workshop presentation focused on the Chrysler and General Motors bankruptcy filings. David Cookson, Assistant Attorney General for the state of Nebraska led the discussions and shared with the group his experience with the GM case and how express warranties, successor liabilities and environmental responsibilities were dealt with. Representatives from Texas, Wisconsin and the National Automobile Dealers Association joined in the discussion and shared their involvement. All agreed that both the Chrysler and General Motors bankruptcies had a huge impact on dealers and that the bankruptcy laws were brutal. The afternoon workshop featured “A Peek into the Future” by Ken Murphy and Aaron Jacoby from Venable LLP. The pair discussed where the industry has been, focusing on the government bailouts, bankruptcies, and the decline in auto sales. It was noted that for the first time lenders took a hard hit. As for the future, many predictions were made. New business models are expected to emerge,

including new partnerships with major internet sellers Amazon and Best Buy. New competition will also enter the marketplace from the likes of Tesla and Tata Motors along with new fuels to power the vehicles of the future. Dealership design is also expected to change. The norm for years has been huge dealer lots with hundreds of vehicles in every shape, size and color. The future, however, will see build to order vehicles with spot delivery. Dealerships will require less flooring space, which will greatly impact the industry. The need for state regulations to keep up with the changes in the industry was discussed with the Smart Car business model used as an example.

Monday’s workshop sessions began with the subject of “paperless titling” by Nancy Passehl from the Wisconsin Department of Transportation. Wisconsin has embraced, for over 12 years, electronic title applications and doing more business online. In 2008 Wisconsin changed its law to reflect that the official vehicle title is the actual DMV record. This opened the door beyond electronic title applications to electronic titles. Following in the footsteps of Virginia and Texas, Wisconsin also has applied for an exemption from NHTSA to enact e-Odometer. Wisconsin has chosen to open additional doors by introducing e-MV Public, e-MV Lien, e-MV Agent, e-MV Inquiry and e-MV Portal. The concept of paperless titling connects all of these processes and demonstrates the many benefits it can bring to government and industry.

See NAMVBC, cont’d on page 3



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NAMCVVC, cont'd from page 2

Cecil Davis, Senior Counsel with Nissan North America gave a presentation on Nissan's entry into the electric vehicle market, the Leaf. The Leaf is 100% electric and has zero emissions. It's powered by a Lithium Ion battery, seats 5 and has a range of 100 miles. The first Leaf will be introduced in Japan in 2010 and will be available in the U.S. in 2012.

On Tuesday, Rob McBryde from eBay Motors, discussed emerging issues in online retailing. General Motors ("GM") selling vehicles to California consumers via eBay, was discussed at length with an emphasis on the fact the GM and eBay did not form a partnership. Rob explained how GM dealer inventory was listed and that consumers dealt directly with dealers in their area, not GM. Over 50,000 vehicles were listed during the 60 days of the program with 220 dealers participating. Rob noted that e-Bay runs a VIN check on all vehicle listings and beginning in November 2009, will offer a free AutoCheck service to check the vehicle's title.

Next on the agenda was "Roundtable Discussions", one of the most requested and productive agenda items at every conference. This discussion allowed the entire group of attendees to provide updates and other matters of interest as to what is happening in their states or industries. Jay Landers from RVIA opened the discussion with what is currently going on in the RV industry. He noted that the industry recently lost 12 manufactures and several hundred dealers. Both Fleetwood and Monaco filed for bankruptcy and have reorganized under new ownership. National RV and Weekend Warrior have completely shut down. Jay mentioned that neither consumers nor dealers are able to get credit, but also sees the situation slowly changing. RVIA is working closely with Washington, DC to secure loans for manufacturers. During the roundtable, nearly all states reported on the impact that the Chrysler and GM bankruptcies had on their states. Document fees, licensing specialty vehicles, Cash for Clunkers, just to name a few, were hot topics.

Following the roundtable discussions, the election of new officers for 2010 took place. Dan Devoe, Administrator with the Washington Department of Licensing was elected President. Nancy Passehl, Program Manager with the Wisconsin Department of Transportation was elected Vice-President. Molly Cost, Licensing Director, Motor Vehicles Division, with the Texas Department of Transportation was elected Secretary, and Bill Brennan, the Executive Director of the California New Motor Vehicle Board was re-elected Treasurer.

The NAMVBC will meet next in Orlando, Florida in conjunction with the NADA Convention and Exposition which is scheduled for February 13-15, 2010. If you would like to know more about the NAMVBC please visit their website at www.namvbc.org, or contact Bill Brennan at 916-445-1888.



Bill Brennan, Ramon Alvarez C., Tom Flesh, Jim Ryan

BMW HYDROGEN 7 PRESENTATION

At the September 10, 2009, General Board meeting, held at the BMW Western Region Training Center, staff and Board Members were given a presentation, and the opportunity to test-drive the BMW Hydrogen 7 Series vehicle as part of the Board's Development program. Arrangement for this meeting was made possible by Jim Ryan, Bob Frisch, Kevin Rivera and Gary Terlecki from BMW Western Region.

The BMW Hydrogen 7 is a production-ready hydrogen vehicle built by German automobile manufacturer BMW. The car is based on BMW's traditional gasoline powered 7-series line of vehicles. It uses a 6 litre V-12 motor that has been modified to allow for the combustion of hydrogen as well as gasoline, making it a bivalent (uses petroleum and renewable energy) engine.

The BMW Hydrogen 7 uses hydrogen as fuel differently from fuel-cell-type vehicles. When in hydrogen mode, it injects the hydrogen directly into the car's air intake manifold to be combusted in the engine's cylinders, rather than converting the hydrogen's energy into electricity to spin electric motors like a fuel cell. The car can also switch effortlessly between hydrogen and gasoline at the touch of a button on the steering wheel, and will do so automatically when one of the fuels is consumed.

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