



Help promote the show!

Materials to ship for auto show, 2018 concerns

All members of the Chicago Automobile Trade Association in good standing will be sent materials about Jan. 12 to help them get through the coming year and to help publicize the Chicago Auto Show, Feb. 10-19 at McCormick Place. It's your show; please promote it.

Packages sent via United Parcel Service to dealer principals and company presidents include the following:

- 1 CATA-member 2018 window decal;
- 1 form to photocopy to order free supplies of odometer statements, used-car buyer's guides, used-car limited warranty statements, and emission control equipment statements.

Also, to promote the 2018 Chicago Auto Show, the shipment includes:

- 4 Chicago Auto Show easel cards;
- 2 Chicago Auto Show posters;
- 1 First Look for Charity poster;

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New law faults dealers if test-drive cars have windshield obstructions

An Illinois law that takes effect Jan. 1 can fine dealers if any stickers or other obstructions are not removed from the windshield of a car offered for sale or lease before a customer takes it for a test drive. Public Act 100-0346 amends a portion of the Illinois Vehicle Code.

According to the amended language:

"No new or used motor vehicle dealer shall permit a driver to drive a motor vehicle offered for sale or lease off the premises where the motor vehicle is being offered for sale or lease, including when the driver is test-driving the vehicle, with

signs, decals, paperwork or other material on the front windshield or on the windows immediately adjacent to each side of the driver that would obstruct the driver's view in violation of subsection (a-3) of this Section.

"For purposes of this subsection (a-3), "test driving" means when a driver, with permission of the new- or used-vehicle dealer or employee of the new- or used-vehicle dealer, drives a vehicle owned and held for sale or lease by a new- or used-vehicle dealer that the driver is considering to pur-

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Higher Illinois tollway fees coming for cars without a transponder

Dealers should consider obtaining a tollway transponder for each of their loaner and rental vehicles, as the Illinois State Toll Highway Authority soon will make costlier assessments for vehicles that ride on the state's tollways without a transponder.

Multiple vehicles and license plates currently can be registered to a single tollway account. If a vehicle without a transponder blows through an open-tolling lane without paying, a video camera system (or in some cases, an actual human) checks the imag-

es snapped of license plates on each car that doesn't pay, then checks to see if the car is registered to an I-Pass account.

If so, the account is ding-dinged for the lower I-Pass toll — half the cash toll rate — just as if the transponder had

been there all along. It shows up on the account holder's statement as a v-toll — a friendly reminder to make sure the transponder is working. But there's no penalty.

The tollway authority

SEE I-PASS, PAGE 2

Tax reform law means opportunity and success for dealerships

By **MARK SCARPELLI**

2017 NADA CHAIRMAN

The nation's auto dealers should have a happy holiday season thanks to efforts by the National Automobile Dealers Association and my fellow dealers to ensure that our priorities were accounted for in comprehensive tax reform legislation.

The Tax Cuts and Jobs Act, passed in December, included an NADA-supported amendment to preserve 100-percent deductibility of floor plan loan interest. Thanks to a concerted effort by dealers all over the country, this critical provision was included in the legislation.

Preserving floor plan deductibility was one of the NADA's top priorities for tax reform. In the original Senate bill, the interest deductibility was slashed to 30 percent of adjusted taxable income,

which would have crippled many dealers and created the risk of paying higher taxes even if a dealership does not show a profit.

Not since the Great Recession has there been such a do-or-die moment for our business. Thanks to a lot of hard work, the final Senate bill (as well as the final House tax reform bill) recognized that small-business dealers use floor plan loans to finance our high-cost inventory and are different than big corporations. Limits on floor plan deductibility would have disproportionately harmed many of our small businesses which are critical to Main Street America.

While challenging, this moment also presented an enormous opportunity to educate members of Congress on how our business operates. I'd like to thank my fellow dealers who worked tirelessly

to reach out to key legislators and explain the unreasonable burdens presented in the original Senate bill. The floor plan loan is the economic cornerstone of the franchised dealership.

This critical amendment was more than just another tax issue to us. The way we've done business for decades was at stake. Without it, many of us would not be able to afford the vehicles that sit in our showrooms and lots — the vehicles customers come to buy. Preserving full deductibility of floor plan interest helps preserve auto sales, dealership jobs and tax revenue for our state and local governments.

The NADA's strong grassroots efforts played a huge role in this victory. Dealers across the country contacted their respective elected officials to voice their concerns.

I-Pass

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soon will charge the cash toll rate for drivers who don't carry a transponder in their cars. That's because it costs 23 cents to process a toll transaction using the video system, but only 8 cents with a working transponder.

Since efficiency is what open road tolling is all about, the tollway authority reasons

that it hardly makes sense to charge the lower I-Pass rate if a vehicle doesn't have an I-Pass transponder. No penalty for forgetting to move the transponder between cars that share an account means there's no incentive to remember to move it.

But the Tollway still plans to cut drivers a lot of slack. Under the new rules, the cash

rate won't kick in until a car has racked up five v-tolls in a month. The account holder will get an email after the fifth one.

The idea is to encourage I-Pass customers to put a transponder in every vehicle. Additional transponders each carry a \$10 deposit. Customers don't have to maintain a separate account or a larger balance.

NADA Show registration

Online registration and hotel selection for NADA Show 2018 in Las Vegas continues. The show runs Thursday, March 22, to Sunday, March 25.

The gathering includes keynote speakers such as Nick Saban, head football coach at the University of Alabama; and John Krafcik, CEO of Waymo Inc. Also included: educational programs, dealer-franchise meetings, an expo and numerous networking opportunities.

For more information and to register, visit www.nadashow.org.

Quotable

“Sales are still strong historically, but 2017 will mark the first down year for the auto industry since 2009. With sales tapering off, we could be in for a high-stakes incentive war in 2018 as automakers and dealers fight for consumers in a smaller and highly saturated market.”

Jessica Caldwell, Edmunds executive director of industry analysis, Dec. 20 in “The Drive”

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Review past editions dating to 1998 or search by subject at www.cata.info.

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Auto forecast: 2018 pivotal for electrics, robotics

2018 will be a watershed year for electric and self-driving cars, analysts believe, even as overall sales continue to slip.

The overall market share for electric vehicles will surpass 4 percent for the first time ever in 2018, according to a forecast released Dec. 18 by California-based industry analyst Edmunds. That's expected to be driven by Tesla, which CEO Elon Musk has said will make 5,000 Model 3 sedans a week by March. General Motors' all-electric Chevrolet Bolt will be available for the entire year for the first time as well, analysts said.

Even if Musk misses that deadline by a couple of months, its new mass-market Model 3 will boost electric vehicle sales. Joined by the Bolt and the new Nissan Leaf, 2018 could be the U.S.'s most "green" year of sales.

This comes as Edmunds and others in the industry forecast that U.S. auto sales will decline again in 2018 following the record 17.55 million vehicles sold in 2016. Some doubt the U.S. auto industry will ever surpass that record. Ride-hailing services, subscription rental services like GM's Maven, shuttles — in addition to demographic shifts — all will chisel away at sales.

Sales forecasts for 2018 all are down from the 17.2 million expected

to be sold in 2017: Edmunds expects 16.8 million vehicles to be sold in 2018; Atlanta-based analysis conglomerate Cox Automotive puts that number at 16.6 million; London-headquartered IHS Markit is more optimistic with a forecast of 16.9 million.

Sales will slip this year because the market is correcting itself after record abnormal years, Edmunds analyst Jessica Caldwell said. The fight for market share will also get more intense as sales shrink, which could result in more incentive spending by carmakers.

The sales decline comes as automotive and technology companies are spending millions to develop electric and self-driving vehicles that won't earn much money for a while. Profit-rich SUVs and trucks will offer stability and profits while they invest more heavily in the cars of the future.

Electric cars will inch closer to "mainstream" automobiles in 2018 as autonomous programs enter a "pivotal" year for testing, Caldwell said.

"Electric vehicles will go from a very small niche to something that is not quite mainstream, but definitely going in that direction," she said.

Both GM and Ford have announced plans for full and partial electrification, respectively, for their self-driving cars.

Caldwell said 2018 will be a "transformative" year for new autonomous

programs. Both GM and Ford executives have said repeatedly that the new year will be huge for their self-driving programs.

Ford has preferred to withhold details about the first iteration of its self-driving fleet scheduled to launch in 2021.

GM has only recently announced some specifics about the fleet it wants to launch; it plans to deploy self-driving Bolt EVs on public roads by 2019 to be used in a ride-hailing service. CEO Mary Barra and others have said those vehicles will be profitable.

With many carmakers targeting launches of self-driving vehicles for around 2020, they are running out of time for testing.

"2017 was the proof-of-concept year for autonomy, meaning automakers were trying to demonstrate to the naysayers that this technology is actually tangible and is no longer the stuff of science fiction," Caldwell said. "2018 will be the year that automakers start to prove not only is autonomy possible, but it's actually going to come to market, and maybe even sooner than consumers expect.

"We anticipate that real-world testing will accelerate, and that more automakers will be bullish to prove to both the public and their shareholders that they're leading this race."

Windshields

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chase or lease."

The directive for dealerships adds to existing language in the Illinois Vehicle Code that forbids vehicle owners from obstructing their windshields with signs, posters and the like, and from applying tinting to the windows immediately adjacent

to each side of the driver.

Persons found guilty of violating the new provisions shall be fined no less than \$50 and no more than \$500. Fines for a second or subsequent violation will be \$100 to \$500.

The changes, contained in House Bill 733, sailed through the General Assembly on unanimous votes of support.

Materials

CONTINUED FROM PAGE 1

- 2 Honored Guest tickets good for repeated admission throughout the auto show;
- 50 Employee Appreciation Day admission tickets, valid once Feb. 12-16, and Feb. 19; and
- 200 discounted weekday admission vouchers to offer to customers.

Don't forget to purchase additional admission tickets to the auto show as well as any First Look for Charity tickets.

Any member in good standing who does not receive a package by Jan. 18 should notify the CATA. The shipments are trackable, to help resolve problems.

Franchised New-Car Dealers in the 8-county CATA area as of 1 January 2018

Car Line	Chicago only Ill.	Rest of Cook Cty. Ill.	Lake Cnty. Ill.	DuPage Cnty. Ill.	McHenry Cnty. Ill.	Kane Cnty. Ill.	Will Cnty. Ill.	Lake Cnty. Ind.	Porter Cnty. Ind.	Total [prior] 7/1/2017	Total [present] 1/1/2018
Acura	1	4	2	3	0	0	0	1	0	11	11
Alfa Romeo	1	3	0	1	0	0	0	1	0	6	6
Aston Martin	0	1	0	1	0	0	0	0	0	2	2
Audi	1	3	1	2	0	0	0	1	0	8	8
Bentley	1	1	0	1	0	0	0	0	0	3	3
BMW	1	4	1	3	1	0	0	1	0	11	11
Bugatti	1	0	0	0	0	0	0	0	0	1	1
Buick	2	9	1	4	4	1	3	2	3	29	29
Cadillac	1	8	2	2	1	0	1	1	0	16	16
Chevrolet	4	15	5	6	4	4	6	4	2	50	50
Chrysler	3	11	5	4	3	3	2	3	2	36	36
Dodge	4	11	5	4	3	3	2	3	2	37	37
Ferrari	0	0	1	1	0	0	0	0	0	2	2
Fiat	1	3	0	1	0	0	0	1	0	6	6
Ford	3	13	6	7	3	4	5	4	2	47	47
Genesis	2	10	4	3	1	1	1	2	0	24	24
GMC	1	9	1	4	3	1	2	2	2	25	25
Honda	4	9	3	2	1	3	1	2	0	25	25
Hyundai	2	10	4	3	1	1	1	2	0	24	24
Infiniti	1	4	1	2	0	0	0	1	0	9	9
Jaguar	1	3	1	2	0	0	0	1	0	8	8
Jeep	3	11	5	4	3	3	2	3	2	36	36
Kia	1	8	3	3	1	1	1	2	1	21	21
Lamborghini	1	0	0	1	0	0	0	0	0	2	2
Land Rover	1	3	1	2	0	0	0	0	0	7	7
Lexus	1	4	1	2	0	0	0	1	0	9	9
Lincoln	1	6	3	2	1	0	0	1	0	14	14
Lotus	1	1	0	0	0	0	0	0	0	2	2
Maserati	1	3	0	2	0	0	0	0	0	6	6
Mazda	1	7	1	3	1	0	1	1	1	17	16
McLaren	1	0	0	0	0	0	0	0	0	1	1
Mercedes-Benz	1	5	1	2	0	1	0	1	0	11	11
Mini	1	2	1	1	0	0	0	0	0	5	5
Mitsubishi	0	4	1	2	1	0	0	1	1	10	10
Nissan	2	12	2	4	1	1	1	2	1	27	26
Porsche	0	3	1	1	0	0	0	0	0	5	5
Ram	4	11	5	4	3	3	2	3	2	37	37
Rolls-Royce	1	1	0	0	0	0	0	0	0	2	2
smart	0	1	0	0	0	0	0	0	0	3	1
Sprinter	1	3	1	1	0	1	0	0	0	7	7
Subaru	1	5	2	2	1	2	1	1	1	16	16
Toyota	4	11	3	4	1	1	1	2	1	28	28
Volkswagen	2	7	3	4	1	1	1	2	0	21	21
Volvo	1	4	1	1	0	0	0	1	0	8	8
# of Car lines	65	243	78	101	39	35	34	53	23	673	671
# of Outlets	35	160	49	64	20	23	19	35	16	421	421

NOTE: The difference between car line and outlet figures is the result of outlets that handle more than one car line.