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Implied warranty Buyers Guide needed by Illinois dealers beginning July 1

A different version of the FTC Buyers Guide that the CATA has distributed takes effect July 1 for Illinois dealers selling a used car, with “as is” wording replaced by “implied warranty” language.

The CATA does not yet have printed copies to give to members, but will in early July. Until then, a pdf of the document must suffice.

The new law requires dealers to extend an implied warranty on most used vehicles for 15 days or 500 miles, whichever occurs first. The coverage concerns power train components only, not bumper-to-bumper cover-

age. The law does not apply to vehicles with more than 150,000 miles at the time of sale, to vehicles that have been branded “rebuilt” or “flood,” or to antiques, defined in the Illinois Vehicle Code as being 25 years old.

A dealer’s maximum liability for repairs under the new law is limited to the purchase price paid for the used vehicle, to be refunded to the consumer in exchange for the vehicle.

If repairs are needed, the customer is obligated to pay one-half the cost, up to \$100, on the first two repairs, or a maximum of \$100 if a sec-

ond repair is needed for the same defect.

A consumer can waive the implied warranty if the dealer fully and accurately discloses a defect and the consumer elects to buy it after the disclosure.

Meanwhile, Illinois Gov. Bruce Rauner has not acted on legislation that would clear up certain elements of the new law, specifically what components are covered by the implied warranty and where a new descriptive statement should appear among the paperwork involved in a vehicle sale.

House Bill 1560, which

cleared the General Assembly June 24, allows for the language to appear on a separate document, because if the dealership provides coverage that is “equal to or greater than” the limited implied warranty, the latter would not have to be discussed with the customer.

The bill before Rauner states that the implied warranty would cover vehicles “for the purpose of ordinary transportation on the public highway;” it does not cover vehicles involved in racing, towing, or abuse or neglect.

The CATA will alert members when the governor acts.

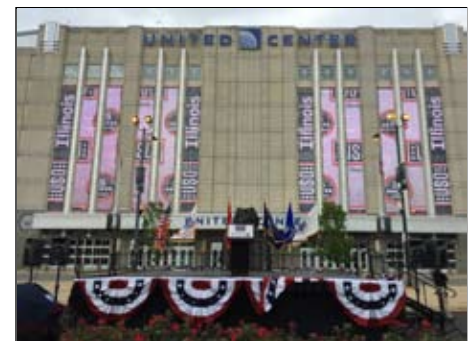
CATA gathers media to promote July 15 Barbecue for the Troops fundraiser events

Enthusiasm ran high June 28 during the media launch to shine a spotlight on the area dealers’ upcoming efforts to help the USO of Illinois.

One hundred dealers have committed to host a Barbecue for the Troops event on July 15, intending to add to the \$422,000 that dealers collectively raised over the past four Julys.

Throughout their country’s history, Americans have felt profound appreciation and gratitude for the dedication and sacrifice of U.S. troops and their families. In that vein, the barbecues will raise funds for USO programs that support deployed troops, military families, wounded, ill and injured troops and

SEE BBQs, PAGE 3



Chicago’s United Center is bathed in USO Barbecue for the Troops artwork June 28 during the event’s media launch.

New-car reliability hits record high, but some features struggle: study

The good news: New-vehicle quality is at its highest level ever, improving a significant 8 percent from last year, according to a J.D. Power study released June 21.

The bad news: Consumers are complaining more about driver-assist features, including adaptive cruise control, lane departure warning and collision avoidance/alert systems.

Power's 2017 U.S. Initial Quality Study measured the number of problems experienced per 100 vehicles during the first 90 days of ownership, with a lower score reflecting a higher quality. In this year's study, quality improves across seven of the eight categories measured, with 27 of the 33 brands in the study improving their

quality compared with 2016.

"The industry has improved significantly in each of the past three years," said Dave Sargent, a vice president at J.D. Power. "Today's vehicles have more things that could go wrong but fewer things that actually do go wrong."

The survey, based on the answers of more than 80,000 consumers, measured complaints about 2017 model vehicles 90 days after they were purchased. For the second straight year, Kia was the brand with the fewest problems.

But, "There appears to be a lack of understanding by customers about how these (driver-assist) features should work," Sargent said about the consumer complaints.

The complaints about driver-assist systems are significant given the race within the auto and tech industries to develop semi and fully autonomous-drive vehicles. State and federal regulators have wrestled with how far automakers should be able to push driver-assist technology.

Advocates for the technology say it is helping reduce car crashes and highway fatalities, while skeptics say the various systems in use are not always intuitive and drivers may be more confused when the systems are sounding alerts.

"There are people who think some of these technologies are not working as they expected," said Sargent. "But some of these systems leave you feeling like you're wrestling with the car."

Sargent said that frustration is particularly evident with some lane departure warning systems.

The surge in complaints about driver-assist technology comes as some automakers, most notably Tesla, are developing features that allow drivers to take their hands off the wheel for brief stretches of time.

Tesla is not ranked in the survey because the automaker does not allow J.D. Power to contact Tesla buyers through the motor vehicle departments in New York and California; the two states are responsible for the majority of Tesla's sales. As a result, J.D. Power said it did not have enough responses from Tesla owners to include in the survey.

Regulators need better tools to prevent car cyberattacks: privacy advocates

U.S. regulators should do more to ensure that data transmitted among vehicles to prevent crashes on the road can't be stolen and used against drivers, privacy advocates cautioned at a federal forum on June 28.

The forum on vehicle privacy and cyber-security was hosted by Federal Trade Commission and the National Highway Traffic Safety Administration. The major stakeholders, including regulators, automakers, software companies, and consumer groups expressed hope that coming technologies will save lives on the highways. At the same time, the emerging technology presents unprecedented challenges for automakers to protect against hacking and ensure that customer data doesn't get into the wrong hands.

[C]ar dealers are hearing concerns about car data collection and privacy, said Andrew Koblenz, executive vice president of legal and regulatory affairs at the National Automobile Dealers Association. Event-data recorders and what happens to personal data from phones that are synced with infotainment systems are among the most common questions asked of dealers, he said. The NADA felt compelled to publish a brochure to answer such common privacy questions.

In Memoriam

Christopher T. Lucente, who operated Village Ford Sales in Bolingbrook from 1982 to 2005, died June 22. He was 79.

Survivors include his wife, Mary Ellen; a daughter, Jennifer; and four grandchildren. He also had many nieces and nephews, including John Hennessy, owner of River View Ford, in Oswego, and a director of the Chicago Automobile Trade Association.

Memorials appreciated to The Michael J. Fox Foundation for Parkinson's Research.

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NADA visits the White House

By **MARK SCARPELLI**

METRO CHICAGO NADA DIRECTOR

I had the profound privilege in June of joining fellow NADA leadership at the White House to meet with some of the officials who write the rules and regulations that impact our great industry.

Along with NADA President and CEO Peter Welch and others, I presented the viewpoint of America's franchised auto dealers directly to Gary Cohn, director of the National Economic Council, and other senior staffers from the White House and the U.S. Treasury Department.

We also had the distinguished privilege to meet briefly with Vice President Mike Pence. Presenting a united front, the NADA had productive discussions with people who are working closely with the House and Senate leadership to draft a tax bill that will preserve the benefits of America's auto dealerships.

I'm happy to report that individuals at the highest levels of this administration are reaching out to the business community, and they are listening to those of us in the auto industry.

Based on our conversations, it's clear that tax reform remains at the top of the agenda in Washington. And this will, we hope, give Ameri-

can businesses new opportunities that we haven't seen in the past few years. The NADA is analyzing tax reform through the eyes of both consumers and dealers. We are asking two pivotal questions:

1. Will tax reform stimulate consumer demand in the market?
2. Will tax reform reduce the cost of dealer capital so you can continue to drive your local economy?

It's important to note that it's still early in the tax-writing process. The White House and Republican congressional leaders are trying to reach consensus over the summer on specific bill language. We've already seen some big issues emerge in the past few months, and the NADA continues to tell the government that no matter what reform is set forth, American consumers should not be subjected to additional costs.

The discussions overall have been healthy and we've covered the topics that matter most to you, including repealing the estate tax; creating a lower rate for business income from pass-through entities; lowering overall rates; accelerating cost recovery; eliminating the Alternative Minimum Tax; and repealing the 12 percent federal excise tax on heavy-duty trucks.

The NADA leadership and I were proud to promote the benefits of the

retail auto business and the fact that America's dealerships are local, diverse and modern, and that they save people money and create jobs. We reminded leaders in Washington that the majority of us are small businesses, but together we are an economic powerhouse, with more than 18,000 stores across the nation. Our local businesses are planted firmly in our communities, so we provide career opportunities on Main Street, and contribute mightily to our local tax bases.

Our White House visit is testimony to the larger public discussion and the NADA's movement to educate others about the dealer business — whether the general public, policymakers, opinion leaders, journalists, OEM executives or other stakeholders throughout the auto industry.

During the NADA's 100th anniversary convention in January, I told thousands of attendees in New Orleans that I would serve as the gatekeeper for this industry. Above all, that means being the gatekeeper between Washington's policies — well-intentioned or not — and your doors. I'm happy to report that there are great opportunities knocking for us all.

Scarpelli is president of Raymond Chevrolet and Raymond Kia in Antioch, Ill.

BBQs

CONTINUED FROM PAGE 1

their caregivers, and families of the fallen.

The USO, a nonprofit, non-political organization, has for 75 years provided Americans with a tangible way to express appreciation and gratitude for the dedication and sacrifice of the nation's troops and their families.

Chicago's major media outlets were on hand to learn of the dealer efforts. Some dealers have expanded their fundraising from a one-day barbecue to a month-long campaign on their websites.

The launch began with Jim Cornelison singing "The Star-Spangled Banner," as he does before each Chicago Blackhawks home game. Blackhawks defenseman Brian Campbell also was on hand to autograph memorabilia.

CATA office closed July 4

The Chicago Automobile Trade Association administrative office will be closed Tuesday, July 4. The CATA officers, directors and staff wish all our members a happy Independence Day holiday!



Franchised New-Car Dealers in the 8-county CATA area as of 1 July 2017

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] 1/1/2017	Total [present] 7/1/2017
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	0	1	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	35	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	0	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	0	0	0	0	0	0	0	0	2	1
Maserati	1	3	0	2	0	0	0	0	0	5	6
Mazda	1	7	2	3	1	0	1	1	1	18	17
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	3	4	1	1	1	2	1	27	27
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	2	0	0	0	1	0	0	0	3	3
Sprinter	1	3	0	1	0	1	0	0	0	7	6
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	64	241	83	101	38	36	34	52	23	650	673
# of Outlets	35	159	50	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. The notable increase in franchises this period is largely the result of adding the Genesis brand.