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Top priority: Reassuring customers that credit is available

The CATA has re-focused its \$1.8 million annual advertising campaign on behalf of its dealer members to confront the current economic turmoil and associated consumer concerns about access to credit.

The tight credit market has led to double-digit drops in year-over-year dealership sales figures, as many car buyers worry about whether they will be able to finance their purchases. That is troublesome when 94 percent of new-

car purchases are financed.

On hiatus are CATA messages that use the association's Web portal, DriveChicago.com., as a conduit to champion new-car dealerships as the preferred place to go for vehicle service and to buy quality used vehicles.

Instead, television and radio spots that debuted in late October reassure consumers that new-car dealers have access to financing. The script

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Seminar reviews bill to make unionization easier

Legislation in Congress that would make workplace unionization exponentially easier could become law as soon as January. For union organizing elections, the bill would replace the secret ballot with a system of "card checks" that

would permit union organizers to pressure coworkers to publicly sign a card stating they want to join a union.

Workers potentially would not have the option of voting against union membership, and millions

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NADA: 'Good time to buy a car'

The domino effect of the bust in the housing sector has found its way to the automotive sector, with downward pressure on the ability and the willingness of consumers to buy new vehicles.

To counter that, the National Automobile Dealers Association developed talking points that are part of its national campaign, "It's a Good Time to Buy a Car."

Annette Sykora, the NADA chairman, said dealers should employ the talking points "at every opportunity" with customers and the media.

GOOD TIME TO BUY talking points:

- Yes, it's a tough time for business, but it's a great time for the consumer who has a stable job and solid credit scores.

- It's important for consumers to know that credit is available. Don't look to the headlines to decide whether to buy a car. Look to your local dealer. Each market is different. Your local dealer knows the market. And your local dealer can help get financing that meets your needs.

- The fact is, for many people this may be the best time in years to buy a car. There are plenty of incentives to lower the costs. Dealers can help find financing. And the quality and fuel-efficiency of today's vehicles are the best ever.

- You've heard the saying "All politics is local." The same is true for credit. All credit is local. The dealer has access to multiple sources of financing, including many community banks and credit unions that have plenty of money to lend. That's why if you're in the market for a car, it's important to go to your local dealership.

Nov. 4 is Election Day

Employers, remember: All workers who want to vote Nov. 4 must give advance notice, then be granted up to two unpaid hours off. Proof of voting can be requested.

Red Flags Reprieve: FTC extends compliance deadline 6 months

The Federal Trade Commission on Oct. 22 suspended enforcement of the new “Red Flags Rule” until May 1, 2009, to give creditors and financial institutions more time to develop and implement written Identity Theft Prevention Programs (ITPP).

But while dealers and other creditors now have six extra months to prepare an ITPP, the FTC action did not affect the Address Discrepancy Rule; its compliance deadline still is Nov. 1.

The Red Flags Rule is an outgrowth of the Fair and Accurate Credit Transactions Act of 2003. The new Rule forces compliance by “financial institutions” and “creditors.” Dealerships are swept up in the matter because the FTC defines dealerships as creditors. As such, they must develop an ITPP to identify, detect, and respond to patterns, practices, or specific activities that could indicate identity theft.

The Address Discrepancy Rule is a separate but related identity theft prevention regulation that requires dealers and other users of consumer credit reports to adopt policies and procedures to verify that a consumer report relates to the correct individual when the user receives a Notice of Address Discrepancy from a consumer reporting agency.

Consumer reporting agencies must submit the notice to dealers who order a consumer credit report, when the consumer’s address as submitted by the dealer differs substantially from the address the agency has on file for the consumer.

While sharing similar goals, the new Rules should not be confused with another ID theft-prevention rule, the FTC Safeguards Rule. Simply put, the Safeguards Rule seeks to prevent data maintained by the dealer from being stolen, while the Red Flags and Address Discrepancy Rules seek to prevent would-be ID thieves from using stolen data, from whatever source, to fraudulently obtain credit.

The National Automobile Dealers Association produced a comprehensive guide to help dealers comply with both the new Rules, and in August it mailed all its members a free copy of “A Dealer Guide to the FTC Red Flags and Address Discrepancy Rules: Protecting Against Identity Theft.” Additional copies can be purchased by NADA members for \$40; by nonmembers for \$80. Call 800-252-6232 ext. 2.

The publication includes an ITPP template that dealers can customize for their stores. Senior management must be involved in approving the initial written program and implementing and administering the program thereafter.

The program must be updated periodically to reflect changing identity theft risks; staff must be trained to implement the program; and appropriate oversight of any service providers must be exercised.

Times tough, but stay with CATA

Everyone tries to rein in expenses during economic downturns. Well, maybe not the federal government. But remember that a CATA membership more than pays for itself.

The benefits of CATA membership far exceed the \$400 annual dues, and they are realized in many facets of day-to-day operations. For instance, the Odometer Statements and Used-car Buyers Guides, paperwork required to sell used vehicles, are offered by nearly all state and metro dealer associations—for a fee. The CATA supplies those necessary forms and others free.

Also free to CATA dealer members:

- Presence on the CATA Web portal, www.drivechicago.com, to list new- and used-vehicle inventories. Important, nonmembers do not appear on DriveChicago.com.
- Advisement from the association’s general legal counsel.
- Service from the association’s labor relations counsel, including negotiation of collective bargaining contracts and defense of unionization efforts.
- Tickets to the Chicago Auto Show’s employee appreciation days, and half-price weekday discount vouchers.
- Lobbyists who interact with elected officials on state, county and local levels to enact pro-dealer legislation.
- Longstanding relationships with government and watchdog groups. The CATA is a sitting member on advisory boards of the Illinois secretary of state, the Illinois attorney general and the Better Business Bureau.
- Goodwill promotion of the Chicago area’s dealerships through many CATA public relations vehicles, including “Drive Chicago,” the nation’s only automotive radio program owned by a dealer association. The show airs at 8 a.m. Saturdays on WLS-AM, 890.
- Meeting space at the association headquarters, for groups up to 130.
- Informative monthly CATA seminars on the operations of every department at a dealership.
- Timely industry news via the twice-monthly CATA Bulletin.

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The CATA Bulletin is published and mailed every other Friday except during the Chicago Auto Show, when it is not published.

Listings of items for sale are subject to the approval of the CATA. Candidates for employment must submit a full resume to the Editor.

Review past editions dating to 1998 or search by subject at <http://cata.drivechicago.com>.

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Unions

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of workers could be forced into a union without ever getting the chance to vote on the matter.

“And even if you’re already unionized, you can become more unionized,” as other departments like salespeople and clerical workers join the fray, said David Radelet. “All of a sudden, everyone’s in play.”

Radelet, who leads the CATA’s labor relations team from Franczek Radelet & Rose, coordinated a CATA seminar Oct. 22 that examined the repercussions of the Employee Free Choice Act. Several of Radelet’s colleagues also spoke.

If it is enacted, the EFCA would represent arguably the biggest shift in the balance of labor-management power since the Wagner Act of 1935. Under current law, union authorization cards are used merely to get an election, not to determine union representation. That gives the employer five to six weeks to respond before the

vote to unionize.

On its face, the EFCA appears counter to a fundamental principle of American democracy, that votes are private choices. Without secret ballot elections, workplaces could be converted into union shops if organizers gather signatures from a majority of employees. Organizers subsequently could strong-arm those who opposed such a petition.

A union then could demand that an employer begin bargaining with it 10 days after the union is certified as the exclusive bargaining representative for an appropriate unit of employees via the card check. If a collective bargaining contract cannot be finalized 120 days later, the matter would be decided by arbitration that would be binding for two years.

If the EFCA becomes law, Radelet said employers should assume they are under a perennial card-signing drive because the organizers won’t come forward until they have the signatures of a majority of workers.

That means employers

ranged more than \$8 billion in financing for their customers. Plus, it’s a buyer’s market right now, with plenty of year-end incentives and low-rate financing deals.

“Put your new-car dealer to work for you. Log onto DriveChicago.com to find a dealer today.”

John Webb, who leads the media strategy committee of the CATA board of directors, said “We’ve got to con-

duct comprehensive campaigns to provide employees the information they need to make an informed decision as to whether they should choose union representation.

But what are the motives to unionize?

Studies have shown that obtaining an increase in wages or benefits is not the primary reason employees become interested in union representation. More often, employees who feel they are not afforded dignity, respect and appreciation are likely to be key targets for union organizers.

Other workers who feel their employer does not listen to their concerns also may consider a union if they feel the presence of a union would increase their power to influence their working conditions.

Employers must emphasize their history of providing good jobs and the positive aspects of the present work environment—and that the organization’s success to date was achieved as a union-free workplace.

front the negative message of the media, that there is no money out there to borrow.”

Webb said other dealers he talked to are including similar messages in their own advertising. And while General Motors credit arm GMAC, for one, now requires a credit score of 700 or better for a car loan, Webb said “The struggles for bad-credit people are the same now as a year ago.”

Emmy to NBC 5 for '08 auto show 60-minutespecial

NBC 5 Chicago won a ninth award in 10 years for its special coverage of the 2008 Chicago Auto Show, during the 50th Annual Chicago Emmy Awards on Oct. 18.



The telecast, “NBC 5 Presents: The 100th Chicago Auto Show,” won in the category, Outstanding Achievement for Special Event Programs - Special Event Program (Live).

The 60-minute broadcast aired the second day of the auto show’s 10-day public run. Another 2008 Chicago Auto Show TV special, by Telemundo Chicago, received an Emmy nomination in the category, Outstanding Achievement for Special Event Programs – Special Event Program (Edited).

NBC 5 has won nine Midwest Emmy awards since 1999 for its live specials and for technical achievement related to the Chicago Auto Show. Its sister station, Telemundo Chicago (WSNS-TV), has three Emmy nominations since 2003.

The latest Emmys honored work televised from June 1, 2007 to May 31. The Chicago/Midwest Chapter of the National Academy of Television Arts and Sciences coordinates the local awards.

Credit

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of the 30-second radio ad:

“Despite what you might have heard in the news, financing to buy a new or used car is readily available from new-car dealers. Every day, our dealers work on behalf of their customers to obtain financing.

“Last year alone, Chicagoland new-car dealers ar-

Auto experts feeling blue — about car color, not sales forecasts

The dominance of silver- and white-colored cars might be waning. Blues, particularly more vibrant, richer, complex blues, will take on a more important role in car styling, automotive paint supplier PPG Industries declared Oct. 15 in its annual forecast of popular car colors.

“It’s one of those colors that complements vehicle shapes,” said Jane Harrington, PPG’s manager of color styling for automotive coatings. “It’s a globally acceptable color. It doesn’t have any bad connotations.”

PPG, based in Troy, Mich., infers future car colors from trends in a wide variety of areas, including fashion, interior design and consumer products. In fact, color is making its way into a growing number of consumer markets, Harrington said, with customizable color now an option with cell phones, kitchen appliances and even washing machines.

“Look at home appliances — washers and driers and refrigerators used to

be tan or white,” she said. “You can get those in brushed aluminums. You get those in a variety of hues: red, blue, green, whatever works with the interior of your home. I think that’s affected all aspect of designs.”

In the coming years, cars will also see a wider variety of colors — and more complex ones — thanks to advances in paint technology, Harrington said.

PPG is not the only one that sees blue as the color of tomorrow.

In April, a report by chemicals giant Dupont also predicted a resurgence in blue as a color choice. They saw an increasing focus on the environment as a reason.

“The source of the trend is influenced by ecological concepts, as we talk about sky, water,” said Karen Surcina, color manager for Dupont Co. “You can also talk about blue as a sophisticated look.”

PPG said its “colorists” have developed more than 130 color concepts for

its automaker customers to consider for the 2011-2012 model years. The palate includes a color called “Lights Out,” a deep, dark blue accented by sparkling glass flakes, and “Split & Peel,” a pale, creamy yellow.

Among existing cars, silver continues to be the most popular color in North America, PPG said. Twenty percent of new cars purchased so far in 2008 were silver, PPG said. White was the No. 2 color, at 18 percent, followed by black at 17 percent and red at 13 percent.

Elsewhere, silver occupies an even bigger piece of the car market. In Europe, 35 percent of cars new cars this year were silver, while in PPG’s Asia-Pacific region, it’s 37 percent, PPG representatives said.

What explains the popularity of silver? Harrington said it’s a neutral color that works on just about any car.

“Black, white and silver are core colors that are offered on every single vehicle,” she said.

Cambridge deflects unemployment claims

One hundred thirty-four CATA dealer members reported a combined 577 unemployment claims during the third quarter of 2008 to Cambridge Integrated Services Group, Inc., which formerly operated as the Martin Boyer Co. The company’s efforts saved those dealers a total of \$802,776 in benefits by contesting the claims.

The dealers reported 503 claims in the second quarter of 2008.

Cambridge monitors any unemployment claims against its clients and contests all unwarranted claims and charges. The company counts about 230 CATA dealers among its clients.

Claims that can be protested and subsequently denied help minimize an employer’s unemployment tax rate. The rate can vary between 0.8 percent and 7.2 percent of each employee’s first \$12,000 in earnings. The 2008 average

unemployment tax rate among Illinois employers is 3.4 percent, or about \$408 annually per employee.

“The unemployment tax is really the only controllable tax, in that it’s experience-driven,” said Paul Schardt, senior vice president of Cambridge. An ex-employee’s claim affects the employer’s tax rate for three years.

For new enrollees, client fees amount to \$2.20 per employee, per fiscal quarter. For the fee, Cambridge monitors all unemployment claims; files any appeals; prepares employer witnesses for hearings, as necessary; represents the client at any hearings; verifies the benefit charge statements; and confirms the client’s unemployment tax rate.

The former Martin Boyer Co. has represented CATA members since 1978. To discuss retaining the company, call Schardt at 312-381-8241.

Marketplace

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