Upcoming DealersEdge webinars

The Chicago Automobile Trade Association has established a partnership with DealersEdge to provide high-quality training and informational webinars that offer the content to CATA member dealers at a significantly discounted rate.

The rate for CATA members for the weekly presentations is $149, half of what is charged to users who do not subscribe to DealersEdge. Webinars premiere on a near-weekly basis.

Even for dealers who hold an annual membership with DealersEdge, the new relationship with the CATA represents a savings because DealersEdge offers its Webinars to its own members for $198. Regular annual membership fees are $397, and normal webinar fees are $298 for non-DealersEdge members.

Once purchased, DealersEdge webinars and accompanying PDF files can be downloaded and viewed later—and repeatedly. No matter how many people watch at your location, each connection costs a CATA member just $149. A telephone connection is not needed; and the fee includes both PowerPoint slides and audio.

To register for any of the DealersEdge webinars, go to www.cata.info. On the tan bar across the top of the screen, click on Education/Careers and follow the dropdown menu to CATA-DealersEdge webinars.

Coming topics:
Thursday, Oct. 6 at 12 p.m. CDT
“Maximize Results from Database Marketing—Without Angering Your Customers” Many, if not most, auto dealers completely under-utilize their customer database. Sometimes this due to a lack of know-how, but more often auto dealers have over-reacted to the fear

FTC’s Risk-Based Pricing Rule interpretation challenged by NADA

Legal action has been filed against a Federal Trade Commission interpretation of when dealers must issue either a Risk-Based Pricing Notice or a Credit Score Disclosure Exception Notice, as required by the Risk-Based Pricing Rule.

The National Automobile Dealers Association filed its challenge Sept. 22, following the interpretation the FTC issued July 15 regarding section 311 of the FACT Act, which the RBPR implements.

In order to be covered by section 311, initial creditors must, among other things, “use” a credit report. The NADA argues that dealers in three-party financing transactions who do not order, obtain, or otherwise review a credit report as part of the credit application or extension process do not “use” a credit report and thus fall outside scope of section 311.

The FTC on July 15 rejected that argument, generally concluding that such dealers “use” a credit report.

Fed delays requirement for dealers on data collection, reporting rules

The Federal Reserve Board on Sept. 20 issued a final rule amending Regulation B to temporarily exempt motor vehicle dealers from complying with new data collection requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act, until the Board issues final regulations to implement the statutory requirements.

The Dodd-Frank Act amended the Equal Credit Opportunity Act to require creditors to collect information about credit applications made by women- or minority-
How to ship recalled airbags

Airbags, of course, contain hazardous materials. Requirements for commercial shipping of these materials vary depending on if the airbags will ship by ground or air.

For ground shipments, dealerships must provide DOT hazardous materials training for any employees involved with shipping airbags (or other DOT hazardous materials such as batteries, lubricants, cleaners, additives and paint).

Shipping hazardous materials by air is inherently more dangerous than ground transportation and involves more training, preparation and precautions.

• Domestic shipments of hazardous materials require training that is DOT-compliant and that satisfies carrier-specific requirements.

• For international shipments, air carriers can only accept hazardous materials packaged in conformance with the International Air Transport Association’s Dangerous Goods Regulations (IATA DGR). To meet those standards, any employees involved with shipping hazardous materials must maintain current IATA certification, which takes at least three days of training to complete.

Dealers also should review their employees’ DOT-certified status, to make sure that an adequate number of employees are certified to cover all shifts when shipping and receiving activities occur. Also be sure that only certified employees engage in those activities.

Webinars

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that customers will become angered or numb to correspondence if this asset is “over-used.” Direct mail marketing expert Nick Pizza will share both the “know-how” of effective database marketing efforts and his knowledgeable view of just how often and in what forms you should be using this valuable marketing asset to “touch” your customers. A proper and effective balance can be reached.

Thursday, Oct. 13 at 12 p.m., CDT

“How Protecting Your Dealership from Hackers & Cyber-Thieves” News stories of small businesses being hacked by both domestic and foreign cyber-crooks are on the rise. As larger businesses become better at protecting themselves, cyber-thieves are turning to smaller businesses—like auto dealers—as ripe targets for their attacks. Speaker Erik Nachbahr, whose company provides technology management services to more than 400 auto dealers, says that the state of system security at most dealerships makes them a prime target for hackers looking for an easy mark. Attend this Webinar and learn the prime areas in which your dealership is vulnerable. Also learn from Jonathan Wilkie how dealers have already suffered from similar attacks. Plug the holes before it’s too late.

Auto show food drive leads to award for CATA’s Sloan

Dave Sloan, president of the CATA, was among six recipients of the 2011 Champions of Recovery award, bestowed by an organization that helps individuals and families suffering from homelessness or other crises to achieve sustainable self-sufficiency.

A Safe Haven Foundation feted its honorees at a Sept. 20 luncheon in Chicago.

Sloan was recognized for his efforts to institute a three-day food drive each year at the Chicago Auto Show. The food drive, which began in 1995, regularly collects 10 tons of food from attendees in exchange for discounted admission to the auto show. Sloan joined the CATA in 1993.

“Unlike the other award recipients,” said Sloan, “I am not exactly deserving of mine, but I represent the people who are: the members of the Chicago Automobile Trade Association. It is their generosity that allows us to stage the Chicago Auto Show Food Drive and many other charitable efforts throughout the year, most notably the First Look for Charity. I am happy and humbled, though, to accept this honor on their behalf.”

Other 2011 honorees include Neil Guterman, dean of the University of Chicago School of Social Service Administration; West Huddleston, chief executive of the National Association of Drug Court Professionals; recovery advocate Joan Kennedy; Susan Noyes, founder of Make It Better media; and Gabriel’s Last Breath, a rock group of military veterans.

A Safe Haven Foundation provides housing, addiction treatment and recovery management skills that lead directly to employment and self-sufficiency.
After East Coast rains, reminder tips to avoid flood-damaged cars

In the wake of a recent deluge of rain along much of the East Coast, thousands of cars became submerged in areas impacted by flooding. Dealers should make sure they don’t unknowingly end up with one or more of those vehicles.

The National Automobile Dealers Association developed 10 inspection tips to help dealerships detect flood-damaged vehicles:

♦ Check the vehicle’s title history by VIN through commercially available vehicle history reports like Carfax or Experian Auto Check. The report may state whether a vehicle has sustained flood-damage.
♦ Examine the interior and the engine compartment for evidence of water and grit from suspected submersion in flood waters.
♦ Check for recently shampooed carpets.
♦ Look under the floorboard carpet for water residue or stain marks from evaporated water not related to air-conditioning pan leaks.
♦ Inspect for rusting on the inside of the vehicle and under interior carpeting, and visually inspect all interior upholstery and door panels for any evidence of fading.
♦ Check under the dashboard for dried mud and residue and note any evidence of mold or a musty odor in the upholstery, carpet or trunk.
♦ Check for rust on screws in the console or other areas where water would not normally reach, unless the vehicle was submerged.
♦ Look for mud or grit in alternator crevices, behind wiring harnesses and around the small recesses of starter motors, power steering pumps and relays.
♦ Complete a detailed inspection of the electrical wiring system, looking for rusted components, water residue or suspicious corrosion.
♦ Inspect the undercarriage of other components for evidence of rust and flaking metal that would not normally be associated with late-model vehicles.

Dodd-Frank

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The National Automobile Dealers Association charges that the FTC’s interpretation has the practical effect of requiring dealers who do not otherwise obtain credit scores to do so for the sole purpose of being able to complete the notice that must be delivered to consumers.

This can be very costly, and it requires these dealers to access sensitive customer information which, if compromised, could result in identity theft.

The NADA charges that the FTC interpretation is inconsistent with section 311 and adversely affects the dealers to whom it applies and their customers.
As gas prices drop, buyers still lean to sippers

Though gasoline prices are projected to fall through the remainder of 2011, consumers still are more likely to purchase smaller gas sippers than take on an SUV or truck, new data show.

Lingering doubt about economic recovery and higher than average gas prices, as well as disappointing employment statistics, has led to the shift toward compact or subcompact cars, Edmunds.com reported Sept. 13. And it comes just in time for the launch of a stable of tech- and content-rich new small-car models.

The bad news: as demand goes up, inventory and incentives tend to fall.

According to Edmunds data on incentives, the national average incentive for the compact car in August was $864, down 63 percent from $2,318 a year earlier. Subcompact car incentives averaged $520 per vehicle sold in August, down 57 percent from $1,211 in August 2010.

Better savings packages await consumers who are willing to delve into less popular segments. For mid-range luxury cars, incentives averaged $4,228 in August 2011.

**Compact cars more profitable**

Also of note, as the compact and subcompact segments continue to gain popularity, they also are becoming more profitable for dealers and OEMs, AutoObserver.com reported.

For example, Hyundai Motor America’s chief executive officer John Krafcik recently noted that the new Elantra is selling for an average of $4,000 more than the previous-generation model.

Moreover, Don Johnson, General Motors vice president of U.S. sales, pegged the rise in the new Chevrolet Cruze’s average transaction price at $4,000 more than the Cobalt that preceded it.

“Auto-company executives wishing for increased small-car supply in the U.S. happens about as frequently as an appearance of Hailey’s comet,” said Bill Visnic, senior editor of Edmunds’ AutoObserver.com.

“But with prices reaching new highs and almost no incentives required, compact cars are the auto companies’ new BFFs.”

**OSHA grants 30-day extension on dealers’ recordkeeping rule**

The Occupational Safety and Health Administration has extended to late October its deadline for comment about its rule that exempts automobile dealers from keeping a log of employee illnesses and injuries.

The 30-year exemption for dealers forgives them from maintaining OSHA Form 300, which tracks work-related deaths, injuries, and illnesses other than minor injuries that require only first aid treatment and that do not involve medical treatment, loss of consciousness, restriction of work, or transfer to another job.

The NADA argued to OSHA that requiring dealers to maintain such records would impose considerable burdens with little or no worker health and safety benefit. OSHA’s review of the exemption for dealers is routine and was not spurred by an incident.

The safety log must be kept by most businesses with 10 or more employees covered by OSHA, except for employers in certain low-hazard industries in the retail, finance, insurance, real estate, and service sectors.

Under the Occupational Safety and Health Act of 1970, employers are responsible for providing safe and healthful workplaces for their employees. OSHA’s role is to assure these conditions for America’s working men and women by setting and enforcing standards, and providing training, education and assistance.

**Auto Outlook’s recap of August sales is online**

The latest issue of Chicago Auto Outlook tracks August vehicle sales in the eight-county CATA area.

At www.cata.info, click on Publications on the blue bar across the top of the screen, then follow the drop-down menu to Chicago Auto Outlook.

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**Montana dealer to lead 2012 NADA board**

A Montana dealer with Buick, Honda, Hyundai and Volvo franchises was elected 2012 chairman of the National Automobile Dealers Association.

William Underriner, 59, president and co-owner of Underriner Motors in Billings, Mont., takes office at the 2012 NADA Convention and Expo, Feb. 3-6 in Las Vegas.

“I’m honored that my peers have elected me for this position,” said Underriner, who has been in the automobile business since 1984. “I’m looking forward to the challenges ahead and the unknown because you never know what can happen in the auto industry.”

The incoming NADA vice chairman is David Westcott, 64, president of David Westcott Buick-GMC-Suzuki in Burlington, N.C. Westcott has been a new-car dealer since 1981.

The 2011 treasurer and secretary were re-elected to their offices. Returning as treasurer is George Nahas, president of Saturn of the Lakes in Tavares, Fla. The returning secretary is Brian Hamilton, who operates Chevrolet, Cadillac, Buick, Chrysler, Dodge, Jeep and Subaru franchises in Nebraska.

The elections were held Sept. 20 at an NADA conference in Washington, D.C.