



CATA Bulletin

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A dealer must-read **AYES student techs: the service dept.'s future**

By **JIM BUTCHER**
Illinois AYES Manager

Are you the type of dealer who allows life to dictate its terms to you, or do you aggressively seek to take charge of situations confronting you? My guess is you arrived at your current position as a direct result of your "take charge" attitude.

Business owners rarely are successful if they let others dictate their success. That's why I want to tell you about what is generally forecast as coming down the road in the next few years.

Sure, your service department may be booming at this very moment. Sure, you may even be slow at this time of the year. But what you don't see is what is (or is not coming) in the near future for your service department. I am talking about service technicians.

There is a growing trend for young people to shy away from service sector jobs. This will directly affect

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Court: If dealer fails to submit credit application, then dealer must explain why loan is denied

A dealer who fails to submit a consumer's credit application to a bank or finance company must notify the consumer that his credit has been denied—and why, according to a recent case before the 7th U.S. Circuit Court of Appeals involving a Chicago dealer.

Failure to submit a customer's credit application to a bank or finance company is tantamount to denying the customer credit, the appellate court ruled.

The Equal Credit Opportunity Act was enacted in 1974 to prohibit discrimination in credit transactions,

then amended in 1976 to require creditors to give written notice of the specific reason(s) why consumer credit is not granted.

"While an automobile dealership is sometimes considered merely an 'arranger' or 'referrer' with regard to credit, here (the dealership) effectively became the denier of credit," the circuit judges wrote. "We find that the decision not to submit a credit application to any lender does constitute an adverse action."

The plaintiff in the case, a woman whom the dealership determined from a

credit report would not be eligible for financing, had received a direct-mail notice indicating that she was "pre-approved" for financing.

The dealership indicated that it was common practice not to seek financing for those it determined to be ineligible for credit. However, the dealer indicated in court documents that he did not notify such customers they were denied "with the syllogism that one who is unable to grant credit cannot deny credit either."

The judges ruled, "If a dealership that decides
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I-PASS can help dealers against toll cheats in loaners

Dealers weary of accruing fines by customers in loaners who ignore tollway fares should consider obtaining an I-PASS transponder for each loaner. Fares get paid, and dealers can identify any tolls amassed by each customer, a tollway authority said.

I-PASS Online Account Management, a feature launched early this year by the Illinois State Toll Highway Authority, enables dealers to track their customers' tolls during loaner-vehicle use. Transponder activity is summarized and available immediately at the tollway authority's Web site,

www.getipass.com, said Scott Okun, ISTHA senior manager of electronic toll collection.

"You can monitor your customers' I-PASS transaction activity at any time. To further simplify your records, I-PASS Online Account Management enables you to assign toll payments directly to your customers' credit cards, eliminating paperwork for your dealership," Okun said. For information on the dealer program, call the ISTHA's Denise Tennison at 630-241-6800 ext. 4343.

One area dealer has paid \$20,000 to the tollway authority for loaner-vehicle fines.

AYES

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your service department in the next 5 years.

As a former automotive technology instructor, I witnessed firsthand the steady decline in the number of interested students embarking on automotive service careers. I taught for 11 years at the Technology Center of DuPage, formerly known as Davea Career Center, in Addison.

In those years of teaching, I saw the automotive program enrollment double from 140 students to over 280 per year. In spite of this trend, the amount of interested (and qualified) students remained the same or dropped.

We are just not doing a very good job of promoting the service sector to our young people. The old perceptions remain about the service departments.

Currently, as head of the AYES (Automotive Youth Educational Systems) program for Illinois, I see the trend on a larger scale. I currently work with 7 high schools throughout Illinois and northwest Indiana. The collective automotive enrollment for these schools is about 900 students. Of those students, about 50 have chosen automotive service as their career choice. Yes, 50 of 900.

With over 600 new vehicle dealers in the Chicago area, these 50 students should be a mere drop in the bucket.

You can talk all day about how our youth don't want to work hard anymore, that all they want to do is play on the computers, but I don't buy it.

The AYES program has identified 50 students who are eager to start their careers in the service sector, if only they get the chance to do so. According to Automobile Mechanics' Local 701, the average age of a service technician in Illinois is 48 to 50 years old—an incredibly high average.

Combine that age factor with the low number of young people willing to enter the service sector, and it doesn't take a rocket scientist to figure out that we are in for a rough road ahead in the near future.

So what is this AYES program that seeks to bring young talent into your service department? AYES is a national program sponsored by your manufacturer and your local dealer associations (CATA and the IADA). AYES brings a systematic approach to the high school's automotive training program. The result is a student who is ready for entry level service at your dealership.

How does AYES actually work at the school? Currently, AYES has the support of 13 automotive manufacturers: General Motors, DaimlerChrysler, Toyota, Honda, Mercedes-Benz, BMW, Audi, Volkswagen, Subaru, Mitsubishi, Kia, Hyundai, and Nissan. These manufacturers donate to the AYES schools vehicles, curriculum, training aids, shop equipment, tools, and online TSB and technical support.

The same technical service support you use in your dealership service department. The student completes the AYES training program with 650 hours of training on the newest and latest equipment. Training hours include the following subjects:

- Braking Systems, 105 hours;
- Steering and Suspension Systems, 95 hours;
- Electrical & Electronic Systems, 230 hours;
- Engine Performance & Driveability, 220 hours.

The philosophy behind the AYES model and the exposure to only these four areas of study is very easy to understand. We simply feel that a 17- or 18-year-old is not going to be rebuilding automatic transmissions in your service department, so why teach that to them when they would be far better off having a deeper understanding of more fundamental areas? Thus, AYES exposes the automotive student to rigorous study in the four main ASE areas only.

By the time these students graduate from high school, they are well on their way to becoming highly qualified automotive service technicians. They are eager to pursue further study in automotive technology at the college level, through the manufacturer's training programs.

With all of the denominators facing your service department—average technician age, emerging technologies, competition from other career choices, higher wages in other sectors—you would do well to look at these AYES qualified students.

True, they still need more training. True, they are young. But that is the beauty of this program. You get to train them your way. These students have no preexisting bad habits to change. You can mold them specifically for your service department, and they are very eager to work and prove themselves worthy of your dealership.

I realize that times are tight in service departments. However, if you see these service sector trends the way I do and you want to be proactive about them, call me at 630-424-6020, and I will put you in touch with an AYES school and, ultimately, an AYES student. These students are the best-kept secret in service departments today.

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

Review past editions at <http://cata.drivechicago.com/>

Jerry H. Cizek III President, Publisher
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Auto Outlook may expand to used-vehicle analysis

Chicago Auto Outlook, the CATA's quarterly publication that examines market conditions and trends for area sales of new vehicles, might expand coverage to include analysis of used light-vehicle registrations.

A survey included in this newsletter seeks to gauge interest in such an ex-

pansion of analysis.

Please fax completed surveys to the CATA at 630-495-2260.

Receipt of completed surveys by July 16 will help the CATA make an informed decision about whether to treat used vehicles in the quarterly newsletter.

Sun-Times publisher addresses circulation counts

Days after the story broke that the newspaper had overstated circulation numbers for several years, Chicago Sun-Times Publisher John Cruickshank appeared before the CATA board of directors June 17 to assure dealers that equity would prevail.

"It is bad news," Cruickshank conceded. "Above all, we want fairness. We want fairness for you, we want fairness for ourselves."

An internal review indicated sales at newsstands were lower than claimed by Hollinger International, the Sun-

Times' holding company. Some upset advertisers are seeking refunds for rate overcharges.

Cruickshank said findings from the review would be released soon and "will disclose everything to the authorities and to our advertisers."

As a result of the review, said Cruickshank: "We are, today, probably the cleanest newspaper in North America, in terms of circulation (reporting). We're still a very strong newspaper. There are tough days ahead, but the franchise is strong."

731 union health/welfare fund contributions rise

Employer contributions to the Health and Welfare Fund of the Teamsters Local 731 union have climbed \$13 weekly, to \$112.15 per employee per week, effective with the week containing July 1. July contribution reports are due Aug. 20.

It is the first increase in the fund in 23 months, during a period when health care costs have risen at unprecedented rates.

As part of the Teamsters contract with unionized CATA dealers, contributions must increase if the Health and Welfare Fund's assets fall below \$5 million. Lower investment returns for the union, escalating healthcare costs and the general economic climate forced the adjustment.

The 731 union organizes stockroom attendants, garage attendants, drivers and utility employees such as porters.

Credit

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against referring a particular applicant to any lender need not provide notice of this decision to the applicant, then it becomes significantly easier for it to discriminate."

"If creditors know they must explain

their decisions (to suppress a credit application) . . . they [will] effectively be discouraged" from discriminating, the judges wrote.

Dealers can avoid the sanctions of this decision by submitting all applications to a lender, even when they know one will be rejected, so that the lender sends out the appropriate notice.

Minor changes for state's Restricted Call Registry

Effective Oct. 1, telephone solicitors who call numbers that appear on the Illinois Restricted Call Registry face fines of \$1,000 for the first violation and \$2,500 for a second or subsequent violation, with each violation constituting a separate and distinct offense.

The state regulation resembles the federal Telemarketing Sales Rule, maintained by the Federal Trade Commission, although the time periods in which calls are permitted vary slightly. Between the two, the shorter time period always must be honored in Illinois:

The state regulation contains a list of factors to consider when determining whether a violation has occurred, as well as a limitations period.

However, the regulation also contains what amounts to be a safe harbor provision: No entity shall be held in violation of the act is (1) the entity has obtained and updated copies of the Registry and has implemented written policies and procedures with respect to the Act's requirements; (2) personnel have received training with respect to the Act; (3) the entity maintains records related to compliance with the Act; and (4) any subsequent violation is the result of unintentional error.

Telemarketers must download an updated Do-Not-Call list within one month of any telemarketing call.

Marketplace

GM/GSM Driven self-starter with proven, results-oriented track record of managing people, sales, marketing functions. Consistently surpass sales goals. Creative professional with skilled closing abilities to deliver sales—on time, within budget. Berry Holleman, 630-778-8272.

Résumé on file at the CATA.

Franchised New Car Dealers in the 8-county CATA area as of 1 July 2004

Car Line	Chicago only Ill.	Rest of Cook Cnty. Ill.	Lake Cnty. Ill.	DuPage Cnty. Ill.	McHenry Cnty. Ill.	Kane Cnty. Ill.	Will Cnty. Ill.	Lake Cnty. Ind.	Porter Cnty. Ind.	Total [prior] 1/1/2004	Total [present] 7/1/2004
Acura	0	4	2	3	0	0	0	0	0	9	9
Aston Martin	0	0	1	0	0	0	0	0	0	1	1
Audi	1	3	1	2	0	0	0	1	0	8	8
Avanti	1	1	0	0	0	0	0	0	0	1	2
Bentley	1	1	0	1	0	0	0	0	0	3	3
BMW	1	4	1	3	1	0	0	1	0	11	11
Buick	5	12	5	6	4	1	3	1	3	40	40
Cadillac	1	9	2	2	1	1	1	2	1	20	20
Chevrolet	6	23	7	9	5	5	7	6	2	71	70
Chrysler	6	14	6	4	4	3	3	5	2	48	47
Dodge	5	14	6	4	3	3	3	5	2	45	45
Ferrari	0	0	1	1	0	0	0	0	0	2	2
Ford	8	20	7	9	4	4	6	5	2	65	65
GMC	1	11	3	4	3	1	2	2	2	28	29
Honda	4	10	3	2	1	2	1	2	0	25	25
Hummer	0	2	1	1	0	0	0	1	0	5	5
Hyundai	2	8	3	3	1	0	1	1	0	19	19
Infiniti	1	3	1	1	0	0	0	0	0	6	6
Isuzu	0	7	1	1	1	1	1	2	0	13	14
Jaguar	1	3	1	2	0	0	0	1	0	8	8
Jeep	6	14	4	3	3	3	3	4	2	42	42
Kia	2	6	3	4	1	0	1	2	0	20	19
Lamborghini	0	0	0	1	0	0	0	0	0	1	1
Land Rover	1	2	1	2	0	0	0	0	0	5	6
Lexus	1	4	1	2	0	0	0	0	0	8	8
Lincoln	2	12	5	5	1	1	2	1	1	31	30
Lotus	0	0	0	1	0	0	0	0	0	1	1
Maserati	0	0	1	1	0	0	0	0	0	1	2
Maybach	0	5	1	2	0	0	0	0	0	0	8
Mazda	1	7	4	3	1	0	1	1	1	18	19
Mercedes	1	6	1	2	0	0	0	1	0	11	11
Mercury	2	12	6	5	2	1	3	1	2	35	34
Mini	0	1	1	1	0	0	0	0	0	3	3
Mitsubishi	1	7	1	3	1	0	1	2	0	15	16
Nissan	2	12	3	4	1	1	2	2	1	29	28
Oldsmobile	0	5	1	1	3	2	4	0	2	20	18
Panoz	0	0	1	0	0	0	0	0	0	2	1
Pontiac	4	14	4	4	3	2	2	4	2	39	39
Porsche	0	3	1	1	0	0	0	0	0	5	5
Rolls-Royce	0	1	0	0	0	0	0	0	0	1	1
Saab	1	3	2	2	0	0	0	1	0	7	9
Saturn	1	5	2	2	1	2	1	1	0	16	15
Scion	4	12	2	4	1	1	1	2	1	0	28
Subaru	1	5	2	1	1	1	1	0	1	14	13
Suzuki	0	6	2	3	1	0	1	1	0	13	14
Toyota	4	12	2	4	1	1	1	2	1	28	28
Volkswagen	2	9	3	2	1	1	1	1	0	20	20
Volvo	1	4	3	1	0	0	0	1	0	10	10
# of Car lines	81	316	109	122	50	37	53	62	28	823	858
# of Outlets	52	211	62	87	25	26	27	39	14	541	543

NOTE: The difference between car line and outlet figures is the result of outlets that handle more than one car line. The change in numbers over the past six months largely reflects the introduction of the Maybach and Scion lines.