



CATA Bulletin

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Most area dealerships to pause for holidays; benefits for non-union workers in line with union employees

The Silent Night on Dec. 24 will be preceded by a silent day at about three-fourths of CATA dealership showrooms and all service departments, a poll shows.

The majority of dealers who responded to a query on what holiday hours they would keep said they would close their stores entirely on Dec. 24, 25 and 31 and Jan. 1.

Those employees working Dec. 24 and 31 would keep abbreviated hours, the responses indicated.

The percentages are:

Sales open

Dec. 24	24%
Dec. 25	0%
Dec. 31	50%
Jan. 1	5%

Service open

Dec. 24	0%
Dec. 25	0%
Dec. 31	10%
Jan. 1	0%

Dealers must remember their unionized employees' rights related to holiday pay. As a general matter, the vast majority of area dealers recognize the same holidays and adhere to highly similar terms regarding holiday compensation. Holiday pay procedures largely depend on the policies and/or practices in place at individual dealers.

At unionized dealerships, some specific rules and restrictions are imposed on union workers. In all cases, unionized employees must work on their regularly scheduled days both immediately before and after a holiday to qualify for holiday pay, unless the em-

ployee is off-work or on an employer-approved vacation or leave.

All unions with a presence at CATA dealerships—IAM Local 701, Teamsters Local 731, Teamsters Local 179, and IAM District Lodge Nos. 377 and 1749—share similar holiday rules. Those union contracts all recognize Dec. 24, 25 and 31 and Jan. 1 as holidays.

Holiday pay eligibility for probationary employees varies among the unions. Employers should consult their union agreements to confirm employee eligibility.

Also, dealers may agree with members of IAM Local 701—technicians, apprentices, semi-skilled employees and lube rack technicians—to substitute either or both Dec. 24 and Dec. 31 for a different day off during the year.

Summarized, the holiday pay for unionized employees is:

IAM Local No. 701

Pay equal to one day's regular pay at hourly (not booked) rate.

Teamsters Local No. 731

Pay equal to one regular day.

Mechanics Local No. 1749

Pay equal to 8 hours pay at hourly minimum rate or flat minimum rate.

Teamsters Local No. 179

Pay equal to 8 hours at minimum hourly rate.

Machinists Local No. 377

Pay equal to 8 hours at straight-time hourly minimum rate. Employees who work

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Wisconsin rolls out new auction buyer's license

Persons employed by a licensed dealer or wholesaler who want to bid on and buy vehicles at auctions in Wisconsin must obtain a license from the state's transportation department. The licenses cost \$6 to \$12. The license requirement took effect Nov. 1.

Under the Motor Vehicle Buyer's License legislation, only licensed dealers or wholesalers or licensed vehicle buyers can buy ve-

SEE LICENSE, PAGE 4

Shelf life: Renew FCC do-not-call lists monthly

Telemarketers must download an updated Do-Not-Call list within one month of the date of any telemarketing call, beginning Jan. 1. The previous rule ordered sellers to download a list every three months.

The amendment to the

SEE DO-NOT-CALL, PAGE 3

What the Nov. 2 election results mean to the automobile industry

The president wore coattails.

Besides President Bush capturing a second term Nov. 2, he saw the Republican majorities increase in the Senate and House. For dealers asking themselves "What does this mean for me and my business?" the American International Automobile Dealers Association presents an analysis.

Tax Reform

Taxes, particularly tax reform, will be a major focus in the 109th Congress with a GOP majority. The AIADA predicts Bush's series of tax cuts will not be rolled back on upper middle class Americans.

Republicans have called this year for an overhaul of the U.S. tax system, and momentum is gaining on both sides of the aisle. Talk is centering on scrapping the income tax and replacing it with either a national sales tax or a flat tax.

With GOP majorities in both houses, the federal estate tax could be eliminated. Congressmen favor it by a wide margin, but it could prove challenging to find the 60 Senate votes necessary for repeal.

CAFE

Fuel economy standards is an issue that both parties are examining. Because of the country's heavy dependence on foreign sources of oil, raising CAFE is politically popular in some states. Even Bush suggests changes.

The NHTSA, with approval from the White House, recently proposed the largest CAFE increase in 20 years by ruling that light trucks set standards for light trucks that rise from 21.0 mpg in model year 2005 to 22.2 mpg in '07.

With Republican majorities in both houses, CAFE is unlikely to be on the front burner, and any increase would likely be gradual. A GOP majority suggests that any decisions on CAFE would be made by experts at the NHTSA and not Congress.

CAFE is not strictly a partisan issue, however. Sens. Carl Levin (D-Mich.) and Kit Bond (R-Mo.) attached an amendment to last year's energy bill that would leave decisions to increase CAFE standards to the NHTSA. But Sen. John McCain (R-Ariz.) called for a 35 mpg across-the-board increase.

Holidays

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10-hour days receive 10-hours pay at that rate, unless the holiday is the employee's normally scheduled day off, in which case 8 hours of pay at the straight-time minimum rate is due.

Dealers with union questions should call the CATA's labor relations counsel, Franczek Sullivan, at 312-986-0300.

The Republican stronghold likely will hold the line on the CAFE increases.

Healthcare

The GOP majority, led by Senate Majority Leader and doctor Bill Frist (R-Tenn.), will try to pass healthcare reform, specifically medical liability and associated healthcare plan (AHP) legislation.

House Bill 4281, which would allow small businesses to take advantage of AHPs, has been passed in the chamber six times. The bill's Senate version, S. 545, has not been called for a vote. With three four more GOP senators, AHPs likely will be called for a vote.

Auto theft ring could be operating in area

Dealers in Chicago's west and northwest suburbs this week reported that new performance cars were stolen in manners that suggest a theft ring might be operating in the area.

One dealer said thieves stole a Chevy Corvette off the showroom floor after breaking into the dealership's service department and locating the keyboard. He said it was the first vehicle lost to theft by his dealership in more than five years.

Another dealer has been victimized twice in the past six months, most recently last week, when thieves broke a showroom window to take the keys to a Ford Mustang parked outdoors.

Dealers who have been victimized by similar thefts or attempted thefts, or who are aware of other such incidents, should contact the CATA's Erik Higgins at 630-495-2282. Higgins will consolidate all information for investigators.

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18W200 Butterfield Road

Oakbrook Terrace, IL 60181-4810

630-495-CATA [2282] phone 630-495-2260 fax

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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 or search by topic at www.cata.info/

Jerry H. Cizek III

Erik K. Higgins

President, Publisher

Editor, Director of Dealer Affairs

10 ways to reduce workers' compensation costs

Insurance premiums for workers' compensation are escalating in most states at double-digit rates. Still, insurance companies are losing money and even going out of business with alarming frequency. Injured employees often receive inadequate benefits, while attorneys, doctors and other service providers are apt to profit.

An employer's unemployment tax rate can vary between .06 percent and 6.8 percent of each employee's first \$9,000 of earnings. The average unemployment tax rate among Illinois employers is 3.1 percent, or \$249 annually.

Dealers can follow 10 steps to keep workers' compensation costs under control.

See it as a variable cost, and address what are the real high costs. Many dealers wrongly consider workers' comp to be a fixed cost; it is not. A dealer can greatly affect workers' comp expenditures by managing the variables involved.

Two primary factors drive workers' comp costs: the number and frequency of claims, and the costs of those claims when they are filed. Focus on those key leverage

points.

Set the right tone. Adopt a companywide "we care" attitude. Foster a culture that treats people with dignity and respect, ensures employees get proper medical care when injured, and helps them to get healthy and back to work as quickly as possible. At the same time, make it clear that system abuses will not be tolerated.

Hire smart. Every new employee represents a potential liability. Minimize exposure by using the hiring process to confirm employees can physically perform the job. Filter out potential abusers of the system.

Commit to safety. Make safety a core value, not just a slogan on the wall. Create a comprehensive safety program built around employee involvement and hold people accountable for meeting all dealership safety standards.

Train supervisors and workers to perform safely in the work environment, and hold managers and supervisors accountable for enforcing all safety procedures.

Use qualified workers' comp medical specialists. Establish policies and procedures so injured

workers go only to pre-qualified medical specialists, not to the emergency room.

Handle claims quickly and properly. Report all injuries within 24 hours. Make sure medical providers and third party administrators follow up in a timely manner.

Implement a quick return-to-work program. The surest way to reduce long-term payouts is to get workers back on the job as soon as possible. If necessary, use a transitional work program until the injured employee can return to his regular job.

Review claims regularly. Meet with a broker or third party administrator—monthly, quarterly or every six months, depending on the number of claims—to review the claims, analyze loss history and devise strategies to minimize costs.

Demand more from the broker or third party administrator. Cutting workers' comp costs involves more than getting the lowest premium. Find a broker and administrator who will participate at every step to set up and manage a complete workers' comp system.

Do-not-call

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Telemarketing Sales Rule came as a provision of a bill signed by President Bush last January. The Federal Trade Commission amended the rule in March, but allowed until the new year for the amendment to take effect.

Businesses that conduct telemarketing must register as a telemarketer with the National Do-Not-Call Registry. That is accomplished on-line at <https://telemarketing.donotcall.gov/> Afterwards, a business can gain access to the various phone numbers.

The lists of telephone numbers in five area codes are

free to registered telemarketers. The annual fee to obtain additional area codes is \$40 each, up to a maximum of \$11,000 for all listed area codes.

A telephone number that appears on the National Do-not-call Registry still may be called if (a) the consumer has made a purchase from the dealership in the past 18 months, (b) the consumer has contacted the dealership with an inquiry in the past 90 days, or (c) the consumer has provided written consent—in advance of any call—to permit such calling. The consent form, according to the FCC, must be clear and conspicuous as to its intent.

Under Illinois law, telemarketers are permitted for just 30 days to call a consumer after that consumer contacts a business with an inquiry.

In Memoriam

William H. Stillwell, president emeritus a Downers Grove dealership that bears his name, died Oct. 25 at age 83.

Bill Stillwell Buick-Isuzu has operated for more than 60 years. Mr. Stillwell's son, John, now presides over the business. Mr. Stillwell was a past president of the Chicago Buick Dealers Association.

William Stillwell is survived by his wife, Barbara; sons John and Jerry; daughters Susette, Laurel and Mary; and seven grandchildren.

Memorials can be made to Guido Evangelistic Association, P.O. Box 508, Metter, GA 30439; or to the Community Presbyterian Church, Lac Du Flambeau, Wis.

Marketplace

Office Manager: Manage \$2.5 million cash flow with monthly reconciliations. Prepare, supervise all documentation through EOM financial statement. ADP payroll/taxes. Workmen's comp, employee benefits. 2½ years Reynolds & Reynolds customer support. Chicago South preferred. Roberta Watson, 815-936-1971.

For Sale 10 light poles with triple lights, 4 light poles with quad lights, 7 above-ground racks, 1 tire balancer, 1 tire machine, 2 compressors, several parts bins, various special tools for GM, Jeep vehicles. Mark Triffler, Triffler Jeep, (708) 388-1700.

For Sale ADP 9400 with 40 user licenses, 15 computer PCs. Larry Fohrman, 847-831-2100 ext. 153.

Kentucky dealer is next NADA chairman

Kentucky dealer Jack Kain has been elected chairman of the National Automobile Dealers Association for 2005. He will be installed at the NADA's convention and exposition in New Orleans in January.

Kain, a new-car dealer since 1952, currently is the NADA's vice chairman. He owns Jack Kain Ford in Versailles, Ky., and Kain Family Ford-Lincoln-Mercury in London, Ky.

William Bradshaw, president of Bradshaw Automotive Group in Greer, S.C., was elected as the NADA's '05

vice chairman.

The NADA's board of directors elected the 2004 officers at an Oct. 19 meeting in Half Moon Bay, Calif.

"I look forward to working with dealers across the country to build on NADA's strong record of accomplishment," said Kain.

This year, NADA has undertaken major initiatives, including national campaigns to increase public understanding of auto financing and to raise awareness of child passenger safety seats.

License

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vehicles at wholesale auctions or from other dealers.

A license application is included with this newsletter. Licenses issued to Illinois dealerships cost \$12, and it expires the second July 31 after it is issued.

All auctions across the country are restricted to sell only to dealers, dealership employees and dealership buyers. Wisconsin officials said the new buyer's license prevents unauthorized buying at auction.

State officials said buyers who wait until attending an auction to apply for a buyer's license could face delays en-

tering the auction

Persons who buy vehicles on behalf of more than one dealership must have a license for each employing dealership. Such buyers can bid on behalf of only one dealer at a time.

Dealer principals are not required to hold a Buyer's License to bid at auctions.

The new license concerns non-salvage vehicles. Salvage vehicle buyers and bidders at salvage pools still must have a WisDOT Salvage Identification (BID) Card.

Detailed questions can be directed to the Dealer Section of the Wisconsin Department of Transportation at (608) 266-1425 or at dealers.dmv@dot.state.wi.us

Scam alerts

- **Yellow Pages Inc.** has issued checks to area dealers for a small amount, \$3.47. By depositing the check, a dealer stipulates with small print on the check to spend \$197 with Yellow Pages on advertising.

The company's parent firm is Independent Yellow Pages Publishers, in Anaheim, Calif.

- A Boston-based Internet company, **NetCarSalesman.com**, has sent several dealers \$299 invoices for appearing on the Web site of the same name. One dealer who received the invoice said he never engaged in business with the company.

NetCarSalesman bills itself as "the #1 site on the Internet for bringing (consumers) the best and most trusted Internet Sales Departments in America." In all of Illinois, one new-car dealership appears on the site.