



## Union techs reject NCDC offer, strike

Unionized technicians at 56 area dealerships represented by the New Car Dealers Committee voted Aug. 1 to strike rather than work towards a new four-year collective bargaining agreement.

Instead of narrowing their differences with the agreement, Local 701 tried to make the NCDC swallow a one-sided contract without any real compromise. The stance will cost the dealers

SEE **STRIKE**, PAGE 2

## Warranty pay legislation becomes law in Illinois

Illinois Gov. J.B. Pritzker on July 30 signed legislation that changes how manufacturer pay is calculated on warranty work. The bill overcame opposition and takes effect Jan. 1, 2022.

In addition to establishing an equitable compensation scheme for warranty work, House Bill 3940 prevents manufacturers from imposing cost recovery fees or surcharges to overcome the legislation's effect. For manufacturers, it preserves their right to approve or disapprove dealership claims,

and it ensures manufacturers have a way to charge back any false or unsubstantiated claims they paid.

The new law requires that the booked time allowances for the diagnosis and performance of warranty work be no less than what is charged to retail customers for the same work, that manufacturers pay dealerships the same effective labor rate as the dealership receives for customer-pay repairs, and that manufacturers reimburse dealerships for any parts provided in satisfac-

tion of a warranty at the prevailing retail price charged by the dealership when sold to retail customers.

Mechanics Local 701, whose members include area technicians, worked with the CATA and other groups to advance the legislation. Supporters say it will bring a fairness to the payment process that could attract new technicians to dealerships. Wisconsin has had similar policy in place for more than a decade.

SEE **WARRANTY**, PAGE 2

## Chicago Auto Show wraps successful 5-day summertime edition

Held in the summer for the first time, the five-day Chicago Auto Show Special Edition entertained more than 100,000 attendees during its unprecedented run.

From the larger selection of vehicles to test drive on city streets to engaging outdoor activations to the evening street fest that celebrated warm temperatures the show had never experienced before, attendees' feedback at the show overwhelmingly was positive.

The outcome was pleasing — especially given the number of hurdles that

had to be overcome just to open the show, much less finish with positive results.

The CATA designed an event full of pandemic safety protocols, resulting in being one of the first major events that was approved by city and state officials to open. However, soon after the approvals came, Illinois entered phase 5 reopening and most of those protocols no longer needed to be implemented, forcing organizers to rethink many of the entry procedures.

"It seemed like every time a challenge

was overcome, a new obstacle presented itself," said Chicago Auto Show General Manager Dave Sloan. "For example, exhibitors faced a shortage of display vehicles due to the global chip shortage. Additional conflicts included the shortened move-in window and the busy summertime event schedule for the city that we were competing against."

A look across the auto show floor saw happy, engaged attendees and automakers getting a return directly proportional to the investment they made.

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## Amid shrinking inventories, where have all the trade-ins gone?

BY RANDY BARONE

ACV AUCTIONS

Let's face it, it's a terrible time to be short on the quality inventory that comes from customer trade-ins. But who's buying all those used vehicles? The answer: Large used-car aggregators. And that's a threat that dealerships are only just beginning to realize.

According to CarMax's quarterly report, the company alone bought a record 341,275 vehicles from consumers in the first quarter of 2021, a 236% increase from a year earlier and 77% more than two years ago. That's more than 1 million used vehicles in one year that aren't taken to dealerships as trade-ins.

While that number is staggering, what's even more significant is the effect on dealers' bottom lines. When a customer sells directly to an aggregator company:

- the dealer loses a valuable asset. This trend lowers dealers' margins because dealers traditionally make the highest ROI on trade-ins with a complete service history.

- that used car becomes a competing retail unit. And it's likely offered at a lower price given the massive volume of cars and low margins with which the companies operate.

- the dealership loses a retail sale. Customers might intend to sell to a national retailer and then buy from a local dealership. But once they see the huge selection of cars for sale from a company they've already sold to, they buy there, too.

- the dealership loses future service business. Any car that's not bought there probably isn't coming back in for warranty work, routine maintenance, or other repairs.

- the brand loses loyalty. It used to be that a customer traded an old Toyota for a new Toyota at a Toyota store. But when a customer sells their old Toyota to a national retailer, it's just as easy for them to spot another attractive make among that buyer's inventory.

It's not a losing battle, though — if dealers can update the way they handle trade-ins to make them as quick and easy as the bigger

guys.

Rather than asking the customer to schedule an appointment to physically take the vehicle to the dealership a week from now, dealers can send a certified ACV True360 inspector to the customer's home or business within 24 hours. Equipped with ACV's proprietary technology, that third-party inspector can provide an incredibly accurate condition report and unbiased appraisal in about 20 minutes so that the dealer can offer to buy it on the spot.

If it's not a vehicle the dealer wants to buy, the inspector can launch it to a live online auction immediately. The dealer still gets value from the trade-in (and

everything that comes with it) and the end result is the same for the customer: sold car, good experience, money to spend at the dealership.

In markets where the huge online retailers have already begun to buy, ACV can help dealers stay competitive. In markets where the online giants haven't set up shop, though, these tools can help dealers carve out a niche reputation as the easiest car sales experience in town. And no national chain can compete with that.

Dealers interested in learning more about how ACV can help them buy more cars from consumers, contact [educationalwebinars@acvauctions.com](mailto:educationalwebinars@acvauctions.com), [rbarone@acvauctions.com](mailto:rbarone@acvauctions.com), or a local ACV territory manager.

## Warranty

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Pritzker's signing came two days before unionized technicians at 56 area dealerships voted to strike rather than negotiate a new collective bargaining agreement. The latest agreement expired July 31.

The CATA thanks the legislative efforts of organized labor, the Illinois Automobile Dealers Association and other industry groups in working towards the legislation's success. Additional thanks are extended to Rep. Lawrence Walsh Jr., D-Joliet, and Sen. Christopher Belt, D-East Saint Louis, for serving as lead sponsors of the legislation.

## Strike

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and their technicians dearly.

Many technicians who struck in 2017 never recovered the incomes they lost to that work stoppage. Most of the dealers are making plans to keep their service departments open during this strike.

There are many union and non-union businesses in this extremely competitive automobile service market. The dealers greatly value their dedicated and talented service technicians, but long-term job security can be achieved only by maintaining the competitiveness of all NCDC dealerships.

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Review past editions dating to 1998 or search by subject at [www.cata.info/publication/bulletins](http://www.cata.info/publication/bulletins).

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## Dealership comps truck repairs for man who walked 12 miles to work

Chicago radio personality Ramblin' Ray Stevens was driving to a meeting in July when he spotted a young man walking along the road's shoulder. After his meeting, Stevens saw the same man, still walking.

"For some reason," Stevens said, "I felt compelled to pick him up, and he jumped in after some hesitation. And your story," he motioned to Braxton Mayes, "garnered national media attention. Isn't that crazy?"

The story of Mayes, 20, included six-hour round trip walks from his Montgomery home to his job in Batavia after his SUV broke down. It also included a GoFundMe campaign that raised \$10,000, and complimentary repair work by Friendly Ford in Roselle.

Mayes walked 12 miles to his job after his GMC Yukon with nearly 300,000 miles became disabled. "I

was struggling to get a job for a good amount of time," Mayes recounted, "and once I finally got a job, I mean, that was my chance, and I had to keep it. So I had to do whatever I had to do."

Stevens, who with Wendy Snyder cohosts "The Wendy and Ray Show," Saturdays on WLS-AM, is a longtime customer and friend of the Yockey family, owners of Friendly Ford. Jenny Yockey said that when Stevens described the situation, "We immediately said we would take a look at the car and paid to get it towed to us. We had no idea what kind of vehicle was coming or what was wrong with it, we just knew we wanted to help him out."

She said it took about 10 days to complete the multiple repairs — a new battery, new brakes, new starter, four new tires, new shocks, new axle, a new air conditioning



**Ray Stevens, left, takes a selfie with Braxton Mayes.**

system, and more — to get the SUV back on the road. The total cost of repairs exceeded \$8,000.

Yockey said the work was comped so that the entire \$10,000 could be donated

to food pantries in Chicago and surrounding suburbs. Mayes's boss said he was not aware that the 20-year-old had been leaving home at 4 a.m. to reach his job by 7 a.m.

## Auto show

CONTINUED FROM PAGE 1

"The exception to that rule," Sloan observed, "were the automakers that chose not to participate. It was evident they lost ground to their competitors."

Another advantage of the summer show was that nearly a dozen automakers took advantage of activating outdoor test drives: Chevrolet, Chrysler, Dodge, Fiat, Ford, Jeep, Kia, Lincoln, Ram, Subaru and Volkswagen.

In most cases, manufacturers that ran outdoor test drives far exceeded any goals they had going into the show. Ford reported doubling its test drive goal, while Chevrolet, Kia and Lincoln well exceeded their goals.



Manufacturers counted 37,000 attendees — more than one-third of all of them — as registrants for indoor and outdoor rides. That number doesn't even include the number of people who rode along as passengers.

The electric vehicles also were intriguing to attendees, noted by manufacturers that offered consumers op-

portunities to test drive brand-new EVs from Chevrolet, Ford, Kia and Volkswagen. One automaker even reported tripling its total number of test drives in Chicago compared to a recent non-auto show activation in the same market.

The all-new outdoor Street Fest, which took place the first four evenings of the show, added food trucks, local brews, street musicians and the opportunity for attendees to get a glimpse of an array of vehicles displayed along the street, similar to a summertime cruise night. Adding the Street Fest also provided an opportunity to attract new audiences.

The CATA plans to return to the show's traditional February timing next year. Show dates in 2022 are scheduled for Feb. 12-21.

## In Memoriam

**Ronald Bernard Hopkins**, 73, who operated Ron Hopkins Ford, in Elgin, died July 24. The dealership now is named Hopkins Ford of Elgin.

Born in Carpentersville in 1947, Mr. Hopkins was a stand-out athlete at Barrington High School and later graduated from the University of Illinois. He bought the former Suburban Ford in 1982.

Known for his generosity, Mr. Hopkins gave away more than \$200,000 in student scholarships through his A's for Excellence program. He will be remembered for his love of his family and his sense of humor, steadfast positivity and vibrant clothing to match his bright blue eyes and personality.

Survivors include Debra, his wife of 47 years; sons Jay and Jeff; a daughter, Kelly; and eight grandchildren.



**Thomas H. Peck (Pechousek)**, 88, who until 2020 owned Tom Peck Ford of Huntley, died June 28.

Mr. Peck ran four different car dealerships during his career. In 1968, he became president of Grange Dodge in Countryside; in 1979, he started Tom Peck Chevrolet in Chicago; in 1988, with his son, Jim, he added Tom Peck Ford in Clinton, Wisconsin; and, with his son, Tom Jr. in 1999, he opened Tom Peck Ford of Huntley.

He served as a past president of the Chicagoland Dodge Dealers Association, as an A.C.E. judge at the Chicago Auto Show, a Resolution Judge for the Wisconsin Auto and Truck Dealers Association, and a past chairman of the CATA Dodge Dealer Laborers.

Mr. Peck was a member of the Presidents Club of St. Ignatius College Prep School (of which he was an alumnus) and of the Knights of Columbus, Elmhurst Council. He also was very involved in many civic and community groups in Lake Geneva, Wisconsin, and Naples, Florida.

Mr. Peck is survived by sons Tom, James, Lawrence, and Robert; and seven grandchildren. The family asks for memorials to be made in his honor to the Angels Fund at St. Francis de Sales Catholic Church, 148 W. Main Street, Lake Geneva, WI 53147.



**James G. (Jim) M'Lady**, who 35 years ago opened a namesake new-car dealership in Crystal Lake, died July 27 at age 74.

He began as an Oldsmobile dealer before adding Nissan and Isuzu franchises. He was the country's No. 1 Nissan dealer seven straight years.

Mr. M'Lady was raised in Cicero before serving in the Marine Corps in Vietnam. He returned to Camp Pendleton, where he trained before deployment, on the 50th anniversary of his induction.

The Boys Club of Cicero helped prepare Mr. M'Lady for his life that followed, and he showed his appreciation by donating and returning to the club every year. Contributions appreciated to the Boys Club of Cicero or to the Leukemia & Lymphoma Society.

Survivors include Barbara Ann, his wife of 46 years; and sons Scott and Marshall.



*Save the Date!*

## 2021 Barbecue for the Troops is Sept. 18



For the ninth straight year, the CATA is partnering with the USO of Illinois on the USO BBQ for the Troops initiative, set for next month on Saturday, Sept. 18. Dealers are encouraged to join the effort by hosting a USO BBQ for the Troops fundraiser at their stores.

The CATA will provide participating dealers with promotional signage and an electronic toolkit including web and social media graphics to help promote their events. Dealers also will be included in a marketwide advertising, public relations and social media campaign to promote their fundraisers and drive people to their stores.

To sign up, email [jmorand@drivechicago.com](mailto:jmorand@drivechicago.com) or [jobrill@drivechicago.com](mailto:jobrill@drivechicago.com). Questions? Call the CATA at (630) 495-2282.