



CATA Bulletin

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Ryan, Obama pitch Senate campaigns

Dealers not in cross hairs in state's proposed budget

With the state's General Assembly session winding down, no major dealer-related bills confronted dealers when they gathered in Springfield May 5 for the annual IADA Spring Legislative Conference. The atmosphere permitted CATA dealers to thank the lawmakers they met for defeating controversial measures.

The conference, hosted by the Illinois Automobile Dealers Association, also gave dealers a glimpse of the Democratic and Republican candidates vying for the vacant U.S. Senate seat, when Barack Obama and Jack Ryan spoke at a luncheon.

Ryan, a first-time candidate for political office, defined his campaign theme for a "freer, fairer and safer" America, a goal that would be achieved through less taxation, less litigation and less legislation.

"Government needs to keep taxes low so there's a reason to be in business," Ryan said. "And just when you think you're taxed to death—and you're right—there's a death tax."

Ryan noted that a neurosurgeon's medical malpractice premiums exceed \$250,000 a year, and he suggested that dealers' vehicle liability premiums are too high because of people who sue for emotional distress as part of a lawsuit.

Recent polls give a near 20-point edge to Obama but Ryan discounted that, reminding listeners that the GOP occupied the state's governor's mansion for 26 straight years until 2003. He said, "Republicans can win in Illinois."

Obama's state senatorial district stretches from Chicago's Gold Coast south along the lakefront. He represents some of the state's wealthiest and poorest ZIP codes and his district is 85 percent Democratic, but he told the dealer audience not to assume he is anti-business.

"My philosophy," he said,



"has been that I'm only going to be successful providing help to workers and to business in the context of providing jobs. I want to encourage economic development and growth."

Obama also advocates tax fairness, and he said workers who can earn a living wage are better able to buy cars. He said federal tax code incentives that prompted Maytag to relocate production to Mexico from Galesburg, Ill., has left any dealers in Galesburg hard-pressed to sell cars.

Obama acknowledged a need for tort reform—"Anyone who denies there's a crisis with medical malpractice insurance is probably a trial lawyer"—but said he advocates reforms to the estate tax, not outright repeal.

"The exemption should be set at a level to capture the majority of family businesses versus people who've earned enormous wealth," he said.

Obama recognized his audience of dealers was largely Republican. "I don't

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Hastert scores at CATA fund-raiser

A May 3 fund-raiser at the CATA for U.S. House Speaker Dennis Hastert netted about \$35,000 for the self-proclaimed "car buff."

Hastert credited automakers for saving the nation's economy following Sept. 11, 2001, by offering sales incentives to sustain consumer spending. "It was a tremendous boon, I think," the congressman said.

He also vowed to work to make permanent any repeal of the estate tax. "I think that's very, very important." Later, he said compromise might limit action on the tax to an adjustment of the exemption level.

Rising gas prices could be reversed, Hastert said, if Congress passes an energy bill that would allow for more fuel drilling. He said the House already passed such a bill, but two votes in the Senate held the measure.

Hastert regards the war in Iraq as a "cost of freedom," and he faulted the media for nonsupport of the war.

Washington, D.C.'s AIADA arranged the fund-raiser.

Rules of the road: Driving restrictions exist for 16-, 17-year-old workers

Teen-age workers can be an ambitious and cost effective source to perform various summertime roles at dealerships, but there are plenty of regulations to adhere to, especially for teen workers to drive.

According to the Drive for Teen Employment Act—an ironic name, for the act effectively limits teen driving—17-year-olds may engage in limited driving on public roads and 16-year-olds may drive only on private property, such as dealership lots, while working.

Employers should consider specifics of the legislation before allowing a teen to drive in the course of work. A 17-year-old must:

- hold a valid state driver's license;
- have completed a state-approved driver education course;
- be instructed that seat belts must be worn; (It's wise to have them sign a statement to this effect upon hire.)
- have no moving violations on record when hired.

Sponsor options remain CATA golf outing sign-up underway

Registration is ongoing for the CATA's annual golf outing for association members and their guests, June 14 at Cog Hill Golf & Country Club in Lemont. Refer to the flyer included in this newsletter.

Thanks to the involvement of CATA allied members as event sponsors, participation costs remain unchanged since 1994: \$30 for members and \$60 for guests.

The many sponsorship opportunities are a great way to get a company's name and services in front of the more than 600 golfers expected at the outing, and the occasion is a great opportunity to mingle with the dealers in a social setting. Sponsorship inquiries should be directed to Sandi Potempa, the CATA's manager of exhibits and special events, at 630-424-6065.

Good times abound at the daylong golf affair, and the dinner promises to be eventful, with election results announced in CATA board of directors balloting.

In all, six board positions are up for election. Five current directors are running for re-election. A nominating committee comprised of former CATA chairmen meets shortly to identify additional candidates for the ballot.

Mike McGrath, chairman of the 2004 Chicago Auto Show, completes nine years of service in June. Directors may serve up to three three-year terms.

The golfing features many prizes for play, including \$10,000 for select holes-in-one, and awards for longest drives, shots closest to the pin, and putting.

Also, the vehicle a 17-year-old drives neither may weigh more than 6,000 pounds gross vehicle weight nor be used for towing. All driving is limited to daylight hours. Supervisors must ensure that there is ample time for 17-year-olds to complete their work trips during daylight.

Also, 17-year-olds may not drive in excess of one-third of one workday and one-fifth of a workweek. Vehicle occupancy is limited to three passengers, and the transport of non-employee passengers is limited to two trips a day. Licensed 16-year-olds may not drive on public roads while on the job.

Many states, including Illinois, have invoked graduated licensing laws for teens amid rising concern that the fatality rate for licensed 16-year-old drivers is double the rate for 17-year-olds and four times the rate for all drivers. A violation of the Drive for Teen Employment Act is subject to a \$10,000 fine. On-the-job driving by employees 18 and older is not regulated.

CATA board backs Scarpelli in re-election to NADA director post

Directors of the Chicago Automobile Trade Association voted in April to endorse the candidacy of the incumbent, Ray Scarpelli, for the next term as Metro Chicago NADA director.

The National Automobile Dealers Association mailed nominating ballots for the position April 30 to all member dealers in Cook, Lake and DuPage Counties. The term of Vic Koenig, the NADA director who represents dealers in the state's 99 other counties, expires next year.

Scarpelli, a former chairman of the CATA, was first elected as an NADA director in 2002. He serves on the NADA's Membership, Public Affairs and Dealership Operations Committees. The latter committee has formulated positions on dealer-arranged financing.

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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
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President, Publisher
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EPA demanding observance of do's, don'ts of a/c refrigerant recycling

With warming weather, so does bloom repair work on automobile air conditioner systems. The U.S. Environmental Protection Agency wants to remind dealers about complying with the agency's air conditioning refrigerant recycling rule.

Motor vehicle air conditioners (MVACs) are governed by Section 609 of the Clean Air Act. Critical elements of servicing them include requirements for properly training technicians, including certification by an approved program; the use of approved recover/recycle equipment; and certification submitted to the EPA. If there is a change of dealership ownership, the equipment's new owner must certify to the EPA within 30 days.

Sale of Class I or II refrigerants suitable for use in an MVAC and which is in a container of less than 20 pounds of such refrigerant is prohibited unless

the buyer is properly trained and certified as an MVAC technician.

All appropriate records establishing compliance—and, more importantly, demonstrating the presence of a well-trained and knowledgeable staff and the use of appropriate equipment—must be maintained on site.

The use of substitute refrigerants is governed by the Significant New Alternatives Policy (SNAP), under which the EPA determines whether new substitute refrigerants are acceptable for use as CFC-12 replacements in MVACs, subject to certain use restrictions. Each approved new refrigerant must be used in accordance with specified conditions such as unique fittings and labels.

Any EPA decisions regarding acceptability or unacceptability of a substitute for a Class I or Class II substance is published in a Federal Register No-

tice. For more information and the current list of acceptable substitutes for MVACs, see the EPA Web site, www.epa.gov/ozone/snap/index.html

The EPA also maintains a Web site as an information source of assistance for small businesses, www.epa.gov/compliance/incentives/smallbusiness/index.html

"These are neither complex nor difficult requirements, but they are integral for assuring both the EPA and the public at large of the safe handling and management of refrigerants," said John Fogarty, associate director of the EPA's air enforcement division.

A surge in EPA enforcement in the past year resulted in penalties to dealers up to \$75,000. The NADA developed a publication, "A Dealer Guide to the EPA Mobile Air Conditioning Coolant Recycling Regulation." Order it at 800-252-6232 ext. 2.

Budget

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know what to tell you, but I'm probably going to win this race, so you're going to have to deal with me."

CATA confers with lawmakers

Rep. Tom Cross (R-Oswego), Republican leader in the Illinois House, anticipates a contentious end to the spring legislative session, with Gov. Rod Blagojevich battling lawmakers—some in his own Democratic party—over his \$53 billion budget plan. The governor stressed he is opposed to a temporary income tax increase to solve budget gaps.

A budget can pass until May 31 with the support of

51 percent of legislators in each chamber. Afterwards, a supermajority of 61 percent is required. Cross, in a meeting with the CATA board of directors, said if negotiations stall, he envisions a summer spent by the governor beating up on the General Assembly's majority party—the Democrats.

"The fees are going to be where the fights are, and the borrowing," Cross said. Dealers appear to be safe from any fee increases this year.

Sen. Frank Watson (R-Greenville), Republican leader of the Senate, said the budget's current state is "not good." He told the CATA board: "It's not funded to create a balanced budget. You can't put it all on the

backs of business, with fees."

"I'm willing to sit down and talk about spending. I'm not seeing a lot of interest on the other side. The governor is not focused on the problems of the state," Watson said.

Earlier this year, Blagojevich proposed eliminating the Retailer's Collection Allowance, which lets retailers keep 1.75 percent of the sales tax collected and remitted to the Illinois Revenue Department. He later backed away from that proposal. Dealership sales account for 23 percent of all Illinois sales tax revenue.

Legislators stopped another anti-dealer topic: Attorney General Lisa Madigan's attempt to force

dealers to reveal their margins on car loans.

Sen. Debbie Halverson (D-Crete) said the Senate Executive Committee refused to vote on Madigan's bill because Madigan refused to negotiate on the matter.

The CATA is one of the first dealer associations to adopt a National Automobile Dealers Association resolution which encourages greater transparency in F&I discussions

Dealers should remind customers that interest rates on loans are negotiable and that the dealer may be compensated for obtaining the financing.

Critics call for disclosing the dollar amount or percentage markup.

AYES active but dealer help needed

Through visits to schools, dealerships, manufacturer roundtables and more, Jim Butcher is heralding the benefits of Automotive Youth Educational Systems.

Butcher, the Illinois field manager for AYES, lately has attended several career awareness activities at area high schools and colleges, where he represented dealers and manufacturers. Upon speaking at a luncheon for school counselors, he said, "Many counselors were surprised at the high skills needed for our industry."

Butcher meets with school administrators to review with their curriculum development staff where the industry is headed and what will be needed of students in the future. "We employ so many people in this industry," he said "that it is to our advantage to be proactive in the area of education."

Dealers are needed to participate in the career awareness activities, Butcher stressed. He can be reached at the CATA at 630-424-6020.

"We need dealers to host student field trips for 3rd graders. We have a coloring book that students can return with to the classroom, after a visit. The coloring book depicts scenes that reinforce



what the students see at a dealership and allows the teacher to spend some time talking about student aspirations. They can be anything they want to be.

"Growing up, every young person wants to be a firefighter or police officer because school tours visit firehouses and police stations. What not have them tour your dealership?"

At the high school level, Butcher last week oversaw an AAA-Ford Competition in Naperville. The competition involved 10 high school automotive programs from Illinois and focused on skills in new-car prep, driveability and diagnostics. Ford bugged 10 vehicles with such problems. Students competed on the time to repair and accuracy. The winning school will compete nationally in Washington, D.C., and the students earn scholarship money.

Ford also is sponsoring a "Pro Competition" with four area Ford technicians. Winners will get certificates for tools and prizes awarded by sponsors.

In Memoriam

Ira Rosenberg, proprietor of Crystal Lake Chrysler-Jeep-Mitsubishi, died suddenly May 3 of a bacterial infection.

He is survived by his wife, Lois; daughter, Kelly; son, Ryan; mother, Renee; and brothers Bruce, Gary and Scott.

Contributions may be made to Dylan's Dream Team, c/o Cystic Fibrosis Foundation, Northern Illinois Chapter, 150 N. Michigan Ave., Ste. 244, Chicago, 60601.

Marketplace

Controller/Office Manager Background managing all phases of dealership accounting procedures, health plan and 401(k). Hire, train, direct office staff. Administrator for in-house ADP system 9400. Helen Costello, 708-424-3920.

Congratulations!

Two local Toyota dealers joined 60 others nationwide among the automaker's Board of Governors. Recognized for high sales volume are **Kevin Keefe** of **Libertyville Toyota** and **Phillip Resnick** of **Schaumburg Toyota**.

Ford's customer service division named its 2003 Medallion Elite Club Gold Award winners. Area service managers honored include **Donald Fox Jr.** of **Rod Baker Ford Sales**, in Plainfield; and **Thomas Voth** of **Bredemann Ford in Glenview**. **David Schmitt**, of **Buss Ford Sales** in McHenry, was among service managers honored.



Wake up!

To "Drive Chicago," the CATA's radio show, 8-9 a.m. Saturdays on WLS-AM 890.

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 by the dealers, for the dealers**