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Ettleson to lead '11-'12 CATA board

Michael Ettleson's fellow directors of the Chicago Automobile Trade Association voted him chairman of the board for the next 12 months, when the directors met June 28.

The new board chairman succeeds Steve Foley Jr., who becomes chairman of the 2012 Chicago Auto Show. Ettleson will act as the show's co-chairman.

Ettleson, principal of Ettleson Cadillac-Buick-GMC

in Hodgkins and Ettleson Hyundai in Countryside, leads a board of 17 dealers.

Other board officers include Vice Chairman Kurt Schiele (Elmhurst Toyota-Scion, Elmhurst BMW, and Jaguar Elmhurst); Treasurer John Webb (Packey Webb Ford, Downers Grove), and Secretary Colin Wickstrom (Wickstrom Ford-Lincoln and Chrysler-Jeep-Dodge, Barrington). David Sloan is association president.



Michael
Ettleson



Steve
Foley Jr.

CATA-DealersEdge partnership offers Webinar training at slashed prices

Dealers are encouraged to take advantage of a newer partnership between The Chicago Automobile Trade Association and DealersEdge to provide high-quality training and informational Webinars to dealers at a significantly discounted rate.

The rate for CATA members for the weekly presentations is \$149, half 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. The fee includes both PowerPoint slides and audio; a telephone connection is not needed.

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 drop-down menu to CATA-

DealersEdge Webinars.

Coming topics:

Thursday, July 14 at 12 p.m. CDT

“Get a Firm Handle on the Cost of Doing Business with the 5 Expense Levers” Learn a five-step process for getting control of more than 100 dealership expense categories that are ripe for reduction. Most dealers could save 20 percent of those expenses by following the process. Even smaller dealerships can realize reductions of up to \$250,000 a year with a systematic attack on the costs of common supplies and services.

Thursday, July 21 at 12 p.m. CDT

SEE WEBINARS, PAGE 2

NADA issues state of auto industry report

The financial performance of new-car and -truck dealerships improved in 2010 despite a slow economic recovery, said Paul Taylor, chief economist of the National Automobile Dealers Association, in the trade group's latest report on the state of the industry.

New-car dealerships on average employed 50 people with an annual payroll of about \$2.6 million in 2010, an increase from 2009, according to NADA DATA 2011, an analysis of the U.S. car and truck industry with an emphasis on auto retailing.

"New-car dealerships improved their profitability in 2010 through strict cost control, such as reducing rent and real estate costs, cutting advertising expenses and maintaining lower floorplan costs," Taylor said. "However, the difficult economic recovery and brands leaving the marketplace caused 760 dealerships to

close in 2010."

Net dealership profitability before taxes increased to 2.1 percent in 2010 from 1.5 percent in 2009, the report said. New- and used-vehicle sales (in dollars) per dealership on average were up about 19 percent and 21 percent, respectively, in 2010.

"Franchised dealers are major employers and significant contributors to their communities' economies, tax bases and civic and charitable organizations," Taylor added.

Medium- and heavy-duty truck dealerships saw unit sales increase by 9 percent in 2010, as inventories of goods that required transport were rebuilt in a wide range of U.S. industries, the report said.

Download the full report at www.nada.org/Publications/NADADATA/2011/default

Scam alert

An area Volkswagen dealer told the CATA about a ring of car thieves who try to capitalize on one or more limited rebates for which they are not qualified. Volkswagen Credit confirmed that Audi dealers especially have been targeted across the country.

The thieves reportedly provide Social Security numbers of deceased people or ones that never have been issued.

The dealer said the man who visited his store sought a recent college graduate rebate and indicated his age is 27. He said he worked for Baker Enterprise in California and listed contacts at the University of California Santa Cruz.

The Volkswagen dealer spot delivered a vehicle but managed to get it back. "I must tell you," said the dealer, "this guy was extremely smooth. Keep your eyes open on any college grad deals, first-time buyer, etc."

Cook County Revenue Dept. chasing collar dealers for tax assessments

Some collar county dealers who are registered as tax collectors with the Cook County Department of Revenue have received notice of jeopardy tax determination and assessment for failing to file monthly tax returns with the department.

The department recently switched to a new automated system that helps it quickly identify delinquent periods or periods for which neither

a tax return nor payment is remitted. Businesses registered as tax collectors with the Cook department receive 12 pre-printed monthly tax returns each year, and all must be remitted.

Penalties for failure to file can be steep: (a) 25 percent failure to file penalty—failure



to file a tax return for each period or month identified in the Revenue Department notice; and (b) 50 percent failure to remit collected taxes penalty—failure to remit tax due for each month identified in the notice.

Interest is calculated as the total number of months late, as of the date of the jeop-

ardy notice, multiplied by the standard monthly interest rate of 1.25 percent (.0125).

Written protests and petitions which challenge any assessments can be submitted on forms provided by the Revenue Department. The department reportedly has no immediate plans to investigate or audit affected businesses, although it does not waive its right to conduct an audit or investigation later.

Webinars

CONTINUED FROM PAGE 1

"Unlocking the Power of Smart Phone Technologies in the Auto Dealership" Smart Phones offer multiple opportunities for information-gathering, customer relationship enhancement and marketing. Smart businesspeople are learning to use the many tools and capabilities contained in these compact devices to sell more products and services as well as to open doors to new opportunities. Find out how to get the most from this remarkable tool and revolutionize your dealership.

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Review past editions dating to 1998 or search by subject at www.cata.info.

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NADA applauds dropping letter grades from window stickers

By MARK SCARPELLI

METRO CHICAGO NADA DIRECTOR

Two regulatory agencies responsible for setting national energy policy announced last month a new fuel-economy label rule for passenger car and light-duty trucks without a controversial “letter grade” system opposed by the NADA and other auto industry groups. The National Highway Traffic Safety Administration and Environmental Protection Agency unveiled the new labels for model year 2013 at a press conference in Washington. The NADA applauds the move to eliminate letter grades, citing its potential to confuse consumers.

“With gasoline spiking to over \$4 a gallon and alternative fuel vehicles hitting dealer showrooms, rolling out a totally unfamiliar ‘letter grade’ label would have only served to confuse and frustrate consumers,” the NADA said. “The NADA applauds the Obama administration’s decision to drop the ill-advised ‘letter grade’ in favor of one that prominently displays a vehicle’s miles-per-gallon numbers. By doing so, car shoppers can make informed comparisons on dealers’ lots, allowing them to take advantage of new technologies, which will ultimately put more fuel efficient vehicles on the road.”

In addition to the mpg numbers consumers have relied on for decades, the new labels will include:

- Data comparing new technology or alternative-fuel vehicles to conventionally powered cars and trucks
- A fuel cost estimate over five years
- How a particular vehicle compares to all vehicles for smog and greenhouse gas emissions
- An estimate of how much fuel or electricity it will take to drive 100 miles

- Information on the driving range for electric vehicles and charging time
- A scanable code to allow smart-phone users to access additional information online

Although they are better than the first proposal, the new fuel economy labels aren’t perfect, says Doug Greenhaus, director of Environment, Health and Safety for the NADA’s Regulatory Affairs Group. For example, the labels compare a vehicle’s emissions performance against all vehicles, as opposed to vehicles within the same class, Greenhaus says, which could confuse some consumers. Moreover, a vehicle’s five-year estimated fuel cost is compared to a hypothetical “average new vehicle,” also a comparison of limited value, Greenhaus says.

Automakers must include fuel economy information on the window labels of light-duty vehicles for model year 2013 before they are shipped. And dealers must maintain the labels until they are delivered to retail customers. Questions about the new fuel economy labels may be directed to NADA Regulatory Affairs at regulatoryaffairs@nada.org or (703) 821-7040.

In other news . . .

- A provision in last year’s Dodd-Frank regulatory overhaul requires dealers and other creditors who use a credit score in taking adverse action – such as turning down a credit application – to include new credit score disclosures in their **adverse action notices beginning July 21**. (This provision also requires the disclosures to be included in risk-based pricing notices, but this does not affect dealers who issue Credit Score Disclosure Exception Notices to comply with the Risk-Based Pricing Rule.)

The NADA will soon release a new version of its publication, “A Dealer Guide to Adverse Action Notices,” explaining the new disclosure require-

ments and providing model adverse action notice forms that the Federal Reserve Board is developing to accommodate the new disclosures. The NADA will release this publication shortly after the Federal Reserve Board finalizes its model forms.

- Following strong advocacy by the NADA and its Regulatory Affairs group, the Federal Reserve Board has proposed **temporarily exempting dealers** engaged in indirect (three-party) vehicle financing transactions from a new, comprehensive data collection and reporting requirement that is scheduled to take effect July 21.

A provision of the Dodd-Frank regulatory overhaul of 2010 requires financial institutions, including auto dealerships, to inquire into whether a credit applicant is a small business or a women-owned or minority-owned business, maintain a record of responses to the inquiry for three years, report it to the federal government on an annual basis and make it available to the public upon request. The NADA plans to register its support for the exemption in written comments urging the board to adopt its proposal.

- **Fed Raises Threshold for Contracts Covered by Truth in Lending Act** A provision in the Dodd-Frank regulatory overhaul of 2010 has raised the dollar threshold for consumer credit and lease transactions that are covered by the Truth in Lending Act and Consumer Leasing Act. The threshold was raised from \$25,000 to \$50,000, effective July 21.

The law also mandated that the new threshold be adjusted for inflation on an annual basis. To meet this mandate, the Federal Reserve Board has announced that this threshold will increase to \$51,800 beginning Jan. 1, 2012.

Franchised New-Car Dealers in the 8-county CATA area as of 1 July 2011

Car Line	Chicago only Ill.	Rest of Cook Cty. Ill.	Lake Cnty. Ill.	DuPage Cnty. Ill.	McHenry Cnty. Ill.	Kane Cnty. Ill.	Will Cnty. Ill.	Lake Cnty. Ind.	Porter Cnty. Ind.	Total [prior] 1/1/2011	Total [present] 7/1/2011
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
Bentley	0	1	0	1	0	0	0	0	0	2	2
BMW	1	4	1	3	1	0	0	1	0	11	11
Bugatti	1	0	0	0	0	0	0	0	0	1	1
Buick	2	10	2	4	4	1	3	2	3	31	31
Cadillac	1	7	2	2	1	0	1	2	0	16	16
Chevrolet	4	15	5	7	4	4	6	4	2	51	51
Chrysler	3	10	4	3	3	3	2	3	2	32	33
Dodge	4	11	4	4	3	3	2	3	2	36	36
Ferrari	0	0	1	1	0	0	0	0	0	2	2
Fiat	0	0	1	0	0	0	0	0	0	0	1
Ford	3	14	6	7	3	4	5	4	2	48	48
GMC	1	10	2	4	3	1	2	2	2	27	27
Honda	4	10	3	2	1	2	1	2	0	25	25
Hyundai	2	10	3	3	1	1	1	2	0	23	23
Infiniti	1	4	1	1	0	0	0	0	0	7	7
Jaguar	1	3	1	2	0	0	0	1	0	8	8
Jeep	3	10	4	4	2	3	2	3	2	31	33
Kia	1	8	3	3	1	1	1	2	0	21	20
Lamborghini	1	0	0	1	0	0	0	0	0	2	2
Land Rover	1	3	1	2	0	0	0	0	0	7	7
Lexus	1	4	1	2	0	0	0	1	0	9	9
Lincoln	1	7	4	2	1	0	0	1	0	20	16
Lotus	0	0	1	1	0	0	0	0	0	2	2
Maserati	0	0	1	1	0	0	0	0	0	2	2
Maybach	0	1	0	0	0	0	0	0	0	1	1
Mazda	0	7	3	3	1	0	1	1	1	17	17
Mercedes	1	5	1	2	0	1	0	1	0	11	11
Mini	0	1	1	1	0	0	0	0	0	3	3
Mitsubishi	0	5	1	3	1	0	2	1	1	13	14
Nissan	2	12	3	4	1	1	1	2	1	27	27
Panoz	0	0	1	1	0	0	0	0	0	2	2
Porsche	0	3	1	1	0	0	0	0	0	5	5
Rolls-Royce	1	1	0	0	0	0	0	0	0	1	2
Saab	1	3	2	2	0	0	0	0	0	9	8
Scion	4	11	3	4	1	1	1	2	1	28	28
smart	0	1	1	0	0	0	0	0	0	2	2
Spyker	0	1	0	0	0	0	0	0	0	1	1
Subaru	1	5	2	2	1	1	1	1	1	15	15
Suzuki	0	3	2	2	0	1	0	1	0	9	9
Toyota	4	11	3	4	1	1	1	2	1	28	28
Volkswagen	2	7	3	4	1	0	1	1	0	19	19
Volvo	1	4	1	1	0	0	0	1	0	8	8
# of Car lines	54	229	83	99	35	29	34	47	21	632	631
# of Outlets	31	163	51	71	17	20	19	33	14	421	419

NOTE: The difference between car line and outlet figures is the result of outlets that handle more than one car line.