First Look for Charity touts 3 prize vehicles, lots o’ shrimp

Eighteen Chicago area charities will benefit from more than $2.5 million expected to be raised by the 2008 Chicago Auto Show’s black-tie gala, and three attendees will leave with new vehicles.

But everyone who attends First Look for Charity on Feb. 7 will feel like a winner. The gala is the night before the Chicago Auto Show opens to the public. Last year, the event raised more than $2.8 million.

First Look for Charity, now in its 17th year, is a unique and elegant way to peruse the nation’s largest auto show before the throngs enter with their elbows a-flyin’. About 13,000 people are expected to attend First Look for Charity, a fraction compared to an average daily attendance during the show’s 10 public days. First Look for Charity attendees are treated to a wide variety of hors d’oeuvres; champagne, wine and soft drinks.

This year’s prize vehicles include a 2009 Toyota Corolla, a 2008 Scion xD, and a 2008 Hyundai Veracruz.

Tickets are $225 each and can be ordered at www.chicagoautoshow.com/firstlook, or by calling 708-237-6444. For packages of 25 or more tickets, call the CATA’s Erik Higgins at 630-424-6008. All purchasers can designate their ticket proceeds to benefit any or all of the participating charities.

Benefiting charities this year include Advocate Hope Children’s Hospital; Autism Speaks; Boys & Girls Clubs of Chicago; Campagna Academy; Cancer Health Alliance of Metropolitan Chicago; and Catholic Charities of the Archdiocese of Chicago.

Also, Catholic Charities, Diocese of Joliet; Children’s Memorial Hospital; Clearbrook; The Cradle Foundation; Franciscan Community Benefit Services; Ray Graham Association for People with Disabilities; and Ronald McDonald House Charities.

And, Misericordia Heart of Mercy; National Multiple Sclerosis Society; Respiratory Health Association of Metropolitan Chicago; Spina Bifida Association of Illinois; and St. Coletta’s of Illinois Foundation.

The Corolla and the xD are compliments of Toyota and your Chicagoland Toyota dealers. The Veracruz is compliments of Hyundai Motor America and Chicagoland and northwest Indiana Hyundai dealers.

Vehicle winners must be present.
Chicago lease tax climbs to 8%

Payments on Chicagoans’ lease contracts rose Jan. 1 from 6 percent to 8 percent. The change affects all new leases plus any remaining months of existing leases. But the increase is not retroactive to previous months of existing leases.

The tax increase is part of a number of revenue generators sought in Chicago Mayor Richard Daley’s 2008 budget. So much attention focused on the city’s new 5-cent tax on bottled water that other elements of the budget went unnoticed.

The new 8 percent rate in the personal property lease tax represents a 33 percent jump. Daley originally proposed a 25 percent increase, which would have taken the rate to 7.5 percent.

Chicago aldermen approved the revenue measures in November on a 40-10 vote.

New compliance issue: Red Flag Rule

Financial institutions and creditors—including dealerships—must develop and implement an identity theft program that includes policies and procedures for detecting, preventing and mitigating identity theft in connection with account openings and existing accounts.

The Red Flag Rules and Guidelines (the “Rule”) took effect Jan. 1, but compliance is mandatory effective Nov. 1, 2008. Because of its complexity, dealers should start working on it now. While certain parts of the Rule lend themselves to technical solutions, other parts may require some good old fashioned subjective thinking.

The Rule, which is mandated by the Fair and Accurate Credit Transactions Act of 2003, requires dealers who engage in financing activities to establish an Identity Theft Prevention Program concerning all consumer accounts. Business accounts are covered by the Rule if there is a reasonably foreseeable risk to the business customer or to the dealership of ID theft.

All programs must have four distinct elements with reasonable policies and procedures to:

1. Identify relevant patterns, practices and specific forms of activity that are “red flags” signaling possible identity theft and incorporate those red flags into the program;
2. Detect red flags that have been incorporated into the program;
3. Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and
4. Ensure the program is updated periodically to reflect changes in risks from identity theft.


According to the President’s Identity Theft Task Force, identity theft results in billions of dollars in losses each year to individuals and businesses. Examiners have already been asking financial institutions about their Red Flag programs.

Dealer price claims in cross hairs of BBB advertising reviewers

The issue of dealer substantiation of price claims has come to the attention of motor vehicle advertising reviewers of the Better Business Bureau.

“It is important to note,” said BBB-Chicago President Steve Bernas, “that Illinois dealers must substantiate certain price claims before making the claims. When a dealer claims he has the lowest prices in his trade area, that dealer is required under Rule 475.340 to systematically and continuously monitor his competitors’ prices.

“This must be a regular monitoring and it must be done by dealer personnel, not through customer information or feedback. The monitoring also must be regular and continuous, not just a one-time check on competitor prices.

“Dealers also must be ready to produce this substantiation quickly when asked for it by the BBB. It is not sufficient for the dealer to put together some information after the dealer has been asked to substantiate his lowest prices claims.”

Another situation where dealers should monitor prices is when they compare their current price with either their own former price or the price of other dealers in their trade area. This situation does not involve a lowest prices claim but instead covers the situation where the dealer is generally comparing a price or prices to other higher prices without saying his are the lowest. In this context, Bernas said the dealer must substantiate the price claim before making it, to ensure the claim is truthful. He said the BBB may ask dealers to defend a claim. The rule that covers this situation is 475.360.

The Illinois motor vehicle advertising regulations are at www.illinoisattorneygeneral.gov/consumers/vehicle_advertisements.html.
Bush signs energy bill that includes CAFE boost

By Ray Scarpelli Sr.
Metro Chicago NADA Director

President Bush, with strong support from Congress, signed an energy bill late last month that increases Corporate Average Fuel Economy by 10 miles per gallon over 10 years.

David Regan of the NADA attended the bill signing and said the fuel economy increase is “challenging, but provides sufficient flexibility for automakers to continue to meet consumer demand.” The new law increases fuel economy to a fleet-wide average of 35 miles per gallon by 2020 and permits automakers to trade credits among their own fleets to offset less-efficient vehicles.

Dealers were instrumental in ensuring separate, attribute-based car and truck fuel economy standards to best protect product mix—a top NADA priority. The NADA also was involved in improving unworkable CAFE increases for medium- and heavy-duty trucks.

The final bill does not determine which government agency—the EPA or the National Highway Transportation Safety Administration—has primary jurisdiction to regulate fuel economy and emissions. The NADA supported a provision to identify the NHTSA as the lead agency. The Bush administration was expected to address the issue in late December, with Congress likely to hold oversight hearings sometime this year to examine the administration’s approach.

In NADA news . . .

For those who missed the Dec. 21 advance registration deadline for the 2008 NADA convention, housing is still available through the NADA’s housing bureau, Experient. Visit www.nada.org/convention for more. More than 650 exhibitors, including some 150 new ones, will be on hand during the convention, Feb. 9-12 in San Francisco.

Detailed information about the new Babson College executive education program for automobile and truck dealer executives, is now online at www.nada.org/ExecEd. The program, which the NADA and Babson College will start in March, focuses on building the leadership, management and business capabilities of senior-level executives. The site offers information about the program, Babson College, and how to apply.

A 10-page disaster preparedness guide that instructs business owners on how to develop an effective plan to protect employees and customers in a disaster is now available from the U.S. Small Business Administration. Key preparedness strategies help small businesses identify potential hazards, create plans to remain in operation if the office is unusable, and understand the limitations of their insurance coverage.

An electronic version of the guide is online at www.sba.gov. For emergency preparedness specific to dealerships, read the NADA’s “A Dealer Guide to Creating an Emergency Response Plan,” online at www.nada.org.

In regulatory news . . .

Taking aim at hazardous air pollutants (HAPs) containing cadmium, chromium, lead, manganese and nickel, the Environmental Protection Agency has issued a tough area source rule covering body shops. The rule, which mandates full compliance by December 2010, requires body shops to:

• Paint only inside filtered, ventilated paint booths or prep stations.
• Use high-transfer efficiency application equipment.
• Clean guns with nonhazardous solvents, in gun-enclosing washers, or use a method that does not involve atomized spraying to the open air.
• Have painters trained and certified every five years.

• Make a one-time facility compliance notification to EPA or the state by December 2009.

A proposed annual reporting requirement, objected to by the NADA, was eliminated. Basic records demonstrating compliance must be kept. NADA Regulatory Affairs staff is reviewing the final rule with input from a number of body shop managers with the aim of preparing a compliance bulletin early this year. Questions on the new rule may be directed to NADA Regulatory Affairs at regulatoryaffairs@nada.org, or 703.821.7040.

The Occupational Safety and Health Administration (OSHA) has issued a rule clarifying employer and employee responsibilities for the payment for personal protective equipment (PPE). The rule:

• Mandates that dealerships pay for most PPE required by OSHA’s standards and creates a clear and consistent policy to reduce confusion regarding what dealerships need not pay for.
• Creates no new requirements regarding what PPE dealerships must provide to employees. Dealerships need not pay for uniforms, items worn for cleanliness, and other items that are not PPE. They also need not pay for most safety-toe footwear, prescription safety eyewear, everyday clothing, and weather-related gear.
• Says that though dealerships cannot require employees to provide their own PPE, employees who do so are not entitled to reimbursement. On the other hand, dealerships must ensure the adequacy of any employee-provided PPE to protect against workplace hazards.
• Indicates that dealerships need not pay to replace lost or intentionally damaged PPE.
• Takes effect Feb. 13, 2008, and requires compliance by May 15.
CATA-IADA dealers convention targets Scottsdale, April 2-6

A conference and retreat exclusively for Illinois dealers and their families is April 2-6 at the Westin Kierland Resort & Spa near Scottsdale, Ariz.

The second annual getaway excursion, coordinated by the CATA and the IADA, features speakers, workshops and line or ad group meetings as requested, plus golf outings, banquets, and other events at or near the desert oasis.

“We’re very excited,” said CATA Chairman Mark Scarpelli, “to collaborate with the IADA on an event that combines work with special interaction.”

The resort is an integral part of the exclusive, 730-acre master-planned community of Kierland, with championship golf, upscale residences and dozens of shops, galleries and restaurants.

Most of the resort’s 732 spacious guest rooms feature private balcony or terrace with views of golf course or McDowell Mountains.

Other features of the resort:
- Kierland Golf Club, featuring 27 holes of Scott Miller-designed championship golf, on-site club fitting, top golf instruction and the latest in golf technology including air-conditioned golf carts and Segways
- 9,000 square-foot waterpark including adults’ and children’s outdoor swimming pools, a flowing river ride, water slide, and sandy beach area
- Full-service spa utilizing traditional native treatments handed down from Arizona’s many cultures of healing as well as exclusive services developed by its own therapists and ancient treatments infused with the essence of the Far East
  - 24 hour fitness center
  - Wireless Internet
  - Distinctive Dining

See the flyer in this newsletter for conference registration and transportation costs. Payments can be made in full or in three installments. Important, the fees indicated on the flyer DO NOT include airfare; a group flight was not arranged.

Sponsorship opportunities also exist for dealership vendor companies. Call the IADA’s Mike Healey, 217-753-0220.

DriveChicago.com inventory passes 90,000 units; Feb. 1 goal is 100,000

Less than one month after the official re-launch of DriveChicago.com, inventory totals have exceeded 90,000 new and used vehicles.

“We have surpassed the number of vehicles listed at the time we made the switch,” said Mark Bilek, Internet director for the Chicago Automobile Trade Association, “and have set a goal of reaching 100,000 vehicles by Feb. 1.”

In order to reach that target, Bilek said, dealers need to help. Take a second and go to DriveChicago.com, and check to see that your dealership inventory is listed. After all, listing your dealership’s inventory on DriveChicago.com is a FREE service of your CATA membership.

If your inventory is not listed or the listings are not correct, please contact Bilek or Matt Hohman at 630-424-6080.

Help make DriveChicago.com the No. 1 source for new and used vehicles in Chicagoland!

AYES expands to Rockford

BY JIM BUTCHER
ILLINOIS AYES MANAGER

I participated Dec. 19 in the evaluation of two Rockford area schools for inclusion in the AYES program. I am happy to say the evaluation team members agreed that Belvidere High School in Belvidere and Hononegah High School in Rockton both merit inclusion.

Rockford area dealers now can now grow their own technicians under the AYES label. Both schools should launch programs this spring.

They worked hard to earn the right to carry the AYES badge, and we are pleased to have them both as our newest AYES schools in Illinois.

A big “thank you” goes out to the evaluation team members from BMW, Chrysler, and KIA who gave up their day for this worthwhile endeavor. We appreciate the manufacturers’ support of the AYES program.

To discuss the AYES program, please call me at the CATA office at 630-424-6020.