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1st CATA Dealer Meeting & EXPO ready to launch June 17

A growing buzz surrounds the inaugural CATA Dealer Meeting & EXPO, 10 a.m.-4 p.m. June 17 at the association's office in Oakbrook Terrace.

The event is free and limited to dealers and their managers to attend, and is designed for attendees to come and go as their schedules permit.

Five repeating seminars will be held from 10:30 a.m. to 3:30 p.m.; and 40 CATA allied members will exhibit, offering dealers a one-stop look at ways they can improve their operations and

save money.

The lively atmosphere will be supported by a number of prizes that will be awarded throughout the day, some worth as much as \$5,000; and a barbeque lunch will be served under a big tent from 11:30 a.m. to 2 p.m.

"This will be a nice mix of business and pleasure," said CATA Chairman Kevin Mize. "We're excited to bring this new event to our members.

"The B2B is a great time-saver for dealers to see the

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Paddor, Scarpelli vie for NADA post

Evanston Subaru owner Rod Paddor and Mark Scarpelli, proprietor of Raymond Chevrolet-Kia in Antioch, have been nominated to serve as the NADA director representing metropolitan Chicago.

Election ballots will be mailed June 25 by the NADA

in McLean, Va., and must be returned postmarked by July 16.

Ray Scarpelli Sr., the incumbent since 2003, is stepping down when his term concludes in February 2011.

The NADA defines metropolitan Chicago as Cook,

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CATA: Working for you

Among the various benefits for member dealers is a free presence on the CATA Web portal, www.drivechicago.com, to list new- and used-vehicle inventories.

Important, nonmembers do not appear on DriveChicago.com.



Election results at Expo

7 on ballot for 5 CATA board seats

Seven candidates, including two incumbents, were nominated to fill five openings on the board of directors of the Chicago Automobile Trade Association. Each term lasts three years beginning this month.

Election ballots were sent June 1 to all CATA dealer members whose association dues were up-to-date. Completed ballots must be returned by 12 p.m. June 14 to the CATA's auditing firm, Crowe Horwath, which will tally the submissions.

Results will be announced June 17 at the inaugural CATA Dealer Meeting & Expo. For details on that free event, go to http://cata.info/menu_CATA_Dealer_Meeting_EXPO_3431.

Incumbents on the ballot include **Dennis K. Bauer** (Arnie Bauer Cadillac-Buick-GMC, Matteson); and **Michael Ettleson** (Ettleson Cadillac-Buick-GMC, Hodgkins; and Ettleson Hyundai, Countryside). Bauer is seeking his second term on the

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Congressional conference meets to reconcile financial reform bills

A conference committee formally began June 10 to merge the House and Senate versions of financial overhaul legislation, with 43 lawmakers from both parties and both houses of Congress.

The committee includes three House members from Illinois: Democrats Bobby Rush and Luis Gutierrez, both from Chicago; and Republican Judy Biggert from Hinsdale.

Three men were expected to wield disproportionate influence over Congress's final push to write a new law for financial regulations that could impact auto dealers. According to the Wall Street Journal, Treasury Secretary Timothy Geithner, House Financial Services Committee Chairman Barney Frank (D-Mass.), and Senate Banking Committee Chairman Christopher Dodd (D-Conn.) have said that their experience with the financial crisis should serve as the foundation for what new regulations should look like.

As a result, people who know them say the three men were likely to show willingness to negotiate on parts of the bill they don't view as core, while being intractable on pieces they view as elemental. That could mean agreeing to allow auto

dealers to be exempt from new lending rules proposed in the Senate version of the legislation.

Advocates for dealers maintain that exempting dealers from the rules would be pro-consumer because it would keep finance options for car buyers affordable and accessible.

Rahm Emanuel, the White House chief of staff, had urged Frank to produce a consensus report by June 24, when President Obama is expected to leave for a Group of 20 meeting in Toronto. Frank has vowed to get a final bill to Obama's desk before Independence Day, and he called June 24 a target, not a deadline.

The House bill contains Rep. John Campbell's (R-Calif.) provision that excludes auto dealers from new oversight created by the legislation. Although a similar Senate amendment, introduced by Sen. Sam Brownback (R-Kan.) was not voted on, the body did vote to instruct its conferees to support the House dealer exemption.

Under the House bill, a new consumer financial protection agency would stand alone. The Senate bill would put the agency within the Federal Reserve.

NADA

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Lake, and DuPage Counties. Another NADA director represents the state's 99 other counties. Rick Gregg held that position until his store closed in March. A special campaign to fill the post began in May, with completed nominating ballots due in the mail by June 11. Results should be known about June 18.

To qualify as a nominee, a dealer must receive at least 10 percent of the total nominations cast. If none receives that minimum, further nominations would be sought. If the nominating process qualifies a single dealer, that dealer would be declared elected without further balloting.

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board; Ettleson, his third. A director can serve a maximum of three terms.

Newcomers on the ballot are **John P. Alfirevich** (Apple Chevrolet, Tinley Park); **Tony Guido** (Arlington Heights Ford); **John A. Hennessy** (River Oaks Ford in Calumet City and River View Ford in Oswego); **Saul Rosen** (Rosen Honda-Nissan, Gurnee; Rosen Hyundai of Algonquin, Rosen Kia of Elgin, Rosen Suzuki in Lake Villa; Rosen Mazda in Lake Villa and Waukegan; plus two stores in Milwaukee); and **Ray Scarpelli Jr.** (Ray Chevrolet and Ray Suzuki, Fox Lake).

Three dealers conclude board terms this month after nine years' service: John Phelan, Mark Scarpelli and Dave Taylor.

EXPO

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many offerings of our allied members, who can help dealers be more time- and cost-effective in the ways they do business."

Seminar topics include an analysis of what health care reform means to businesses, hot topics in government enforcement, using social networking to increase sales, an examination of the employee handbook, and a discussion of how to increase traffic on Web sites.

Advance registration is requested. To register and read more information, including a list of the exhibiting companies, go to www.cata.info.

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

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U.S. market resembling Europe, with no dominant firm

Bankruptcies and recalls have opened the U.S. car market to new players and narrowed the gap that once-dominant automakers had over the rest of the field.

The old order—Detroit's Big Three, the leading Japanese automakers and everyone else—is rapidly being replaced by a much less stratified hierarchy where no single company dominates and the biggest players constantly jockey for small gains.

High-profile quality problems have dented Toyota Motor Corp.'s once-stellar reputation, forcing it to fight for share like never before. General Motors and Chrysler went bankrupt last year and survive only because American taxpayers bailed them out, prompting some customers to take their business elsewhere.

Ford Motor Co. passed on government aid, avoided bankruptcy and now builds cars and trucks that rival Toyota and Honda in quality. Against the backdrop of one of the worst car markets in history, Ford has not just stopped losing share but is steadily regaining it.

And while the giants in America and Japan have struggled to meet the challenge of a global recession, South Korea's Hyundai Kia Automotive Group—once dismissed as a joke because of its poor quality and uninspired designs—has

emerged as the fastest-growing car company in America.

All of this has created new challenges and new opportunities for all of the players. The U.S. car market increasingly resembles Europe's, where just 8 percentage points separate most of the top nine automakers.

"We used to have the Big Three, followed by Japan's Big Three, followed by everybody else," said Michael Robinet, head of vehicle forecasting for IHS Global Insight.

"There's no such thing as a tiered market now. There's been a shift to a more egalitarian distribution of market share. There are no clear lines of demarcation anymore."

An influential annual survey of the U.S. market released recently by Merrill Lynch also concluded that the gap separating the big automakers is narrowing.

"In the future," said Merrill Lynch analyst John Murphy, "we expect a handful of mass-market automakers with market share in the 15 percent to 20 percent range, with fluctuations around their product cycles."

Just a few years ago, GM executives were walking around the Renaissance Center wearing "29" pins on their lapels -- a reference to the automaker being on the verge of regaining 29 percent of U.S. car and truck sales.

These days, GM's share is below 21 percent, and it has yet to find the brakes. Robi-

net says its new products, many based on global platforms, should help. But he also said the government's 61 percent ownership stake in GM following last year's bankruptcy still keeps some customers away.

Steve Carlisle, vice president of U.S. sales for GM, said restructuring in bankruptcy put the company in a better position to react to market changes.

"We need to stay focused on being the best, offering the best choice," he said. "It's back to being 'the best car wins.' I don't think you're going to see anyone cede a position that they've worked very hard to gain."

But Murphy says GM could soon find itself neck-and-neck with Ford, whose market share is 17.4 percent. He predicted that GM's share will stabilize between 18 percent and 19 percent, while Ford should continue to grow as high as 18 percent this year.

Chrysler, too, is coping with bankruptcy fallout. It has been losing market share more rapidly than its cross-town rivals for years, and now stands at 9.5 percent. But analysts say Chrysler's alliance with Italy's Fiat SpA, forced by the government as part of the bailout, could give the company the global scale it needs.

The disruption in the U.S. market could benefit Chrysler, said sales chief Steven Beahm.

Brand loyalty is becoming a thing of the past, he said,

with consumers more willing to consider products from manufacturers they have never shopped before. Chrysler has a stable of new cars and trucks ready to hit showrooms in the last half of the year, when most experts expect retail sales to pick up.

"It really fits into our hand perfectly," Beahm said. "Everybody keeps trying to raise the bar, and those that were higher are finding it harder to keep raising theirs."

But Chrysler's quality remains the worst of any full-line manufacturer, and Merrill Lynch's Murphy said its products "are likely to have a tough time in a competitive market."

The one Detroit manufacturer to reverse this trend is Ford. The automaker has consistently gained market share during the past 18 months. It added more in the first quarter this year than in any three-month period since 1977. The gains are a testament to the quality and appeal of the company's new products, said George Pipas, head of sales analysis and forecasting at Ford.

"People say we have benefited from the bankruptcies of GM and Chrysler, as well as from Toyota's quality problems," Pipas said. "We have. But if we weren't building products that people wanted to buy, we couldn't take advantage of those opportunities."

Balanced budgets ain't what they used to be; session lurches to partial conclusion

Perhaps illustrating that the Illinois Constitution has become more of "recommended guidelines" document rather than the highest law of the land, the House and Senate adjourned May 27 without passing a balanced budget. Spending and borrowing bills were passed but the final budget is billions of dollars out of balance, in spite of the Constitutional mandate against it.

The biggest hole appeared when the Senate could not muster the votes to pass a pension borrowing bill that would have provided the cash for this year's required pension payments. Senate Bill 3514 could not find the 36 Democratic votes needed for passage after the measure already passed with a bare minimum 71 votes in the House.

House Democrats were able to pry two Republicans away from their caucus to provide the margin needed. But in the Senate, Republicans united in their opposition to the borrowing and were joined by at least two Senate Democrats, denying President John Cullerton the super-majority he needed to pass the bill.

Even if the pension borrowing had passed, the remaining budget plan was still at least \$2 billion out of balance. In addition, the plan does not call for decreasing the backlog of unpaid bills--\$6 billion worth - accumulated by the state in the last fiscal year. Instead, authority has been given to Gov. Pat Quinn to use more revenues from the coming fiscal year to pay last year's bills.

It is unclear whether legislators will return to Springfield to finish work on the budget. Cullerton said that the Senate would return in a few weeks time, but many observers believe that any additional work on the budget won't occur until after the November elections.

Marketplace

Controller/Office Manager CPA with 20+ years' dealership experience. Financial management, reporting, analysis, expense control, supervision, more. James E. McCallister, (815) 464-7665.

Office Manager Loyal, reliable, dependable, team player with numerous years in the automotive field would be an asset to any organization. Capable of working all facets of the office. Sandy Gonka, (847) 219-2783.

Résumés on file at the CATA.

Congratulations!

All nine area Lexus franchises—**Arlington Lexus in Palatine, Brede-mann Lexus in Glenview, Lexus of Highland Park, Lexus of Merrillville (Ind.), Lexus of Naperville, Lexus of Orland (Orland Park), McGrath Lexus of Chicago, McGrath Lexus of Westmont, and Woodfield Lexus (Schaumburg)**—were named the latest Elite of Lexus Dealers.

Continental Audi of Naperville, Laurel Audi of Westmont, and Team Audi (Merrillville, Ind.) are among 58 dealers named to the 2009 Audi Magna Society.

Ford Motor Co. bestowed the 2009 yee Excellence (e2) Award on 658 dealership employees who scored the highest in customer satisfaction, sales and training. Local winners include Jeff O'Brien and Peter Porzio, both sales consultants at **Currie Motors Frankfort**; Scott Osborn, service advisor at **Joe Rizza Lincoln-Mercury**; Scott Burdelik sales consultant at **Napleton Lincoln-Mercury**; Allan Jacobson, sales consultant at **Highland Park Ford-Lincoln-Mercury**; Margaret Montvid, sales consultant at **Libertyville Lincoln-Mercury Sales**; John Innis, sales consultant at **Napleton's River Oaks Lincoln-Mercury**; Rick Maritato and Joseph McAvoy, sales consultants at **Roto Lincoln-Mercury (Arlington Heights)**; Mike Murphy, service advisor at **Wickstrom Ford-Lincoln-Mercury (Barrington)**; Sales Manager Donald Boros and Sales Consultant Joseph Venditti of **Hawk Ford of Oak Lawn**; Robert Driggers, body shop manager at **Joe Rizza Ford** in Orland Park; and Dave Polcik, sales consultant at **Schaumburg Lincoln-Mercury**.

The 2009 GM Certified Used Sales Leaders award was given to 100 dealers, including **Jerry Haggerty Chevrolet** in Glen Ellyn (No. 13 on the list), **Chevrolet of Naperville** (No. 38), **Phillips Chevrolet** in Frankfort (No. 53), **Schepel Buick-GMC** in Merrillville, Ind. (No. 64), **Village Buick-GMC** in Naperville (No. 74), and **Rizza Chevrolet** in Bridgeview (No. 91).

Bosak Honda (Highland, Ind.), McGrath Honda of St. Charles, Muller Honda (Highland Park), and Valley Honda (Aurora) were winners of Honda's 2009 President's Award. All are multiple-time recipients of the award.

Paul Tamraz of **Infiniti of Hoffman Estates** and Horst Korallus of **Infiniti of Lisle** are recipients of the 2010 Infiniti Award of Excellence.

Used-car Outlook is online

The latest Chicago Auto Outlook examines the area's used-vehicle sales in 2010's first four months. Find it at www.cata.info.