



Volume 115, No. 12

June 18, 2018

Incumbents roll to wins in balloting for CATA board of directors

All four incumbents on the six-person ballot tallied enough votes to retain their positions on the CATA board of directors, in election results announced June 12 at the association's annual golf outing at Cog Hill Golf & Country Club in Lemont.

Returning for their third and final three-year terms on the board are **Kevin Keefe** (Brilliance Honda, Crystal

Lake; and Brilliance Subaru, Elgin) and **Thomas F. Shirey** (Shirey Cadillac, Oak Lawn). Embarking on second terms are **Jay Hopkins** (Hopkins Ford, Elgin) and **JC Phelan** (Jack Phelan Chevrolet, Lyons; and Jack Phelan Chrysler-Dodge-Jeep-Ram of Countryside)

Ryan Kelly (Kelly Nissan, Oak Lawn) joins the board as a first-time director. Directors can serve up to three

terms. Voting was open to all CATA dealer members whose association membership is in good standing.

In addition to the five directors elected this month, the CATA board includes John Crane, Tony Guido, Bill Haggerty, John Hennessy, Fred Marks, Dan Marquardt, Jason Roberts, Kelly Webb Roberts, Ray Scarpelli Jr. and Richard Wickstrom.

Thinking of hosting a Barbecue for the Troops event? Get registered!

For dealerships considering whether to participate in the upcoming USO fundraiser, consider this: It is vital to register right away in order to be included in the various promotions planned by the Chicago Automobile Trade Association.

The CATA has arranged for TV and radio advertising and is working with many radio, print, television and social media partners to develop an aggressive promotional campaign leading up to July 14. All CATA messaging will direct individuals to www.DriveChicago.com to find participating dealers



USO BBQ
for the
TROOPS

SATURDAY
JULY 14
Hosted By
CHICAGO AND'S NEW CAR DEALERS

nearby. Host dealers will be highlighted on DriveChicago, with links to information on specific events.

After the ads are developed, it might not be possible to add registration late-comers.

The registration process can be completed by contacting the CATA's Jim OBrill at (630) 495-2282 and jobrill@drivechicago.com.

Advance planning for the

event includes a media kickoff June 27 at the United Center in Chicago. About 100 dealerships last year raised \$155,000 for the USO of Illinois. The goal this year, of course, is to involve more dealerships and raise more money.

All proceeds collected will be donated to USO programs that support deployed troops, military families, wounded, ill and injured troops and their

caregivers, and families of the fallen.

Some of the planned fundraising activities include:

- Car Wash, with dealers asking for donations
- Lunch special for employees and their families and friends. They can leave the brown bag at home and eat in, to support the troops
- Cornhole/Bags Games. No American barbecue is complete without a cornhole/bags tourney!
- On Demand DJ, with donations made for song requests
- Social Media Donations.

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Graduating high schooler wins CATA scholarship

The Chicago Automobile Trade Association in late May presented the 2018 Spirit of Carol Cooling Scholarship to a graduating senior at an Arlington Heights high school. Lucas Philip received a \$1,000 grant to put toward future studies.

The CATA established the Spirit of Carol Cooling Scholarship

in 2014 to honor Carol Cooling, a John Hersey High School alumna and a long-time special events director at NBC 5 Chicago. She succumbed to cancer in 2013.

As producer of the Chicago Auto Show, the CATA worked closely with Cooling to produce Chicago Auto Show live TV specials, many which

won Emmy Awards. Although Cooling's official title at NBC was Director of Special Events, she frequently was referred to as the station's "heart and soul."

"The CATA hopes to inspire students for years to come with the Spirit of Carol Cooling Scholarship," said CATA Chairman Ray Scarpelli Jr. "Carol

was someone who worked tirelessly on behalf of the station and made a positive impact on everyone she came in contact with. She would have been thrilled to know her spirit is living on in this manner: honoring students who will continue to interject creativity and positivity into their post-graduate careers."



Lucas Philip, left, with CATA President Dave Sloan.

Philip will study biology at Drake University in Des Moines, Iowa.

Luxury shoppers increasingly shopping for used, CPO vehicles

While recent research data concerning luxury shopper behavior shows that almost 40 percent of luxury owners are less likely to purchase a used car than mass-market owners, a growing number of shoppers in this audience are increasingly cross-shopping used and certified pre-owned vehicles.

Amid the rise of off-lease vehicles which continue to enhance the used-car population, CPOs have become a progressively more attractive option for car buyers, according to data from Jumpstart Automotive Media's eighth annual Insights Book.

Luxury owners who research and consider non-luxury vehicles grew from 10 percent in 2016 to 13 percent last year. A growing number of luxury owners cross-shopping used options illustrates a widening appeal for used cars among luxury owners.

"Luxury shoppers, in particular, are placing increased focus on brand experience and innovation when shopping for their next vehicle," Jumpstart's marketing and strategic insights vice president Libby Murad-Patel said in a news release.

"That being said, we're seeing a healthy amount

of cross-shopping between luxury brands, as well as luxury shoppers looking at CPO or used vehicles (plus 36-percent in 2017) and at the same time loyalty is a challenge for all automakers."

When communicating with car buyers, automotive marketers can highlight a CPO vehicle's unique values to address the challenge, she went on to explain.

"This presents a great opportunity for marketers in placing greater emphasis on a vehicle's unique values while addressing quality, longevity, versatility and maintenance concerns up

front," Murad-Patel said.

Elsewhere in the study, Jumpstart data focused on luxury shopper behavior alone, suggests that dealers can obtain a better return on a luxury purchase considering their owners are more likely to come back.

Because most luxury-vehicle owners have their cars serviced at the dealership, selling to more luxury buyers can potentially lead to added service department traffic.

According to Jumpstart, three out of four of luxury owners use the dealership for service and 34 percent of all shoppers are researching luxury vehicles on its sites.

USO

CONTINUED FROM PAGE 1

Enlist employees to promote the dealership's USO Barbecue for the Troops through their Facebook, Twitter, LinkedIn and similar accounts, to collect additional donations through an event page.

The USO, a nonprofit, non-political organization, has for 77 years provided Americans with a tangible way to express appreciation and gratitude for the dedication and sacrifice of the nation's troops and their families.

The CATA Bulletin is produced by the
Chicago Automobile Trade Association
18W200 Butterfield Rd. Oakbrook Terrace, IL 60181-4810

The CATA Bulletin is distributed via blast email every other Friday except during the Chicago Auto Show, when it is not produced.

Listings of items for sale are subject to the approval of the CATA. Candidates for employment must submit a full resume to the Editor.

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

David E. Sloan
Erik K. Higgins

President, Publisher
Editor, Director of Dealer Affairs

CATA, Cumulus Radio launch new radio show, 'DriveChicago,' on Saturdays

"DriveChicago," the newest weekly radio show about the city's storied car culture, airs 8-9 a.m. Saturdays on WLS-AM 890. It debuted this month.

The program, hosted by familiar Chicago radio news anchor Jennifer Keiper, delivers a lively and frank discussion of everything automotive. The show, she said, "won't only be about fast cars, but also trucks, SUVs, unique vehicles, industry news, trends, local events, and so much more."

Mark Bilek and Jim OBrill, both CATA staffers, contribute to the broadcasts with new-vehicle

reviews, in-depth interviews with industry experts, tips for vehicle maintenance, and insights into new trends and technologies — all while having fun along the way.

The show is the namesake of



DriveChicago.com, the website maintained by the

CATA that carries the largest local listing of new-and used-vehicle inventories of CATA member dealers.

With more than 120,000 units for shoppers to consider, DriveChicago.com also offers expert reviews, shopping tips, and easy-to-use tools to help make auto searches quick and easy.



Joe Bitterman, of Reynolds and Reynolds, launches his attempt to win \$10,000 by sinking a 50-foot putt at the CATA outing. The shot stopped short of the hole.

Golfers sidestep rain at CATA annual meeting

About 300 dealers and allied members of the Chicago Automobile Trade Association gathered June 12 at Cog Hill Golf & Country Club in Lemont for the association's annual meeting and golf outing. Fifteen golfers won prizes on specialty holes along three courses.

Import tariffs could cost carmakers 1 million auto sales a year: study

If President Donald Trump slaps a 25 percent tariff on imported vehicles, it may cost the U.S. auto industry 1 million annual vehicle sales. And that's just the low end of the estimated damage.

The projection by researcher LMC Automotive assumes automakers would absorb at least half the cost of a tax on imported vehicles, said Jeff Schuster, senior vice president of forecasting. If companies pass the full 25 percent cost on to consumers, it could snuff out about 2 million sales — or more than 10 percent of annual U.S. deliveries, he said.

President Trump's order last month to investigate auto imports for potential trade penalties on national security grounds came as a surprise and quickly drew

criticism from automakers, dealers and Republican lawmakers. While some analysts discounted it as a negotiating tactic to pressure Canada, Mexico and the European Union on trade, Trump has since attacked Canadian Prime Minister Justin Trudeau following the G-7 summit in Quebec.

Trump's statements may merely be "chest thumping," Schuster said. But after the U.S. imposed tariffs on imports of steel and aluminum from countries including Canada and Mexico, the threat of new levies must be taken seriously. "The escalation is starting to happen," he said.

General Motors is watching trade negotiations closely and providing input, CEO Mary Barra told reporters June 12 ahead of the auto-

maker's annual meeting. She didn't directly answer when asked how a 25 percent imported vehicle tariff would impact the company.

"We want to make sure that we maintain affordability in vehicles, because that's so important — to continue to support the market that's strong, that is supporting a lot of jobs," Barra said. LMC estimates that GM will sell 1.16 million imported vehicles in the U.S. this year, about 39 percent of the company's total deliveries.

If Trump follows through with the 25 percent tariff, Schuster said U.S. consumers would likely react in three ways. Some would look to the used car market, especially lightly used cars coming off lease. Others would shift to domestically produced vehicles with cheaper

price tags. And a third group might just postpone buying a new car, under the assumption that the tariffs are the result of a temporary political spat.

Trump ordered the investigation into auto imports under Section 232 of the Trade Expansion Act of 1962, the same power he used to impose global tariffs on imported steel and aluminum.

While U.S. metal producers have been ravaged by global overproduction and depressed prices, the car market is much healthier. Sales have been slipping from a record of almost 17.6 million units in 2016, but LMC predicts a still-strong 17.1 million deliveries this year, and vehicles sold at record average prices approaching \$33,000 last month.

Remember the regs when employing minors ages 14 to 17

As high school students embark on summer jobs, dealers should be aware of the child labor laws that set forth a number of provisions which apply to 14- through 17-year-olds.

Employees ages 14 and 15 may perform nonhazardous jobs, and work no more than eight hours a day and 40 hours a week. Work cannot begin before 7 a.m. or end after 9 p.m.

Under Illinois law, 16- and 17-year-olds can perform any nonhazardous job for eight hours a day and 44 hours a week at a maximum six-day work-week.

Nonhazardous duties include:

- office and clerical work;
- selling/cashier;
- errand and delivery work by foot, bicycle or public transportation;
- clean-up work and grounds maintenance (Federal law prohibits employees 15 or younger from operating power-driven mowers or cutters.);
- car cleaning, washing and polishing, not including work involving the inflation of any tire mounted on a rim equipped with a removable ring; and
- use of vehicle lifts and grease racks by employees 16 and older.

The U.S. Department of Labor has concluded that the use of vehicle lifts does not amount to a hazardous occupation.

Nonhazardous duty requirements apply to any minor employee, including a son or daughter of the dealer. Every minor employee must receive at least minimum wage per hour — \$8.25 in Illinois (\$10.50 in Chicago, \$11 effective July 1), \$7.25 in Indiana — for all hours worked. Sixteen- and 17-year-olds are subject to be paid overtime for any hours worked over 40.

Teen Driving Rules

The U.S. Labor Department has provided rules to clarify the Drive for Teen Employment Act of 1998,

to advise what constitutes prohibited “urgent time-sensitive deliveries.” The rules also clarify that, while employers have to prove compliance with the act, no specific records must be created or maintained.

Under the act, licensed 17-year-olds are permitted to engage in limited driving on public roads. Licensed 16-year-olds may drive only on private property, such as dealership lots; 16-year-olds may not drive on public roadways in the course of employment. On-the-job driving by employees 18 and older is not regulated.

Seventeen-year-olds may drive on public roads while on the job, if they:

- hold a valid state driver’s license;
- have completed a state-approved driver education course;
- are instructed that seat belts must be used; and
- do not have a record of moving violations at the time of hire.

The motor vehicle driven must not exceed 6,000 lbs. gross vehicle weight; be equipped with a seat belt; and not be used for the towing of vehicles.

Driving is permitted if it is restricted to daylight hours; within a 30-mile radius of the place of employment; and occasional and incidental (no more than one-third of an employee’s work time on a daily basis and no more than 20 percent of an employee’s work time per week).

Urgent, time-sensitive deliveries are prohibited for drivers under the age of 18. Because they may be subject to timelines, schedules, and/or turnaround times, drivers might attempt to hurry to complete the delivery.

Prohibited trips include the delivery of materials under a deadline (e.g., deposits to a bank at closing) and the shuttling of passengers to and from transportation depots to meet transport schedules.

Delivery, Passenger Transport

The law allows 17-year-olds limited daily trips for delivery and passenger transport:

- up to two trips may be made to deliver an employer’s goods to a customer. The delivery of a vehicle is not subject to this limitation;
- transporting of persons is limited to three passengers (including other employees);
- transporting non-employee passengers is limited to two trips a day; and
- in addition to urgent, time-sensitive deliveries, other types of deliveries that are prohibited include route deliveries or sales; or for hire transportation of property, goods or passengers.

Background Checks

At the time of application, prospective drivers/ employees should sign a waiver authorizing background checks for driving record and driver’s education verification.

Prospective drivers/employees should be told at the time they are making application for employment that, if hired, they will be required to provide a written, signed statement that they meet the criteria of the requirements listed earlier, such as a valid driver’s license. Since the law requires that teenage drivers be instructed to wear safety belts, the statement should also include a certification from teenage employees that they have been so instructed.

Working Papers for Minors

Working papers must be obtained from public school officials in the district in which the minor resides before a minor may work in a dealership. The minor’s parent, guardian, or legal custodian must apply for these permits and certificates.

If the minor is terminated, the employment certificate must be returned to the issuing official. If the minor uses a work permit, the employer must notify the school district within five days of the termination.

Thanks, sponsors!

Many allied members of the CATA participated as sponsors of the association's golf outing on June 12, to help offset the event's costs. Please express your thanks to the sponsors and give them your consideration when doing business throughout the coming year.

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ABC 7 Chicago

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