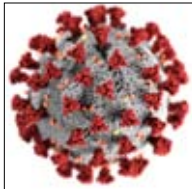




Mandatory vaccinations or weekly testing part of Biden Covid plan

As part of his plan for the U.S. to overcome the coronavirus pandemic, President Joe Biden on Sept. 9 announced a [Covid-19 Action Plan](#) and directed the U.S. Labor Department's Occupational Safety and Health Administration to draft a rule requiring companies with 100 or more employees to either (1) ensure that their workforce is "fully vaccinated" or (2) require any workers who remain unvaccinated to produce a negative test for Covid-19 at



SEE **COVID**, PAGE 4

New Illinois task force to battle retail thefts

Illinois Attorney General Kwame Raoul on Sept. 13 announced a partnership between public and private entities, including the Chicago Automobile Trade Association, designed to combat the increase in organized retail crime. Such crime and retail fraud can be mistaken for isolated incidents committed by low-level offenders, but organized crime rings often are behind the incidents.

The new Organized Retail Crime Task Force is comprised of career investigators and attorneys from the attorney general's Criminal Enforcement Division working with the U.S. Secret Service, the Department of Homeland Security, the Illinois State Police, the Barrington Police Department, the

West Chicago Police Department, the Cook County Sheriff's office, the Illinois Association of Chiefs of Police and the Illinois Association of State's Attorneys.

The task force will consult with the Illinois Retail Merchants Association, the Magnificent Mile Association, the CATA, the Internet Association, and national retailers including CVS, Home Depot, Lowe's, Target, Walgreens and Walmart.

"Organized retail crime is a multibillion dollar per year industry," Raoul said, "but more important than the financial cost is the danger organized retail crime poses to our communities. These brazen, violent crimes are committed by

SEE **THEFTS**, PAGE 2

Auto industry hit hardest by Covid supply chain disruptions, survey finds

The automotive sector was hit the hardest by supply chain disruptions during the Covid-19 pandemic, according to a survey that covered six broad industries.

The survey was conducted by the Economist Intelligence Unit

and sponsored by Citi. It surveyed 175 supply chain managers — more than 70% of which were based in Asia — in February and March this year, and its findings were released in late August.

In addition to auto,

the respondents came from five other industries:

- Footwear and apparel;
- Food and beverage;
- Manufacturing;
- IT, tech and electronics;
- Healthcare, pharma-

SEE **SUPPLY**, PAGE 4

Ill. to give \$4K for electric cars

Illinois Gov. J.B. Pritzker on Sept. 15 signed legislation that provides for a \$4,000 rebate on electric vehicle purchases starting in July 2022. Pritzker said the rebate would be available to all Illinoisans, not just those in certain counties, as had been discussed during floor debate of the bill.

Rebate eligibility could be clarified in follow-up legislation which lawmakers have said will be considered in the fall veto session to clean up portions of the nearly 1,000-page bill. The

SEE **REBATE**, PAGE 3

Automakers increasingly aim to keep supplies low, prices high

Several factors have combined to push car inventories low and prices to record highs throughout 2021. Some automakers plan to keep them there. A new report says that two of Germany's more prominent luxury automakers plan to keep inventories low even after the crisis resolves.

A supply crisis all year

A worldwide shortage of microchips has hobbled car factories this year. Most new cars contain more than 100 of the tiny processors, controlling everything from engine performance to Bluetooth phone connections. But the chips are in short supply globally.

Automakers trimmed their orders for chips as the Covid-19 pandemic limited new-car shopping last year. But consumers went on an electronics buying frenzy to accommodate working and attending school from home. As car sales began to rebound, chipmakers had no

excess capacity to build new chips for car companies. That has left factories slow, inventories low, and prices high.

Analysts don't expect the situation to ease until late 2022 or even early 2023. But, when it does, some automakers may not return to their old practice of sending plenty of inventory to dealership lots.

'We will consciously undersupply demand'

BMW Chief Financial Officer Nicolas Peter said the automaker plans to "clearly stick with ... the way we manage supply to keep our pricing power at the current level."

Mercedes-Benz parent Daimler AG has the same idea. "We will consciously undersupply demand level," Daimler's CFO Harald Wilhelm said. The company will "shift gears towards the higher, the luxury end," he added.

The two German companies are not

alone. General Motors Chief Executive Mary Barra told reporters in May the company would "never go back to the level of inventories that we held pre-pandemic because we've learned we can be much more efficient."

Falling incentives

Some automakers had begun deliberately reducing their inventories before the chip shortage began. That approach allows dealers to discount cars less. Before the pandemic, Kelley Blue Book data show, incentives made up 10.9% of the average new-car transaction. At the end of August, they made up just 5.9%.

American buyers are accustomed to buying a car from what their local dealership has in stock and driving it home the same day. But BMW's Peter said that the pandemic has proven "customers are ready to wait three to four months, and this is helping our pricing power."

Thefts

CONTINUED FROM PAGE 1

sophisticated criminal organizations that are involved in drug trafficking, human trafficking and other serious crimes.

"Even during the looting we saw last year, we came to understand that some of these criminal acts were not merely opportunistic, but organized in advance. The task force will allow investigators and prosecutors in my office to better collaborate with our law enforcement partners and ensure cooperation between law enforcement, as well as retailers and online marketplaces, to protect communities, consumers and combat the rise in retail crime."

Before the recent rise in auto thefts and carjackings in Illinois, the crime was decreasing before the pandemic. QuoteWizard looked at statistics from 2010 through 2019 and found auto thefts in Illinois decreased by 21 percent, one of the biggest drops in the country.

The theft of auto parts has skyrocketed in many states during the Covid-19 pandemic, particularly when it comes to catalytic converters. According to State Farm claims data, Illinois ranks fifth in the nation for auto parts theft.

Because retail crimes often are coordinated by organized crime outfits, various law enforcement agencies may be investigating the same target in different communities. Without sufficient coordination, both agencies can be led to believe that they are dealing with isolated actors rather than a pattern of organized crime.

Selling inventory but losing customers

BY RICK TWYDELL

URBAN SCIENCE

In today's challenging retail automotive market — with low inventory due to chip shortages — and a strong trend of consumer demand for new vehicles, it's easy for dealers to focus on what they *don't* have. A better strategy embraces both the "here-and-now" and the future.

For the here-and-now, dealers would be well advised to focus on — and make the most of — the inventory they *do* have, so as to prevent losing customers to other dealers. For the future (and for dealers faced with shoppers determined to get exactly what they want), dealers should encourage shoppers to order and wait for their new vehicle.

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David E. Sloan
Erik K. Higgins

President, Publisher
Editor, Director of Dealer Affairs

The next best electric car battery is here, cheaper than ever

BY ANJANI TRIVEDI

BLOOMBERG

There's no shortage of excitement for electric vehicle battery startups or multibillion dollar investments in the industry, as companies, backers and scientists look for the winning play. China, though, is already moving on to the next leg in the race with sodium-ion batteries — one that isn't dependent on a big, bold breakthrough.

Done right, the technology could lead to widespread adoption in a market largely dependent on subsidies and where EV sales are still a fraction of all cars.

China's Contemporary Amperex Technology Co., or CATL, the world's largest battery manufacturer, unveiled its latest product in July: a sodium-ion battery. Last month, China's Ministry of Industry and Information Technology said it would drive the development, standardization and commercialization of this type of power-pack, providing a cheaper, faster-charging and safe alternative to the current crop on sale, which continue to be plagued by a host of problems, not least, faulty units catching fire.

Sodium-ion batteries aren't a new development. They were being researched in the 1970s, but interest was quickly overtaken by a newer, fancier, more promising variety: the lithium-ion battery. Their widespread use meant the sodium-based units didn't have many takers and any ongoing development took a back seat.

Now, decades on, the challenges with lithium-ion batteries are becoming apparent. Carmakers and battery manufacturers are focused on bringing down costs — a perennial obstacle. And while lithium-ion batteries have been one of the greatest inventions in power storage, they are increasingly coming up against issues including the cost and availability of materials, and safety. There's a constant tug-of-war between stable chemistry so the battery doesn't combust and greater energy density. Clear solutions largely have confounded scientists, and what is available isn't good enough to make lithium-ion scalable and commercially viable for electric vehicles.

The sodium-based batteries aren't going to take elec-

tric cars any farther than lithium can. Not anytime soon, at least. However, the materials needed to make them are widely available. The content of sodium in earth reserves is about 2.5%-3%, or 300 times more than lithium and is more evenly distributed, according to Jefferies Group LLC analysts. That means it has a major cost advantage: These power packs could cost almost 30%-50% less than the cheapest electric car battery options currently available. In addition, the price of sodium is less sensitive to market gyrations compared with lithium, increasingly a sentiment gauge for the world's green ambitions.

And although sodium-ion batteries currently have a relatively lower energy density, they run better at cooler temperatures and have a greater life span, making them a better long-term investment, in theory. CATL's latest product is expected to have an energy density of 160 Watt-hour per kilogram and will take 15 minutes to reach 80% of its charge. That's on par with batteries currently on the market, ranging from 140 Wh/kg to 180 and 240 in the highest end type (that have proven to be combustible at times).

Sodium-ion batteries will effectively need a new supply chain — they can't rely on the well-established lithium-ion ones. Low material costs, though, means manufacturing expenses will be reduced and honing the existing production processes to upgrade these older batteries will be faster. CATL has said it will have a supply chain in place by 2023. Other companies such as HiNa Battery Technology Co. already have projects in progress.

Ultimately, the ability to put cheaper and safer options on the market also means widespread accessibility for price-conscious consumers or resource-constrained nations. Countries such as India and South Africa are vying to get on the electric car bandwagon with big, ambitious plans to hit global green targets. However, they just don't have the resources or access to them — neither financial nor raw materials. Options like the sodium-ion battery offer a clear path to go electric and make headway with their climate change goals.

Rebate

CONTINUED FROM PAGE 1

sweeping energy regulation overhaul aims to phase out carbon emissions from the energy sector by 2045 while diversifying the renewable energy workforce.

The electric vehicle portion of [Senate Bill 2408](#) aims to put 1 million electric vehicles on Illinois roads by 2030, also

by offering incentives of up to 80% on the cost of charging stations that were built by labor paid at the prevailing wage, based on a number of factors.

The new law also provides subsidies to convert coal-fired plants to solar or energy storage facilities at about \$47 million annually starting in 2024. That provision, according to state Sen. Michael Hastings, D-Tinley Park, will be

a boon to downstate by helping “transition shuttered coal plants into state-of-the-art solar energy sites with world-renowned battery storage,” a provision aimed at boosting the reliability of otherwise intermittent resources such as wind and solar.

Pritzker's signature marked a celebratory end to negotiations that began shortly after he took office in 2019.

As dealers search for units, flood-damaged cars flood the market

In their searches for used-vehicle inventories, dealers should be extra cautious about buying any that may have been impacted by the recent spate of wet weather in parts of the country.

As storm-ravaged areas take stock of the destruction left by Hurricane Ida, thousands of flooded cars are expected to be among the personal property that was ruined. While cars with flood damage may

have titles that indicate that, the system is not foolproof — which means some of these autos likely will be purchased by unknowing buyers.

“Unfortunately, following major hurricanes or flooding events, we see fraudsters try to scam consumers by selling cars damaged in the flooding,” said Tully Lehman, public affairs manager for the National Insurance Crime Bureau.

Compounding the potential for fraud this time around is the high demand for used cars as the global shortage of microchips continues slowing production of new vehicles. That demand could create an opportunity for scammers to take advantage of buyers’ eagerness to seal a deal, experts said.

Ida slammed into Louisiana on Aug. 29 and then moved inland, eventually crossing over the mid-At-

lantic and Northeast. The storm left a trail of devastation in its wake: deadly flooding, high winds, storm surge and tornadoes. That was on the heels of two other large storms that dumped torrential downpours in the Southeast and Northeast.

About 378,000 flood-damaged cars already were on the roads before Ida hit, Carfax spokesman Chris Basso said.

“If history holds

true, we’re looking at several thousand more [flooded] vehicles, and a decent percentage of them will make it back into the market,” Basso said.

Flooded cars often end up for sale in places far from where they originally were damaged. Be sure to check used vehicles for signs of flood damage.

Example: A musty odor in the interior, which sellers sometimes try to cover with a strong air-freshener.

Covid

CONTINUED FROM PAGE 1
least once a week.

OSHA is expeditiously developing an emergency technical standard (ETS) to implement Biden’s directive. Early information from White House officials suggests that covered dealers also will be required to provide employees with paid time off to get vaccinated and/or to recover from any vaccination side-effects.

It was not immediately clear when the rule would be issued or when it would take effect. In addition, details on issues such as how dealers will be required to determine who is vaccinated and who is not, and what types of tests will be required were not immediately announced. Answers for those and similar questions likely will be addressed in the ETS.

Until the ETS takes effect, dealers are urged to consult with outside counsel regarding the adoption of workplace vaccination policies.

The Covid Action Plan also includes emergency funds for schools to provide safe environments for students and educators.

Supply

CONTINUED FROM PAGE 1

ceuticals and biotechnology.

About 51.7% of respondents from the auto sector said disruptions to supply chains were “very significant” — the highest proportion across the six industries.

The footwear and apparel industry came in second with 43.3% respondents reporting “very significant” disruptions. Meanwhile, only 6.7% from the IT, tech and electronics sector indicated the same.

Over the past year, the movement of goods was disrupted as the global spread of Covid forced many countries to shut borders, close workplaces or limit exports.

The spread of the more transmissible delta variant again heightened such worries, as major Asian manufacturing hubs such as China and Vietnam in recent weeks locked down parts of their countries to curb a rise in Covid cases.

The auto industry was particularly affected by a shortage of semiconductors, which caused several carmak-

ers to cut production at some of their plants. The chip shortage was caused by a surge in demand for personal computers and other consumer electronics as many people were kept at home during Covid lockdowns.

New locations

The pandemic has led some businesses to rethink their supply chains for the longer term, with about a third of respondents conducting a complete overhaul, the survey found.

One in five supply chain managers surveyed have invested or are looking to invest in the Philippines and India in the next 12 months as part of their strategy.

“Cheap labor costs and young populations in both those countries are important factors in this choice,” said the report outlining the survey findings.

The report noted that the Philippine government is keen to attract manufacturing investments in sectors including electronics, automotive, aerospace, health and IT.

India, meanwhile, was a preferred location for many supply chain managers in the auto sector, according to the report.