



# CATA Bulletin

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## Wickstrom elected new association chairman

Casey Wickstrom's fellow directors of the Chicago Automobile Trade Association on June 11 elected him CATA chairman of the board for the next 12 months.

The new board chairman succeeds Mike McGrath, who becomes chairman of the 2004 Chicago Auto Show. Wickstrom will serve as vice chairman of that

show, Feb. 6-15, 2004.

Wickstrom, president of Dick Wickstrom Chevrolet in Roselle, leads a board of 18 directors.

Other board officers are Vice Chairman Art Kelly (Kelly Nissan, Oak Lawn); Treasurer Terry D'Arcy (D'Arcy Buick-GMC-Olds and D'Arcy Volkswagen-Hyundai-Isuzu, both in



Casey Wickstrom



Mike McGrath

Joliet); and Secretary Bob Loquercio (Elgin Toyota).

Jerry Cizek is president of the association.

## Dolan joins 5 incumbents elected as CATA directors

Mary Dolan this month became the first woman and the first heavy-duty truck dealer ever elected to the CATA board of directors, in balloting by association dealer-members.

Dolan, president of Freeway Ford-Sterling Truck Sales in Lyons, and five board incumbents were the top six vote-getters on the eight-person ballot. They were elected for three-year terms. A director may serve up to three terms.

Election results were announced June 9 at the CATA's annual meeting and golf outing at Cog Hill Golf and Country Club in Lemont. Beautiful weather greeted the golfers that day to another first: a shotgun start. The CATA board made that change to encourage more golfers to remain for the 7 p.m. dinner meeting. The day's events at-

tracted 548 CATA members and their guests.

Bill Hartigan (Heritage Cadillac, Lombard), Dan Martino (Martino Oldsmobile, Lansing; Martino Pontiac-GMC, South Holland), Jeff Sullivan (Bill Sullivan Pontiac, Arlington Heights) and Casey Wickstrom (Dick Wickstrom Chevrolet, Roselle) were elected to their third and final terms. Bob Loquercio (Elgin Toyota) gained his second term on the board.

In addition to the six directors elected this month, the CATA board includes Terry D'Arcy, Lee Drabek, Steve Foley Jr., John Guido, Bill Hawkinson, Bill Jacobs, Art Kelly, Mike McGrath, Kevin Mize, John Phelan, Mark Scarpelli and Dave Taylor.

McGrath, whose yearlong term as CATA chairman concluded this month, reflected about some of the association's visible endeavors, including the Chicago Auto Show; the association's radio program on WLS-AM; and [www.DriveChicago.com/](http://www.DriveChicago.com/)

"For the past couple of years," McGrath said, "we have watched DriveChicago grow to the point where it is, without a doubt, *the* definitive online source for buyers in Chicagoland.

"And if our success on the Internet isn't enough, a few months ago we launched DriveChicago InPrint. Thousand of copies of this new publication are offered free all over the area.

"It strengthens an already strong property, and we'll soon make it a weekly publication."

# Popularity of used-vehicle certification programs soars despite competition from incentives-laden new vehicles

## *Lexus program tops in CSI For 2nd straight year*

Sales and awareness of certified pre-owned vehicles continue to increase, despite competition from aggressive new-vehicle incentives, according to a J.D. Power and Associates study released this month.

The 2003 Used Vehicle Sales and Certification Study, which measures the satisfaction and experiences of owners of late-model used vehicles that have undergone a dealership certification process, finds that the percentage of used-vehicle buyers who purchased a certified pre-owned (CPO) vehicle has increased to 38 percent—up 3 percent over 2002.

Consumer awareness of CPO programs also continues to increase. Fifty-seven percent of all used-vehicle buyers now are familiar with the programs before they begin the shopping process—up from 54 percent in 2002.

“The late-model used-vehicle market has been directly affected by the heavy use of incentives over the past two years, as potential buyers are lured by the alternative of purchasing a new vehicle,” said Todd Wilson, of J.D. Power and Associates. “Yet the market for certified pre-owned vehicles continues to grow.”

The study finds that CPO buyers are more satisfied with their vehicles and the dealership sales experience than are non-certified buyers. In turn, CPO buyers indicate a much higher likelihood to return to the selling dealership for re-

pairs, routine maintenance and future purchases.

On average, luxury buyers paid nearly \$3,000 more for their certified used vehicle than did buyers of non-certified luxury brands, while non-luxury buyers paid \$1,000 more.

“Without question, consumers rate the warranties that come with CPO vehicles as the most valuable feature of the programs, and they’re willing to pay more for the added peace of mind,” Wilson said.

For the second year in a row, the Lexus certified pre-owned program ranks highest in customer satisfaction by a substantial margin. Lexus tops the industry in areas such as shopping experience and vehicle quality, as well as program features accompanying certification.

The 2003 Used Vehicle Sales and Certification

Study measured the experiences of almost 16,000 used-vehicle owners who purchased their vehicles in late 2002.

Consumers rated such program features as bumper-to-bumper warranties, mechanical inspections, service plans and roadside assistance.

### Chicago Auto Show to permit certified used vehicles in displays

Directors of the CATA voted June 11 to modify Chicago Auto Show rules to allow up to one manufacturer-certified pre-owned vehicle in a manufacturer’s display, to help promote the certification programs.

Any used vehicle would have to be positioned at the rear of the display so as not to obstruct the new vehicles exhibited.

Used vehicles were displayed at the Chicago Auto Show many years ago, but not since. The CATA board action allows the display of a vehicle aged up to five years, the typical length of a manufacturer’s certification program. However, most directors expect any used vehicles at the auto show to be 1 year old.

“Allowing the certified pre-owned vehicles in the show benefits dealers,” said 2004 Chicago Auto Show Chairman Mike McGrath, “because new-car dealerships are the only places to get them.”

**www.cata.info**

*Your source for past editions of this newsletter and other CATA goodies.*

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Review past editions or search by topic at [www.cata.info/](http://www.cata.info/)

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## *Industry lenders gather with NADA to review RouteOne program*

By **RAY SCARPELLI**

NADA DIRECTOR, METRO CHICAGO

The NADA's Industry Relations team met with RouteOne President and CEO Mike Jurecki and other officials of the credit application aggregate owned by GMAC, Ford Motor Credit, DaimlerChrysler Services and Toyota Financial Services.

RouteOne representatives provided an update on their activities and laid out the timeline the joint venture has established for its product launch. The NADA reps gave a dealer perspective on the RouteOne offerings and stressed the importance of encouraging competition and minimizing recurring dealer charges.

In Washington, the Senate Energy and Natural Resources Committee defeated an amendment to significantly increase light-truck CAFE standards. The amendment would have required by 2011 a light-truck standard of 27.5 miles per gallon, equaling the current standard for passenger cars. Now, the light-truck standard for pickups, SUVs, and minivans is 20.7 mpg, and the

National Highway Traffic Safety Administration recently raised the standard to 22.2 mpg by 2007. Earlier, the House Energy and Commerce Committee defeated an amendment to the energy bill that would have mandated a reduction in oil used to fuel cars and trucks, and possibly a CAFE standard of 36 mpg.

In the House, the leadership has scheduled a vote on H.R. 57, an NADA-backed bill that would permanently repeal the Estate Tax. The bill was scheduled to come to the floor last week. It is anticipated that there are enough votes for passage, but the NADA's Legislative office is working closely with the House leadership to identify representatives who are undecided on the bill and may need attention. If you are asked to contact one of these members in the next few days, we would appreciate your prompt response.

The bankruptcy reform bill (H.R. 975) passed by the House includes an NADA provision that would extend the time period, from 20 days to 30 days, that dealers have to perfect their liens. Efforts are underway to bring the bill to the Senate floor.

The association's Regulatory

Affairs department is monitoring nearly 80 regulations at 15 federal agencies and there some deadlines that deserve your attention.

- By Aug. 17, dealerships with above-ground storage capacity of more than 1,320 gallons of used or new oil, fuel, automatic transmission or other EPA-regulated substances must hire a professional engineer to draft amendments to their Spill Prevention, and Control and Countermeasure plans. The enforcement deadline of the EPA rule has accelerated to Feb. 18, 2005. Responding to comments from the NADA and others, the EPA dropped the 660 gallon-per-tank threshold.

- April 14, 2004, is the deadline to comply with a U.S. Department of Health and Human Services rule on health-privacy regulations.

Also, the Regulatory Affairs team has prepared a top 10 list of things dealers can do to prevent or minimize Superfund liability. The list appears at [www.nada.org](http://www.nada.org).

It is an honor to represent you on the NADA board of directors. Make sure your NADA membership is up-to-date!

## **U.S. House moves to permanently repeal estate tax, reform class action suits**

The House of Representatives voted 264-163, largely along party lines, on June 18 to make permanent the repeal of the federal estate tax.

A 2001 law that repealed the estate tax called for the tax to expire Jan. 1, 2010, then be reinstated in 2011. That meant that if a wealthy parent died in 2010, her children could inherit an unlimited amount, tax-free, but if she died in 2011, they'd be taxed.

The matter now moves to the Senate, where it needs 60 supporters to

overcome an expected Democratic-led filibuster.

On June 12, the House passed the Class Action Fairness Act of 2003. Thirty-two Democrats joined 221 Republicans to pass the bill 253-170.

"We are very pleased by the bipartisan support for class action reform and appreciate the support of the 253 lawmakers who voted in favor of this important legislation," said Tim Smith, chairman of the AIADA..

Supporters of class action reform

call it the first step towards restoring balance to the nation's judicial system, by bringing fair and efficient methods to resolve legitimate claims.

By relieving businesses of the threat of frivolous lawsuits, the AIADA contends business owners would introduce new products into the marketplace and contribute to the economy with jobs and overall business expansion.

The AIADA now will focus its effort on the Senate, where a vote is expected this summer.

## CATA Learning University offers reimbursement for course tuitions

Tuition to the courses offered by CATA Learning University essentially has been halved, following CATA board action this month to offer 50 percent rebates to dealerships whose employees complete the courses.

Learning University offers courses that range from one to three days for salespeople and sales managers, service advisors and receptionists. See the flyer in this newsletter for upcoming dates of the classes. Resource Automotive Group, a CATA allied member, provides coursework instruction.

Upon an employee's

completion of a class, the sponsoring dealership would be refunded half the tuition.

"We want our dealer members to make use of training available to them," said CATA Chairman Casey Wickstrom. "A better trained workforce in the retail automotive industry benefits us all.

"As we cultivate the idea of our industry as an attractive career option, the quality of the people we attract certainly will improve.

"That's why CATA Learning University was created, and that's why the CATA board is excited to offer this valuable membership benefit."

## Dealers could not have sidestepped fee increases imposed by governor

The recent compromise measure offered to Illinois Gov. Rod Blagojevich by the CATA and the IADA, which raised a new-car dealer's annual license fee from \$100 to \$1,000, left many dealers howling that the associations should have deflected any fee increases for dealers.

But faced with a \$5 billion state budget deficit, the governor's office estimated it could collect \$5 million by eliminating the interim use and demonstrator tax exemptions that dealers now enjoy.

A paperwork nightmare would have developed under that proposal, which would have assigned a Use Tax to service loaners, sales demon-

strators, test drive vehicles, driver's education vehicles, vehicles loaned to charities, parade vehicles and parts trucks.

Blagojevich's staff said the tax exemptions would remain if the CATA and the IADA offered an alternate method to raise \$5 million from the dealer body.

An increase in license fees for new- and used-car dealers—as well as for body shops, rebuilders, motorcycle dealers, parts recyclers, auctioneers and scrap processors—meets the governor's \$5 million goal.

No fee increase is welcomed. But in this case, it beats the alternative.



Joe Amendola (center, foreground) qualified for the chance at the CATA annual meeting to win \$10,000 by sinking a 50-foot putt. Alas, the ball stopped short of the cup.

## And the winners were . . .

The following participants were winners of specialty hole contests June 9 at the CATA Annual Meeting and Golf Outing at Cog Hill Golf and Country Club in Lemont.

### Course 1

|                   |                                 |
|-------------------|---------------------------------|
| Longest Drive     | Bob Vittorio and Steve Clugston |
| Straightest Drive | Tom DeSimone and Randy Pearson  |
| Longest Putt      | Michelle Maro                   |

### Course 2

|                   |                             |
|-------------------|-----------------------------|
| Longest Drive     | Doug Mitchell and Josh Ward |
| Straightest Drive | Steve Pearl and Fred Cioffi |
| Longest Putt      | Tim Clark                   |

### Course 3

|                   |                             |
|-------------------|-----------------------------|
| Longest Drive     | Pat Murphy and Lance Castle |
| Straightest Drive | Joe Lipari                  |
| Longest Putt      | Mike Fuse                   |

Unfortunately, none of the golfers walked away with the Hole-in-One prizes. Congratulations to all!

## Congratulations!

**Lexus of Naperville** earned the carmaker's 2002 "Elite of Lexus" award for dedication to sales, service and customer satisfaction.

Audi of America and Volkswagen of America named 107 parts managers nationwide to the Platinum Club, including six locally. They are **Tom Colella, Fletcher Jones VW, Chicago; Greg Foskett, Larry Roesch VW of Bensenville; George Koselinski, West Suburban Imports, Maywood; Tom Martin, Audi Exchange, Highland Park; David Noorman, Schaumburg Audi; and Dave Raguse, Laurel Audi of Westmont.**