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'We're all in this together'

Dear Fellow Dealer:

The CATA Board of Directors met March 17, and the prevailing spirit from the directors was, "We're all in this together." A room full of competitors in the car business, and we were all united in feeling that cooperation and information-sharing will help us get through this National Emergency, as declared by the President.

There are more questions than answers right now but we want to provide you with a clearinghouse of updated information to keep your decisions informed to the greatest extent possible. Look to the CATA website, www.cata.info, for information to help you run your business during this unique time in our history.

Right now, it seems like most dealers in the Chicago market are trying to stay open while keeping employees and customers safe. Dealers are looking to cut costs wherever possible and persuading the OEMs to provide incentives and assistance to keep our businesses running.

The National Auto Dealers Association is lobbying in Washington to designate franchised dealers as essential businesses — especially considering our parts and service operations — and we will do the same in Illinois, to give you the option to stay open.

The CATA will remain functioning while we follow the guidelines issued by the Centers for Disease Control and Prevention. Please call us whenever you have a question or concern that we can help with. We will work to stay on top of all developments and keep you informed. Check the CATA website, www.cata.info, often.

Bill Haggerty

Chairman, Chicago Automobile Trade Association

David E. Sloan

President, Chicago Automobile Trade Association

Action sought to deem dealerships 'essential'

In a March 17 letter to President Donald Trump, the leaders of the National Automobile Dealers Association and the Alliance for Automotive Innovation urged him, when considering any executive orders in response to the COVID-19 pandemic, to classify dealerships as "essential" businesses exempt from forced closures.

"Given the importance of safe transportation in addressing the coronavirus outbreak, we have an obligation to en-

sure that motor vehicles remain safe and are properly maintained," NADA President Peter Welch and AAI President John Bozzella wrote.

Illinois Gov. JB Pritzker has been similarly approached, but a federal dictate would ensure uniform rules for dealerships across the U.S.

A significant number of states and cities have taken emergency action this month to force the closure of business-

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Virus slows effort to repeal trade-in cap

The coronavirus that is disrupting personal and professional affairs across the globe can count another victim: the Illinois General Assembly.

No hearings are scheduled in either the state Senate or House of Representatives through May 31, when the bodies ordinarily adjourn their spring sessions.

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Jason Roberts, left, a CATA director, accepts the recognition from BBB President Steve Bernas, right, at a BBB event March 5.

CATA marks 85 years with BBB accreditation

The Better Business Bureau of Chicago & Northern Illinois recognized the CATA on March 5 for marking 85 years as an accredited BBB member.

“Our valued partnership with the CATA exemplifies a powerful partnership with the goals and principles of the Better Business Bureau,” says Steve J. Bernas, president & CEO of the BBB’s Chicago office.

“We are honored to recognize the CATA as both organizations strive to support and foster an ethical marketplace benefiting both consumers and businesses.”

Since 1996, in a step to better serve the consumer. New-car dealers, other automotive advertisers, the BBB and the CATA established an advertising review program to review possible deceptive automotive advertising. The program has been welcomed by the Illinois attorney general’s office for its self-regulatory approach.

The program levels the playing field for automotive advertisers while providing the public with the reassurance that automotive advertising is truthful.

Congratulations!

Hawk Volkswagen of Joliet, **Bill Jacobs Volkswagen** (Naperville), **Jennings Volkswagen** (Glenview), and **Muller Volkswagen** (Highland Park) were named members of Volkswagen’s 2019 Wolfsburg Crest Club, for extraordinary sales and customer experience efforts.

Auto defaults drop in February

Here’s some encouraging news amid all of the economic turmoil caused by COVID-19. The auto segment of the S&P/Experian Consumer Credit Default Indices showed a significant decline in February.

Dow Jones Indices and Experian on March 17 released their data through February and reported that auto defaults dropped 10 basis points on a sequential basis to land at 0.89%. That’s the lowest reading since last July when it also stood at 0.89% after two straight months when analysts pegged the metric at 0.87%.

For some perspective in light of the coronavirus impact, data from Dow Jones Indices and Experian indicated the reading in January 2010 was 2.57% when the industry still was recovering from the Great Recession.

Returning to the February data, Dow Jones Indices and Experian indicate the composite rate — a comprehensive measure of changes in consumer credit defaults — remained unchanged at 1.02%.

Analysts also found the first mortgage default rate also stayed unchanged in

February, holding at 0.84%. Going counter to the auto sector, Dow Jones Indices and Experian noticed the bank card default rate increased 13 basis points to 3.41%.

Among the five major metropolitan areas analysts track for the monthly update, analysts pointed out that four cities posted lower default rates in February compared to the previous month.

Miami generated the largest decrease, dropping 11 basis points to 1.66%. New York fell 7 basis points to 1.00%, while Los Angeles dropped 6 basis points to 0.80%. Dallas dipped 5 basis points to settle at 1.02%.

Chicago was the only major metropolitan area that increased in February, rising 4 basis points to 1.21%.

Jointly developed by S&P Indices and Experian, analysts noted the S&P/Experian Consumer Credit Default Indices are published monthly with the intent to accurately track the default experience of consumer balances in four key loan categories: auto, bankcard, first mortgage lien and second mortgage lien.

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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

Up-to-date coronavirus information posted on CATA website

The emergence of COVID-19 (coronavirus) in the U.S. has understandably led to questions about how franchised dealerships should prepare and respond. Obtaining current information about a rapidly evolving situation, as well as information related to your local area, is critical.

The CATA has rounded up guidance — federal and state-level — for businesses and individuals to navigate the coronavirus pandemic. Select hyperlinks offer answers to frequently asked questions by employers, advice on environmental cleaning and disinfection recommendations, and even hand hygiene.

Take a look at www.cata.info/covid19_resources.



A screenshot of the page on the CATA website.

Congress passes coronavirus legislation, president signs into law

President Donald Trump on March 18 signed into law a coronavirus relief package that includes provisions for free testing for COVID-19 and paid emergency leave.

The law provides many workers at businesses with fewer than 500 employees with up to two weeks of paid sick leave if they are being tested or treated for coronavirus or have been diagnosed with it. Also eligible are those who have been told by a doctor or government official to stay home because of exposure or symptoms.

Businesses will be reimbursed for the full amount within three months, in the form of a payroll tax credit. The reimbursement will also cover the employer's contribution to health insurance premiums during the leave.

It's fully refundable, which means that if the amount that employers pay workers who take leave is larger than what they owe in taxes, the government will send them a check for the remainder.

Under the law, those payments would be capped at \$511 a day, roughly what someone paid \$133,000 earns annually. The original measure called for workers to receive their full pay but limited federal reimbursement to employers to that amount.

Workers with family members affected by coronavirus and those whose children's schools have closed still would receive up to two-thirds of their pay, though that benefit now would be limited to \$200 a day.

The Senate had earlier

on March 18 approved the House-originated bill. The move allowed the upper chamber to devote its full attention to passing the next relief package in response to the coronavirus crisis.

Senate Majority Leader Mitch McConnell and other Senate Republicans had been critical of the House-passed legislation, but they emphasized that it is urgent to get relief to the American people amid the coronavirus crisis.

McConnell reiterated March 18 that he would not adjourn the Senate until it passed what lawmakers are describing as a "phase three" economic stimulus package in response to the coronavirus outbreak.

After an initial vote the previous week, the House approved a set of changes

to the legislation on March 16, clearing the path for the Senate to take it up.

The House legislation was negotiated between House Speaker Nancy Pelosi and the Trump administration and the President expressed support for it.

To aid in social distancing, McConnell announced ahead of the final vote that senators would take precautions during the vote.

"What we'll do is have a 30-minute roll call vote. We want to avoid congregating here in the well," he said. "I would encourage our colleagues to come in and vote and depart the chamber so we don't have gaggles of conversation here on the floor. That's particularly important for our staff here."

Contact us

The staff of the CATA had been working with a patchwork of email addresses. Until now. All suffixes henceforth are @drivechicago.com. Please adjust any correspondence:

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Coronavirus symptoms similar to flu, allergies. So which is it?

Everyone should be concerned about contracting the new coronavirus — if not for oneself, then to protect others who are at risk of becoming severely ill. As with the flu, the virus is more dangerous for people who are older than 60, people who have a weakened immune system, and people with an underlying condition such as diabetes, asthma or another chronic illness.

The flu and the coronavirus can cause similar symptoms — a whole-body malaise, with a fever, a dry cough and a noticeable shortness of breath — but there are differences. Because the symptoms are so similar, doctors will sometimes rule out the flu first.

Spring allergy season tends to trigger many of the same symptoms in many people, adding another diagnostic wrinkle.

With the spread of the coronavirus comes another ailment: anxiety about every single symptom. Is an itchy

nose the result of trying not to touch one's face or is it the onset of the flu? Or is it, just maybe, the coronavirus?

As spring nears, allergies may be triggering symptoms that can make it difficult to determine what your body is trying to fight off. Dr. Amesh Adalja, an infectious disease specialist at the Johns Hopkins Center for Health Security, helps explain the subtle differences between signs of allergies or infection with the flu or the coronavirus.

First, consider the time of year. Allergies and influenza tend to be seasonal. If you have a runny nose in the spring and this happens every year, allergies are the likeliest culprit. If it's winter and flu is raging in your community, then that's the probable explanation. The flu is far more widespread than the coronavirus.

But flulike symptoms in warming weather — in a place with documented coronavirus transmission? Maybe it's not the flu.

Essential

CONTINUED FROM PAGE 1

es deemed “nonessential,” such as movie theatres, shopping malls and museums. By contrast, essential businesses, including healthcare facilities, pharmacies and grocery stores, are able to remain operational.

“Motor vehicles, both new and old,” Welch and Bozzella wrote, “are critical to ensure that the public can get food and other necessities of life, as well as to continue to interact with one another in a manner consistent with public health officials’ recommendations.

“To that end, it is vital that vehicle repair, maintenance and sales facilities be considered essential operations when federal, state and local officials impose certain requirements due to the coronavirus outbreak.”

Cap

CONTINUED FROM PAGE 1

Senate Bill 2481 has enjoyed unanimous support in two roll-call votes. A third affirmative vote would send the bill to the state House. Gov. JB Pritzker has voiced his backing.

The cap took effect Jan. 1 following moves last spring to find funding for the \$45 billion state capital infrastructure plan sought by Pritzker. Under the bill, infrastructure projects would instead be funded, in part, by increasing the sales tax charged in private vehicle sales, based on vehicle age and selling price.

In other news from Springfield, under proposed state legislation, drivers could obtain a registration permit from the Illinois Secretary of State that is valid for 90 days instead of the current term of 30 days. The longer-lasting permit would carry a \$13 fee.

But the future of Senate Bill 3197 is in question, with state lawmakers recessed during the current pandemic outbreak. The General Assembly's 2020 schedule called for bills becoming law to pass out of committee by March 27. An adjusted schedule has not been announced.