



CATA Bulletin



a biweekly newsletter

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Consumer activity at new highs

400+ dealers reaping benefits of DriveChicago portal

Just weeks after launching its redesign, the DriveChicago Web portal has attracted 25 percent more unique visitors than previous measurements. E-mail leads to dealers are up 150 percent, and calls to dealers using unique DriveChicago toll-free telephone numbers are at an all-time high.

In featuring more than 100,000 new and used vehicles of CATA dealers, DriveChicago rightly touts itself as the source for “virtually every vehicle in town!” But not all CATA dealers are fully participating in the portal.

More than 100 dealers still have not submitted vehicle inventories for display on the portal—a function that comes free with CATA membership and only to CATA dealer members.

“The more inventory we can display, the more search indexes will point to DriveChicago and the more people will visit DriveChicago, which benefits all the dealers,” said Guy Lieberman, the portal’s director of sales and training.

Lieberman urged dealers who are not fully participating in DriveChicago to call his office at 630-424-6080. The redesigned portal makes it easy for dealers to manage their inventories, once they are established. Images can be uploaded and prices changed quickly, and the changes appear instantly.

DriveChicago is co-owned by the CATA and Hollinger International, the parent company of the Chicago Sun-Times.

Congress debates crash data stickers on vehicles

Tucked away in the \$295 billion highway funding bill passed by the Senate last week is a provision requiring automakers to include crash-safety and rollover ratings on the Monroney stickers of all new cars. Manufacturers said they do not oppose the rule and have taken no public position.

Assuming the bill becomes law, industry lobbyists are expected to work to influence the final look of the sticker. Gloria Bergquist of the Alliance of Automobile Manufacturers said, “We’re concerned that increasingly putting so much information on automobiles may have the opposite effect of having consumers not read it because there’s so much information.”

Consumer groups strongly support the legislation, known as “Stars on Cars.” They have pushed to provide more information to consum-

ers at new-vehicle showrooms, while creating more demand for safety features.

Earlier this month, the federal General Accountability Office issued a detailed assessment of the National Highway Traffic Safety Administration’s crash test program, saying there was room for improvement.

The GAO found that the star ratings had succeeded in motivating automakers to improve their designs. But with most automakers now routinely achieving four- and five-star ratings, the tests were at risk of losing their relevance.

The highway bill passed by the House differs from the Senate version, so the fate of “Stars on Cars” will be up to a House-Senate conference committee. The Senate bill exceeds the spending limits sought by the House and President Bush.

Survey says, ‘Holiday hours’

Holidays can pose a challenge for retailers. “Should I be open for sales on Christmas Eve? What about the service department? What are my competitors doing?”

Please use the flyer in this newsletter to list your dealership(s) and the business hours you intend to keep on this year’s notable remaining holidays.

Fax completed flyers to the CATA at 630-495-2260. Responses received by June 1 will be tallied and reported in the June 6 edition of this newsletter.

See a related story on Page 4 on Memorial Day entitlements due to unionized employees.

E-mail: Marketing opportunity or potential liability?

What dealers need to know about compliance with CAN-SPAM Act

It comes in a flash, and you think you have a great idea for a quick marketing campaign. You have customer data files, and the “special” is locked and loaded. With a single mouse click, the ad is disseminated to your customers. Now what?

Maybe the phones will start ringing, or maybe you’ll receive an unwanted phone call—from an irate customer who feels he’s been spammed. That certainly wasn’t the dealer’s intention. But has a law been broken? Perhaps.

The Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 imposes restrictions on the use of commercial e-mail messages, but excludes “transactional or relationship” messages from most of the restrictions. The CAN-SPAM Act took effect Jan. 1, 2004.

A commercial e-mail is any message whose primary purpose is “the advertisement of a commercial product or service (including content on an Internet Web site operated for a commercial purpose).” To determine the primary purpose of an e-mail, the Federal Trade Commission established four categories:

Category 1: An e-mail is considered “primary” if its content solely advertises or promotes a product or service.

Category 2: An e-mail with purely “transactional or relationship” content is not considered commercial e-mail.

Category 3: An e-mail that contains both “commercial” content and “transactional or relationship” content is considered “commercial” if either

- a recipient reasonably interpreting the subject line would

likely conclude that the message advertises or promotes a product or service; or

- the message’s “transactional or relationship” content does not appear at or near the beginning of the message.

Category 4: An e-mail that contains both “commercial content” and other content that is not “transactional or relationship” is considered commercial if either

- a recipient reasonably interpreting the subject line would likely conclude that message advertises or promotes a product or service; or

- a recipient reasonably interpreting the body of the message would likely conclude that its primary purpose is to advertise or promote a product or service.

“Commercial” e-mail requirements

Messages categorized as “commercial” must do the following, clearly and conspicuously:

- Identify the message as an advertisement or solicitation.
- Notify the recipient of the opportunity to opt-out of receiving further commercial e-mail messages.
- Provide a valid physical postal address for the sender’s business.
- Provide a functioning return e-mail address or other Internet-based mechanism that permits the recipient to submit an opt-out request.
- Maintain ability to receive any opt-out requests for at least 30 days after the message is transmitted.
- Process any opt-out requests within 10 business days.

Holiday closing



The office of the Chicago Automobile Trade Association will be closed Monday, May 30 in observance

of the Memorial Day holiday. The office resumes business hours May 31.

Dealers are encouraged to alert customers of their holiday business hours.

DriveChicago 
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The CATA Bulletin is published and mailed every other Friday except during the Chicago Auto Show, when it is not published.

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

Review past editions or search by topic at www.cata.info/

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FACT Act amends requirements on prescreened solicitations

Disclosure mandatory Aug. 1

A new Federal Trade Commission rule requires notice to consumers regarding their right to “opt-out” of future prescreened solicitations. Under the Fair Credit Reporting

Act (FCRA), persons who use a credit report to make an unsolicited or “prescreened” offer of credit to a consumer must clearly and conspicuously disclose certain items with each written prescreened solicitation.

The Fair and Accurate Credit Transactions Act of 2003 (FACT Act), which amends the FCRA, directs the FTC to adopt the “opt-out” rule, effective Aug. 1.

Existing duties on users of prescreened lists

- In order to access credit reports to make prescreened solicitations—such as “pre-approved” offers for credit cards—a business must establish the criteria for offering and granting credit before the offer is made, maintain the criteria on file for three years from the date of the offer, and make a “firm offer of credit” to any consumers who meet the criteria.

- Clear and conspicuous disclose with each prescreened offer must include:

- (i) information contained in the consumer’s credit file was used in connection with the offer;

- (ii) the consumer received the offer for having satisfied certain screening criteria for creditworthiness;

- (iii) credit may not be extended if, after the consumer responds, the consumer does not meet the screening criteria or other applicable criteria bearing on creditworthiness, or does not furnish any required collateral; and

- (iv) the consumer may prohibit, or “opt-out” of, the use of his credit information in future prescreened offers of credit by contacting the Consumer Reporting Agency (CRA) that provided the consumer’s information. The business must provide the CRA’s address and toll-free phone number, for receiving the consumer’s opt-out election.

Summary of new disclosure requirements

- The new rule requires that the opt-out notice be presented in a format, type size and manner that is “simple and easy to understand.”

To achieve that, a business must provide two notices with any prescreened offer: a prominent short notice, with basic opt-out information, and a long notice that provides additional required information. The Short and Long Notices must be in the same language as the solicitation. Requirements for each notice are set forth as follows:

A copy of the Final Rule (including model notices) is at <http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/pdf/05-1678.pdf>

Short Notice

- Opt-out opportunity must appear on the front side of the first page of the document, such as a solicitation cover letter. For electronic solicita-

tions, since the Short Notice may not always appear on the first screen of the solicitation due to varying computer settings, it must be included on the same page and in close proximity to the principal marketing text.

- The content must state that the consumer has the right to opt-out of receiving prescreened solicitations, and it must provide the toll-free number the consumer can call to exercise that right.

- Notice must direct the consumer to the long notice and state the heading for the long notice.

- It may not contain any other information.

- It must be in a type size that is larger than the type size of the principal text on the same page, but not smaller than 12-point type. For electronic notices, “reasonable steps” must be taken to ensure that the Short Notice is in a type size that is larger than the principal text.

- Notice must be located on the page and in a format so that the statement is distinct from other text, such as inside a border. It also must be in a type style that is distinct from the principal type style, such as bolded, italicized, underlined and/or in a different color.

Long Notice

- Opt-out opportunity must be clear and conspicuous and begin with the heading: “PRESCREEN & OPT-OUT NOTICE.”

- Its type size may not be smaller than the type size of the principal text. In electronic solicitations, the type size may not be smaller than 8-point type. Type also must be in a style that is distinct from the principal type style, such as bolded, italicized, underlined and/or in a different color.

- Notice must be set apart from other text on the same page, such as by including a blank line above and below the statement, and by indenting both the left and right margins from other text on the page.

- Its content must consist of the disclosure information currently required under FCRA (summarized above). It may contain additional information, such as information about the benefits of prescreening, so long as it “does not interfere with, detract from, contradict, or undermine the purpose of the prescreen notices.”

SEE FACT ACT, PAGE 4

May 30 holidays benefits for non-union workers in line with union employees

Dealers treat the Memorial Day holiday variously, with some operating all day, some part of the day, and some not at all. But dealers must remember their unionized employees' rights related to holiday pay.

As a general matter, the vast majority of area dealers recognize the same holidays and adhere to highly similar terms regarding holiday compensation. Holiday pay procedures largely depend on the policies and/or practices in place at individual dealerships.

At unionized dealerships, some specific rules and restrictions are imposed on union workers. In all cases, unionized employees must work on their regularly scheduled days both immediately before and after a holiday to qualify for holiday pay, unless the employee is off-work or on an employer-approved vacation or leave.

All unions with a presence at CATA dealerships—IAM Local 701, Team-



sters Local 731, Teamsters Local 179, and IAM District Lodge Nos. 377 and 1749—share similar holiday rules. Those union contracts all recognize May 30 as a holiday.

Holiday pay for probationary employees varies among the unions. Employers should consult their union agreements to confirm employee eligibility.

Also, dealers may agree with members of IAM Local 701—technicians, apprentices, semi-skilled employees and lube rack technicians—to substitute May 30 for a different day off during the year.

Summarized, the holiday pay for unionized employees is:

IAM Local No. 701

Pay equal to one day's regular pay at hourly (not booked) rate.

Teamsters Local No. 731

Pay equal to one regular day.

Mechanics Local No. 1749

Pay equal to 8 hours pay at hourly minimum rate or flat minimum rate.

Teamsters Local No. 179

Pay equal to 8 hours at minimum hourly rate.

Machinists Local No. 377

Pay equal to 8 hours at straight-time hourly minimum rate. Employees who work 10-hour days receive 10-hours pay at that rate, unless the holiday is the employee's normally scheduled day off, in which case 8 hours of pay at the straight-time minimum rate is due.

Dealers with union questions should call the CATA labor relations counsel, Franczek Sullivan, at 312-986-0300.

Univision has tips to market to Hispanics

A seminar on marketing to Hispanics will be presented June 9 at the CATA by Univision Chicago and Telefutura Chicago. The presentation begins at 10 a.m. To attend, call Univision's Benjamin Turbow at (312) 467-5807.

Attendees can learn how to sell to what is the largest minority group in the Chicago marketplace. A 10-piece "tool kit" to be reviewed includes how to make a dealership "Hispanic-friendly," how to create a media plan, and how to measure results.

Note: The seminar will be presented at the CATA, but the association is not otherwise involved in the presentation.

Snapshot

Illinois and its new-vehicle dealership community outpaced the national averages in each of four categories in 2004.

<u>Category</u>	<u>National avg.</u>	<u>Ill. Avg.</u>
No. of dealerships as % of total retail establishments	2.1 %	3.1 %
Dealership sales as % of total retail sales	19.6 %	20.7 %
Dealership payroll as % of total retail payroll	13.0 %	13.7 %
Dealership employees as % of total retail employment	7.5 %	8.3 %

Source: NADA Industry Analysis Division

FACT Act

CONTINUED FROM PAGE 3

- If the solicitation is only one page long, both the Short Notice and Long Notice may appear on the same page.

- Businesses are granted some flexibility with the location of the Long Notice; the Final Rule allows the Long Notice to be placed in any location within the solicitation so long as that location is referenced in the Short Notice.

A copy of the Final Rule (including the model notices) is at <http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/pdf/05-1678.pdf>