



CATA Bulletin

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8 candidates on ballot for 6 CATA board seats

Eight candidates, including five incumbents, have been nominated to fill six openings on the board of directors of the Chicago Automobile Trade Association. Each term lasts three years beginning next month.

A summary of the candidates' qualifications was mailed May 14 to dealer members, and election ballots were sent May 22 to members in good standing.

Completed ballots must be received by 12 p.m. June 5 by the CATA's auditing firm, Crowe, Chizek & Co., which will tally the submissions. Results will be announced at the June 9 annual meeting at Cog Hill Golf and Country Club in Lemont.

Four of the incumbents—**Bill Hartigan**, **Dan Martino**, **Jeff Sullivan** and **Casey Wickstrom**—are seeking their third and final terms on the board. A fifth incumbent on the ballot, **Bob**

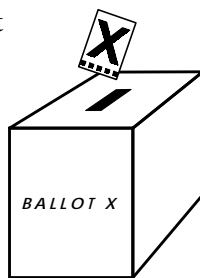
Loquercio, was first elected to the board in 2000.

Other nominees include **Mary Dolan**, proprietor of Freeway Ford-Sterling Truck Sales, Inc. in Lyons; **Desmond Roberts**, principal of Advantage Chevrolet in Hodgkins; and **Nate Sutton**, principal of Sutton Ford, Inc. in Matteson.

A committee comprised of former CATA board chairmen met in April to identify candidates for nomination.

The CATA board totals 18 directors. One-third of the terms expire each year. A director may serve a maximum of three, three-year terms.

One director, **Dan Wolf**, completes nine years of board service in June.



Most dealers to pause for July 4 holiday

Most dealers who responded to a CATA survey indicated they would close on July 4 and resume normal business hours on Saturday, July 5.

Of 72 dealers who completed the poll, six said their salespeople would work a full day on July 4, and five others would work a partial day. All service departments would be closed July 4, and all but one dealership indicated their other departments also would be granted the day off.

On July 5, four dealerships' sales operations would remain closed and another would clock a half-day. The other 66 respondents said their sales staffs would work a normal Saturday.

Service hours on July 5 was split evenly—30 open, 30 closed—and 12

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Amended state regulations permit dealers to advertise some gifts

Dealers may advertise or offer gifts related to a vehicle purchase or lease if the gift is offered through a manufacturer's program or a manufacturer-authorized and approved dealer advertising association, following amendments to the Illinois Motor Vehicle Advertising Regulations.

The amendments took effect April 16. Other amendments (underlined portions are new to the regulations):

Section 475.530 Rebates

b) It is an unfair or deceptive act for any dealer to advertise a price or amount of installment payment, wherein rebates have been deducted, unless every consumer seeking to purchase or lease the advertised vehicle is eligible for the rebate.

c) Dealers may advertise the availability of a limited rebate if the terms of the limitation are clearly and conspicuously disclosed. It is an unfair or deceptive act for any dealer to advertise a price or amount of an installment payment in which limited rebates have been deducted, or to advertise a total amount of rebate if a portion of the total consists of a limited rebate.

Section 475.560 Shopped Price

It is an unfair or deceptive act to advertise any sale or lease price modified by phrases such as "based on shopped price," "based on a recent survey of prices," or similar terms, unless:

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Advertise

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a) the model of vehicle selected is a model sold and available at most dealer stores of the same line make in the shopped area in which the advertisement appears;

b) the survey conducted is independent, and the survey agency used to conduct the survey was not related to or affiliated with any manufacturer or dealer carrying the vehicle in inventory;

c) the survey takes place immediately prior to the first advertisement being placed;

d) at least one-half of the dealers of the applicable line make in the shopped area were surveyed;

e) the survey result has not been used over an extended period if costs or other factors change such that the average survey price has become significantly less than the prevailing price in the shopped area, and in no event shall be used for a period exceeding 90 days;

f) if the product is pictured in the survey ad, the picture is of the exact type and model surveyed; also the picture includes only features included in the survey price;

g) the dates of the survey period and the numbers of dealers shopped are disclosed in the ad, with a statement that individual dealer prices may be higher or lower; and

h) all dealerships shopped for the survey are located within the shopped area.

Section 475.590 Gifts and Free Offers

a) It is an unfair or deceptive act to advertise or offer free prizes, gifts or other incentives in connection with the purchase or lease of a vehicle where the vehicle is sold or leased at a price arrived at through bargaining or negotiation, unless the dealer meets the requirements of subsection (b) of this Section.

b) A free prize, gift or other incentive may be advertised or offered in connection with the purchase or lease of a vehicle if:

1) the free prize, gift or other incentive is offered through a manufacturer's program or a manufacturer's authorized and approved dealer advertising association without any participation by the dealer, excluding dues or assessments that are required to participate in the advertising association. The program or association shall be clearly and conspicuously disclosed; and

2) all material terms and conditions relating to the offer are clearly and conspicuously disclosed at the outset of the offer.

c) Nothing in this Section shall prohibit a dealer from including a warranty with the purchase or lease of a vehicle. A warranty shall not be advertised as free using the word "free."

Holiday

CONTINUED FROM PAGE 1

dealers would employ technicians for a half-day. About half the dealers said their other departments would work (26 open all day, 4 open for a half-day, 34 closed.)

Unionized employees of CATA members are entitled to a paid holiday July 4. In all cases, employees must work their regularly scheduled day *before* and *after* the holiday in order to receive pay on the holiday, unless the employee is not scheduled or on an employer-approved vacation or leave.

Eligibility for holiday pay among probationary employees and pay rates for employees who do work on Independence Day vary among the unions. Employers should consult the existing union agreements on these issues. Dealers with questions should call the CATA's labor relations counsel, Franczek Sullivan, at 312-986-0300.

Mechanics Local No. 701

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

Garage Attendants Local No. 731

Pay equal to one regular day at the hourly rate for worker's classification.

Mechanics Local No. 1749

Pay equal to 8 hours pay at straight-time minimum or flat minimum rate.

Teamsters Local No. 179

Pay equal to 8 hours at straight-time minimum rate for worker's classification.

Machinists Local No. 377

Pay equal to 8 hours at straight-time minimum rate for worker's classification.

Employees who work 10-hour days should receive 10 hours' pay at that rate.

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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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A quick look at NADA activities

By RAY SCARPELLI

NADA DIRECTOR, METRO CHICAGO

Warmer weather, the end of heavy conflict in Iraq and generous manufacturer incentives all are expected to deliver customers to dealer showrooms. Energy-efficient and crossover utility vehicles are expected to maintain or even increase in popularity, with renewed concerns about the world's oil supplies. While 2003 is not expected to be a blockbuster year, sales are expected to rise somewhat from the first quarter's pace.

As I'm sure you're aware, the new Federal Trade Commission regulation on safeguarding customer information took effect May 23. Can you afford to lose \$11,000 per day? That's how much dealers—"financial institutions" under the FTC's Customer Information Safeguards Rule—could be fined if found in violation.

The rule is designed to thwart identity theft, which adversely affects the credit of thousands of Americans every year. Dealers must assess how customer information, particularly personally identifiable information obtained from customers, is used in their stores.

You must appoint a dealership employee with the ability and authority to administer an information-security program; assess internal and external risks to customers' personal information; and design safeguards against those risks.

You also need to oversee third-party providers' handling of dealership customers' personal information (through contractual agreements, for example) and reevaluate and adjust the program on an ongoing basis.

Consult "A Dealer Guide to Safeguarding Customer Information" (available by calling the NADA at 800-252-6232 ext. 2, or by visiting www.nada.org/mecatalog).

Or, refer to the FTC Web site, www.ftc.gov/privacy/glbact/index.html.

Legislative directories mailed

All CATA members last week were sent a directory of elected officials in Illinois executive and legislative branches as well as U.S. senators and representatives from Illinois. The directory is an useful tool to contact the officials to indicate support or opposition to governmental matters.

Dealers have demonstrated that they can have a significant impact on the political and legislative system when they organize and work together.

The directories printed about two months' late because of delays by Gov. Blagojevich in installing his staff.

Is the AIADA relevant?

By ART KELLY

KELLY NISSAN, OAK LAWN

Automotive News recently renewed its insistence that the fights of the AIADA and the NADA are the same, and that the two associations should be merged or the AIADA otherwise eliminated.

Automotive News argues that (1) the AIADA has lost its focus, and (2) the NADA can provide all necessary services for automobile dealers.

Is the AIADA relevant? My answer is a resounding Yes!

The AIADA has not lost focus. Trade was the motivating reason to launch the association in 1970, but it wasn't the only reason. And trade issues still exist.

Just last week, Congress inserted one word into the language regarding the dividend tax issue. That single word allows only domestically owned corporations to get the tax break on dividends. That sure sounds like "trade" to me.

The AIADA is fighting for us. So far, the NADA is silent.

The AIADA championed the repeal of the estate tax and is working to eliminate the tax permanently. This is an issue that affects all dealers, not just international nameplates.

Someone needs to be in Washington, D.C., looking out for our interests. We all need to support the AIADA.

And if you're not an AIADA member, please join. Your future is at risk.

Kelly, an AIADA director, wrote this piece in Washington, D.C., where he attended the association's annual Automotive Congress for grassroots lobbying. The AIADA is at (703) 519-7800.

Time Magazine Quality Dealer Award

Consider nominating a fellow dealer—or yourself—for consideration as the CATA's nominee for the 2004 Time Magazine Quality Dealer Award. See the flyer in this newsletter for details, and use the flyer to submit your nomination.

Rules of the road: Driving restrictions exist for 16-, 17-year-old workers

Teen-age workers can be an ambitious and cost effective source to perform various summertime roles at dealerships, but there are plenty of regulations to adhere to, especially for teen workers to drive.

According to the Drive for Teen Employment Act—an ironic name, for the act effectively limits teen driving—17-year-olds may engage in limited driving on public roads and 16-year-olds may drive only on private property, such as dealership lots, while working.

Employers should consider specifics of the legislation before allowing a teen to drive in the course of work. A 17-year-old must:

- hold a valid state driver's license;
- have completed a state-approved driver education course;
- be instructed that seat belts must be worn; (It's wise to have them sign a statement to this effect when they are hired.)
- have no moving violations on record at the time they are hired.

Also, the vehicle a 17-year-old drives neither may weigh more than 6,000 pounds gross vehicle weight nor



be used for towing. All driving is limited to daylight hours. Supervisors must ensure that there is ample time for 17-year-olds to complete their work trips during daylight.

Also, 17-year-olds may not drive in excess of one-third of one workday and one-fifth of a work-week.

Vehicle occupancy is limited to three passengers, and the transport of non-employee passengers is limited to two trips a day.

Licensed 16-year-olds may not drive on public roads while on the job.

The National Automobile Dealers Association lobbied vigorously to expand driving privileges for 16-year-olds. But many states—including Illinois—have invoked graduated licensing laws for teens amid rising concern that the fatality rate for licensed 16-year-old drivers is double the rate for 17-year-olds and four times the rate for all drivers.

A violation of the Drive for Teen Employment Act is subject to a \$10,000 fine. On-the-job driving by employees 18 and older is not regulated.

Car affordability index holds steady

It took about 20 weeks of median family income to buy an average-priced new car, according to the Auto Affordability Index compiled by Comerica Bank. Despite an increase in auto prices, the index is flat with the fourth quarter, thanks to steep incentives.

The index shows that the cost of an average-priced new car, including finance charges, hit \$25,197 in the first

quarter, up 1.1 percent from the fourth quarter but 0.2 percent lower than a year ago.

CNW Marketing Research tracks a similar figure, computing the ratio between buyer's income and the transaction price.

The ratio hit a high of 3.31 in January 1992. In April, that figure was down to 2.97, compared with 2.84 for April 2002.

Congratulations!

Spring Hill Ford, Inc. in East Dundee was named a recipient of Ford's 2002 President's Award for outstanding customer satisfaction performance.

Toyota Motor Sales, U.S.A., Inc., honored 315 dealers nationwide with the Toyota President's Award. Local dealerships include **Classic Toyota** in Waukegan, **Elgin Toyota, Elmhurst Toyota, Libertyville Toyota, Oakbrook Toyota in Westmont, Planet Toyota** in Matteson, and **Schaumburg Toyota**.

Six area dealers are among winners of the 2002 Chevrolet Genuine Leaders President's Travel Award. They are **Biggers Chevrolet**, Elgin; **Bill Jacobs Chevrolet**, Joliet; **Lattof Chevrolet**, Arlington Heights; **Phillips Chevrolet**, Frankfort; **Sunrise Chevrolet**, Glendale Heights; and **Woodfield Chevrolet**, Schaumburg.

Mazda North American Operations named its latest Mazda Elite Dealers, for top customer service. Local dealers include **James Leichter** of **Biggers Mazda** in Elgin; **Sidney Oko** of **Liberty Auto City** in Libertyville; **Paul Napleton** of **Napleton's Auto Werks** in Bourbonnais; **Saul Rosen** of **Rosen Mazda** in Waukegan and **Rosen Mazda of Lake Villa**; and **Tom Wilkins** of **Wilkins Mazda** in Villa Park.

Weil Cadillac-Hummer in Libertyville has been named a GMAC SmartAuction MVP.

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The site to review past editions of this newsletter.