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109th Chicago Auto Show ends 10-day run

In the face of record February warmth, attendance at the 2017 Chicago Auto Show increased over last year, show organizers said when the show wrapped its 10-day run Feb. 20.



Taking center stage were more than 20 vehicles making their world debuts, including a new Chevrolet Redline special-edition trim; the Dodge Durango SRT; Ford Expedition; Hyundai Elantra GT; Mitsubishi Outlander Sport; Mopar '17 Challenger; Nissan TITAN King Cab; Nissan Midnight Editions; Ram 1500 Cooper Sport and 2500/3500 Night; TRD Sport editions of the Toyo-

ta Tundra and Sequoia; Toyota RAV4 Adventure; Subaru Legacy; and Volkswagen Atlas Weekend Edition concept.

Len Donnells, a salesman at Joe Rizza Acura in Orland Park,

won the show's Award for Customer Excellence four times for outstanding salesmanship. Other repeat ACE winners this year: Guy McMillan, a salesman at Castle Chevrolet North, in Elk Grove Village, who won three times over two shifts; and two-time winners Alvaro Bello, from Advantage Chevro-

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Auto show's charity event raises \$3 million

First Look for Charity, the benevolent event of the Chicago Auto Show, this month raised more than \$3 million for the first time, and two attendees won new Lexus and Acura models.

The black-tie benefit raised about \$3,035,000, the most in its 26 years. About 9,400 people attended First Look for Charity, which is held the evening before the auto show opens its 10-day public run.

"First Look for Charity is a great instrument for the area's new-car dealers to show the positive impact they have on their community," said Mike McGrath Jr., chairman of this year's auto show. "All the benefiting charities are

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Oberweis trying again to open dealerships for Sunday car sales

For the fourth time since he became an Illinois state senator in 2013, Jim Oberweis is attempting to open Illinois new-car dealership on Sundays.

The latest legislation, Senate Bill 2037, would permit a licensed dealer to operate any six days of the week of his choosing. Oberweis, R-Sugar Grove, introduced the

legislation Feb. 10 to change the Illinois Vehicle Code.

But the road ahead for SB 2037 looks bumpy. None of the previous bills Oberweis crafted to permit Sunday operations have been voted upon; they received subject matter hearings only.

The Illinois blue law, which took effect in 1984, prohibits new- and used-vehicle sales

on Sundays, and few dealers support changing the law. Instead, they favor giving employees that day off, especially since banks are not able to finance vehicles on Sundays.

Lifting the ban on Sunday sales also would increase dealership costs without increasing sales, which could lead to higher prices for consumers.

"Our dealers like the current law," said John Hennessy, chairman of the CTA. "Every state around Illinois is closed Sundays for car sales. Salespeople really like (to have) that day off."

Hennessy added that some customers enjoy roaming dealer lots on Sundays at their leisure, without employees present.

2017 NADA workforce study open

With a retail workforce topping 1 million and the industry poised for growth, dealerships need to focus on hiring and keeping talented employees.

The annual NADA Dealership Workforce Study provides one-of-a-kind analysis of dealership pay plans and benefit packages, retention and turnover, employee benefits, work schedules and demographics. It is based on actual payroll data and questionnaire responses submitted by NADA and ATD members.

The study is open for participation through April 28 at www.nadaworkforcestudy.com.

In return for participating in the study, dealerships will receive two complimentary reports: (1) Automotive Retail: National and Regional Trends in Compensation, Benefits and Retention; and (2) a custom report, which includes comparisons of the dealership(s) to peers nationally, regionally, by state and brand.

All data must be submitted by April 28. Questions can be emailed to WorkforceStudy@nada.org.

Auto show

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let in Bolingbrook; Vince Nasti, of Bill Stasek Chevrolet, in Wheeling; and Christopher Williamson, from Marquardt of Barrington.

Ed Kucic, of Ettleson Cadillac-Buick-GMC in Hodgkins, marked his 40th year on the floor of the Chicago Auto Show with an ACE win. The cash prizes — \$150 weekdays and \$200 weekends — motivate salespeople from area dealerships to engage with visitors to their displays.

Industry experts regard the Chicago Auto Show as the “consumer auto show” for its ability to ignite car sales — not just regionally, but for the nation. Over the past two years, auto sales hit record highs each of the past two years; 2016 marked the eighth consecutive full-year increase following the Great Recession, with more than 17 million units sold.

“We’re extremely positive about the future of our auto show,” said 2017 Chicago Auto Show Chairman Mike McGrath. “As long as we continue to keep our focus on the consumer, we can only win.”

CATA reacts as luxury car thefts continue across Chicago, suburbs

The Chicago Automobile Trade Association is producing window stickers for its dealer members to help them combat the current wave of car thefts.

The CATA also is hosting a March 2 seminar that reviews theft prevention techniques and technologies available to dealers.

In the latest reported case, five cars collectively valued at more than \$205,000 were stolen from a Libertyville dealership Feb. 19 and later were involved in a high-speed chase in Wisconsin, Libertyville police said.

The Libertyville heist came after six cars were stolen Feb. 13 from a west suburban Infiniti dealer, a Porsche were stolen Feb. 3 from a North Shore dealer, and five luxury cars were stolen in late January from a Mercedes dealership in the

northern suburbs.

Authorities have not said the acts are related, but Libertyville Police Lt. Bill Kinast noted the similarities of the thefts.

“Ours is very similar in that this happened very late at night and they broke into the service area and took cars from the service area,” Kinast said.

Even when keys were removed from vehicles, some thieves acting overnight have managed to break into lockboxes for the keys.

During business hours, thieves have been getting into cars waiting to be serviced, and even climbed inside two freshly washed luxury cars and drove away.

“They had a mission. They walked right up, got right in the cars and left like they owned them,” the victimized general manager said.

The stickers were being finalized in late February and CATA member dealers should receive 10 each by mid-March.

More than 100 cars have area dealerships in the past been reported stolen from six months.



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Review past editions dating to 1998 or search by subject at www.cata.info.

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Illinois legislation would amend Motor Vehicle Franchise Act

Car manufacturers would be prohibited from requiring their dealers to remodel their facilities for 10 years after the last upgrade, under legislation introduced this month to amend the Illinois Motor Vehicle Franchise Act.

Senate Bill 1687 was brought forth by Sen. Martin San-doval, D-Chicago, who heads the Senate Transportation Committee. The Chicago Automobile Trade Association supports the bill.

The state's franchise act has seen few revisions since its enactment in 1979. Proposed changes would mirror those already passed in other states. Among them:

Exports/Chargebacks would prohibit a manufacturer from rescinding sales incentives paid to a dealer if the customer exports the vehicle to another country, unless the manufacturer can prove the dealer knew or should have known that the vehicle would be exported.

Vendor Choice Signage would prohibit a manufacturer from requiring a dealer to buy building-improvement materials from a manufacturer-designated vendor, provided the dealer can find another vendor who can provide substantially similar materials. But if the manufacturer insists on a certain vendor, then the manufacturer would have to pay for at least 65 percent of the cost of the materials.

Also, manufacturers that lease signs and other image and design elements to dealers must give those dealers the option to buy similar items from a vendor the dealer selects. Dealers still would be required to conform to the manufacturer's intellectual property use guidelines.

Right of First Refusal would provide that, when a dealer wants to sell the franchise, the manufacturer cannot exercise a right to buy the franchise, unless the manufacturer:

- notifies the dealer, within 60 days after receiving notice of the proposed transfer, that the manufacturer intends to exercise its right of first refusal;
- pays the dealer at least the same consideration as under the proposed transfer, including the purchase or lease of the dealer's real property;
- reimburses the proposed transferee for reasonable expenses incurred in its attempt to acquire the dealership before the manufacturer exercised its right of first refusal;
- clarifies the dealership owner eligibility requirements to be owner of a dealership; and
- considers, when evaluating a dealer's sales performance

Chicago stays in Chicago.”

\$3 million

FROM PAGE 1

involved locally, so the money that's raised in

As the name of the event implies, those who attend First Look for Charity are part of the premier viewing of each year's Chicago Auto Show. Tickets to the fundraiser are \$275 each, and purchasers can elect to have their proceeds equally benefit all 18 of the participating charities, or

as part of the termination process, local factors such as local brand preference, demographics, proximity of same line-make dealers, proximity to competing line-make factories in a dealer's market, drive time, and distance.

Several other bills introduced since January in the Illinois General Assembly also could impact dealers. Among them:

House Bill 371 repeals the commercial distribution fee on vehicles weighing more than 8,000 pounds.

HB 733 prohibits test drives when signs, paperwork, deals and advertising on front windows or adjacent side windows that obstruct the driver's view.

HB 2376 creates the Family Leave Insurance Program Act, providing up to 12 weeks of unpaid leave for personal health issues.

HB 2747 creates the Safe Autonomous Vehicle Act, which would regulate a driverless vehicle pilot program. The CATA would seek to make such vehicles be sold through franchised dealers and not be provided as a manufacturer fleet program, which sells directly to a customer.

HB 2754 removes provisions that vehicle accident reports are privileged and allows various entities to access the reports.

HB 3279 increases the maximum liability of a renter of damage of a vehicle from \$2,000 to the actual costs to repair a vehicle.

HB 3466 creates the Motor Vehicle Repair Fairness Act, which provides that motor vehicle manufacturers must make available all diagnostic, repair manuals and technical updates on all vehicles to independent repairers. Such a measure would directly compete with franchised dealers.

HB 3571 prohibits the sale or lease of any vehicle that has an outstanding manufacturer recall regardless if it is safety-related or not.

SB 76 creates the New-Car Buyer Protection Act of 2017, which would make many revisions/changes to current law regarding what is considered a lemon vehicle in Illinois.

SB 1505 allows vehicle owners the option to pay their registration fees in advance up to five years.

SB 1755 provides that dealers shall make a record of test drives. Any moving violations, tickets, and accidents will be at the fault of the permitted user driving a dealer's vehicle.

any of those for which they have an affinity. For the event, the auto show floor is replete with live entertainment and a variety of elegant food and beverage stations.

Terry Miller, of Valparaiso, Ind., took the keys to a Lexus NX; and Carpentersville's Shane McDaniel won an Acura TLX.

Many think Trump's proposed import tax would raise prices, kill jobs

President Donald J. Trump's proposed tax on goods coming into the U.S., particularly cars and trucks, may get squashed by Congressional Republicans.

Republican senators are growing increasingly cool to the idea of imposing a "border tax" on goods, including cars and trucks, exported to the U.S. from other countries in the Americas, Europe and Asia.

The American International Automobile Dealers Association is coordinating a special Capitol Hill Dealer Fly-In March 8-9 to focus on the proposed border adjustment tax.

All registrants will have Capitol Hill meetings arranged for them by the AIADA. Transportation to Capitol Hill, talking points, and handouts also will be provided.

According to The Hill, a Capitol Hill newsletter and website, House Speaker Paul Ryan has met with Republican senators to neutralize the growing opposition to a core element of a tax plan cobbled together by Republicans in the U.S. House of Representatives who hope to advance Trump's agenda.

A 20 percent across-the-board tax on imports has become part of the president's plans to push companies to do more manufacturing in the U.S. Trump has threat-

ened various automakers, including General Motors, Ford and Toyota, with the border tax because they now build vehicles in Mexico.

The AIADA warned the proposed levy would lead to higher car prices and reduce the number of Americans purchasing new vehicles.

Estimates of unit price hikes from the tax amount to \$1,312 for American Honda, \$1,672 for Fiat Chrysler Automobiles, \$2,298 for Nissan North America and \$2,651 for Toyota.

Automakers that import their full lineups would, logically, be even more affected, including \$5,156 per vehicle for Mazda Motor and \$17,204 for Tata Motors' Jaguar and Land Rover brands.

Ryan beseeched the senators to "keep your powder dry" while House tax writers hammer out the details of their plan and prepare to move it to a vote later this year, according to a GOP source familiar with the meeting.

But various companies, including Toyota, have pushed back hard against the proposal of a border tax, lobbying Congress, particularly Republicans, to block the imposition of taxes or tariffs on goods made abroad and exported to the U.S. In addition, American farmers, who are dependent

on exports to other countries, also have raised alarms about the border tax.

In the wake of the lobbying effort, Senate Republicans say political momentum has begun to shift against the House's border adjustment tax in recent days.

Sen. Tim Scott, R-S.C., who represents a state heavily dependent on investment from foreign corporations, such as BMW, Mercedes-Benz and Volvo, said of the border tax proposal: It's "going to be very difficult to get it through the Senate. I think it's tough." Scott is a member of the Senate Finance Committee, which has jurisdiction over tax issues. "The longer it takes to explain, the harder it is to implement," Scott told The Hill.

A "20 percent negative impact when [products come into the country] means those who bear the burden the most are the consumers in the country," Scott said.

Texas, which has voted Republican in every presidential election since 1980, also has emerged as a center of opposition to the border tax as well as Trump's plans to make major alterations in the North American Free Trade Agreement, or NAFTA. More than 700,000 jobs in Texas now depend

directly or indirectly on trade with Mexico, which would be disrupted by a border tax, according to The Wall Street Journal.

Various companies opposed to the border tax say it would make their products more expensive and have mounted a lobbying campaign against it in recent weeks. The CEOs of several major retailers that oppose the proposal met with lawmakers in February on Capitol Hill.

Sen. David Perdue, R-Ga., the former CEO of Reebok and Dollar General, is one of the Republicans leading the effort in the Senate to kill the import tax.

"I'm talking with everybody who will listen to me about the border adjustment tax because I think it's a bad idea," Perdue told The Hill.

CEOs from several major retailers in the coalition allied with Perdue met with lawmakers, including Target, Best Buy, The Gap and JC Penney.

Ryan has argued that keeping the border adjustment tax would be helpful to getting tax reform passed through both chambers because it would raise \$1.2 trillion in revenue and allow the overall plan to be scored as deficit-neutral, according to two lawmakers who attended the meeting.

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