



# CATA Bulletin



a biweekly newsletter

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## Lawyer to review UCS issue Aug. 30

A dealer meeting to discuss current UCS software contracts, and concern over significant expenditures demanded by UCS relative to new servers, will be at 1:30 p.m. Aug. 30 at the CATA office in Oakbrook Terrace.

A Texas attorney, Jim Blume, who is handling a dealer class action arbitration suit against UCS, will offer recommendations on how to proceed with the UCS demands.

Dealers and their controllers who wish to attend should call the CATA at 630-495-2282.

## CATA's 1st fixed ops Bootcamp Sept. 19-22

Limited spaces remain for the CATA's first four-day Service Management Bootcamp, Sept. 19-22 at the association's Oakbrook Terrace office.

The launch follows months of planning by the CATA board of directors, intent on helping service directors and managers to set and exceed objectives, and increase market share, gross profits, efficiency, increased self-satisfaction and resultant employee retention.

The Tuesday-Friday Bootcamps lead to enrollment in a Service Managers 20 Group that would meet three times annually over three years. The Bootcamp lead instructor is Lloyd Schiller, who in 1983 formed Dealer Service Corporation. DSC now is a company of NCM Associates, which founded NADA 20 Groups and which will conduct the CATA 20 Groups.

Enrollment through other dealer associations typically costs \$2,800 for the Bootcamp, plus \$250 a month over the three-year 20 Group. Special CATA prices are \$1,000 for the Bootcamp and \$160 a month for 20 Group tuition.

In addition, for service directors and managers who complete the 20 Groups, the CATA will rebate to their dealers 50 percent of the first year's tuition, 75 percent of the second year's tuition, and 100 percent of the final year's tuition.

Fixed ops personnel at the Bootcamps will compare their dealership financial information against manufacturer-specific averages and benchmarks, but not against their classmates' numbers.

For more fixed ops training information and to register for the Bootcamp, call Jim Butcher at the CATA at 630-424-6020.

## Dealers, Teamsters Local 731 strike deal on new 4-year agreement

Union members on Aug. 18 ratified a new collective bargaining agreement between Teamsters Local 731 and more than 100 CATA dealers. The four-year pact is retroactive to Aug. 1. The union represents stockroom attendants, garage attendants, drivers and utility employees such as drivers.

Among the new contract's highlights:

- Annual wage increases vary by job classification and seniority;
- Certain contract-year wage increases eliminated for less senior employees;
- Weekly contributions increased to the Health & Welfare Fund and Pension Fund;
- Health & Welfare Fund "additional funding triggers" eliminated;
- No Pension contributions for first 60 days of employ-

ment;

- Probationary Period extended from 30 working days to 60 working days;
- Loss of insurance coverage added as grounds for immediate discharge.

The dealers were represented in negotiations by the CATA's employee relations counsel, Dave Radelet of Franczek Sullivan P.C. Full details of the contract can be obtained from Radelet's assistant, Mary Casto, at 312-786-6151 or mfp@franczek.com

Union business agents are visiting the dealers involved in the negotiations to obtain dealer signatures on a Memorandum of Agreement which sets forth terms of the new contract. Dealers who were represented by Franczek Sullivan should execute the document.

## Satisfaction gap shrinking between domestics, imports: study

Customer satisfaction with automobiles reached an all-time high during the second quarter of this year, with the satisfaction index rising to 81, up 1.3 percent from the same period in 2005.

The American Customer Satisfaction Index is compiled by the University of Michigan Business School's National Quality Research Center. The ACSI measures how happy people are with the service they received from leading airlines, hotels, hospitals, manufacturers, government agencies and the like. More information about ACSI is at [www.theacsi.org](http://www.theacsi.org).

The reason behind the domestic car industry's improved index is different this year compared to 2005, the index's authors said. Now it is more about quality, less about price. Satisfaction edged up last year because of big price incentives. Detroit still uses incentives, but the recent increase in customer satisfaction has more to do with improvements in quality, both in product and in service.

And although the demand outlook presents a challenge, ACSI representatives said these improvements should help compensate for the effects of higher interest rates and gas prices because quality improvements shift the demand curve upwards, whereas price promotions create higher price elasticity and more pressure on price.

While Detroit is narrowing the gap a bit, ACSI representatives said there is still a long way to go. The domestic car industry continues to lag behind its foreign competition in customer satisfaction and most of Detroit's nameplates are among the lower-scoring cars.

Paradoxically, the loss of market share has also contributed to higher customer satisfaction for domestic cars. As more dissatisfied car owners are leaving Detroit for the more satisfying foreign competition, the net effect is higher overall customer satisfaction for the industry as a whole.

Toyota made a notable improvement to an all-time high of 87 in 2005 and holds steady this year with the lead industry score. Toyota sales are up almost 11 percent for the year.

### Top 10 ACSI Indexes, Q2 2006

Automobiles & Light Trucks	Index Q2 2006	Index Q2 2005	% change
1. Toyota	87	87	0.0%
2. Buick	86	84	2.4%
2. Honda	86	86	0.0%
2. Lexus	86	NM	NA
5. BMW	85	86	-1.2%
6. Cadillac	84	86	-2.3%
6. Hyundai	84	84	0.0%
8. Lincoln-Mercury	83	83	0.0%
9. Mercedes-Benz	82	80	2.5%
9. GMC	82	81	1.2%
9. Nissan	82	78	5.1%
<b>Average of all makes</b>	<b>81</b>	<b>80</b>	<b>1.3%</b>
<i>NM = Not Measured</i>			

This contrasts with Ford, for which customer satisfaction has dropped since 2004 to register the industry's lowest score last year. Its sales are down nearly 10 percent for the year. This year, however, Ford moves up to a score of 77—still the lowest in the industry, but now shared by Kia and Jeep.

Honda follows closely behind Toyota at 86, along with two high-end nameplates—GM's Buick division and the Lexus division of Toyota. It remains a telling indicator that only the higher-end nameplates like Buick, Cadillac and Lincoln are competitive on customer satisfaction with the Toyota, Honda, and Hyundai nameplates, while the more comparable U.S. counterparts, such as GM's Pontiac (down 1 percent to 79), Daimler-Chrysler's Dodge (unchanged at 78) and Ford, remain well behind.

Among the Asian automakers, only Mazda (down 1 percent to 79) and new entrant Kia (77) are below the industry average. Nissan was in a similar position a year ago, but several new models and a commitment to product innovation boosted the Japanese automaker to a score of 82.

## Congratulations!

**Biggers Mazda** in Elgin and **Community Mazda** in Oak Forest are among recipients of Mazda's 2006 Winners Circle Gold Cup Certified Dealer award, for meeting exacting standards in five key areas: sales processes, service processes, facility image, training and customer satisfaction.

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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 dating to 1998 or search by subject at <http://cata.drivechicago.com/>

**Jerry H. Cizek III** President, Publisher  
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## Frist maneuvers for another vote on estate tax

By Ray Scarpelli Sr.

METRO CHICAGO NADA DIRECTOR

**Though the Senate rejected legislation that combined an estate-tax cut with an increase in the federal minimum wage and the renewal of several expired tax cuts, the fight for a permanent reduction in the estate tax is not over.** The bill, which on Aug. 3 fell three votes short of the 60 votes needed to bring it to the floor for debate, may see another vote this fall. Senate Majority Leader Bill Frist (R-Tenn.) told senators who voted against the bill to “rethink long and hard” during the four-week recess that ends in early September.

Illinois Democratic Sens. Dick Durbin and Barack Obama have opposed the measure, but it still is important for dealers to contact them and appeal for their support.

Four Democrats joined Republicans and voted for the bill: Sens. Robert Byrd (W.Va.), Ben Nelson (Neb.), Bill Nelson (Fla.) and Blanche Lincoln (Ark.). Two Republicans voted against the bill: Sens. Lincoln Chafee (R.I.) and George Voinovich (Ohio).

Despite the bill’s defeat, the vote represents progress on death-tax relief. Frist’s statement that he may bring up the bill in the fall provides the NADA with a strong opportunity to push the issue during its Washington Conference in September. **During the August recess when senators are in their home districts, call to thank those who supported NADA’s efforts. If your senators did not vote to support the legislation, call them to express disappointment, ask for an explanation, and urge them to reconsider their votes next month.** The NADA appreciates the help of all dealers and state and metro

association executives who worked on the issue and have already contacted their senators.

In other legislative and regulatory news:

- The NADA’s efforts to make America’s roadways safer by protecting consumers from purchasing flood and salvage vehicles recently took a big step forward when **Sen. Trent Lott (R-Miss.) introduced legislation (S. 3707) that would require insurance companies to make total loss information commercially available.**

According to Lott, chairman of the influential Surface Transportation Subcommittee of the Senate Commerce Committee, the bill “will make available to consumers information about automobiles declared a ‘total loss’ by insurance companies. This legislation is particularly needed in Katrina’s wake, but it’s hardly a new problem. Even without the influx of Katrina-damaged cars, thousands of wrecked, flooded or stolen automobiles are sold every year with clean titles to unsuspecting consumers.”

Last year, more than 5 million vehicles were totaled, including an estimated 500,000 from the Gulf hurricanes, yet many of these cars still have clean titles. David Regan, NADA vice president of legislative affairs, added, “(The) NADA strongly supports Senator Lott’s legislation to help ‘red flag’ totaled vehicles forever. Senator Lott is known as a longtime champion for addressing problems related to salvage title fraud, and with the hurricanes in the Gulf region, he is uniquely positioned to address the problem of flood vehicles.”

- The Federal Communications Commission’s **new rule requiring opt-out notices to be placed on the first page of fax ads** to businesses and consumers **took effect Aug. 1.** The NADA

recently sent to all members a summary of the new rules that included sample opt-out-notice templates. The summary also is available at [www.nada.org/regulations](http://www.nada.org/regulations).

In NADA news:

- **The NADA is sponsoring an exhibition of the work of French artist Henri Rousseau (1844-1910).** The exhibition, *Henri Rousseau: Jungles in Paris*, is on display through Oct. 15 at the National Gallery of Art in Washington, D.C. The association’s sponsorship of the exhibit of early 20th century works coincides with the 100th anniversary of the franchised auto-retail system.

- How can you encourage teenagers in your community to consider working at your store? **Host an event during NADA’s Automotive Career Month this October.** You can request an event-planning kit at [www.nada.org/careers](http://www.nada.org/careers). The kit contains sample letters to school principals, guidance counselors, and local media; a sample event agenda; two Automotive Career Month posters with room for your dealership information; artwork for student brochures; a brief DVD on the variety of careers available; and a press release and scripts for public service announcements.

In NADA convention news:

- **Online advance registration for the 2007 NADA Convention and Exposition, Feb. 3-6 in Las Vegas, is open** through Dec. 22. To register online or download a registration form, visit [www.nada.org/convention](http://www.nada.org/convention) or call the convention department at 703-821-7188.

A convention promotional was sent this month to all NADA members. In the coming weeks, look for more information on the convention, including speaker and program listings.

## SOS to host Dealer/Remitter Seminars

Anyone involved in preparing vehicle title and license plate transactions, and issuing Temporary Registration Permits can attend a free 2006 Dealer/Remitter Seminar presented by the Illinois secretary of state's vehicle services department.

The department is holding the half-day seminar in seven locations around the state, including two in the Chicago area at Holiday Inn hotels: Sept. 12 in Willowbrook and Sept. 14 in Rolling Meadows. Seminars are 8:30 a.m.-12:00 p.m.

The seminars will review informative updates, new legislation, changed procedures, and common errors; and present details of the Electric Titling and Registration Program (ERT), with speakers from the Commercial Farm & Truck Division and the Illinois Revenue Department.

Advance registration is mandatory to attend a seminar. To register, call 312-814-2279.

## Marketplace

**Training Manager**  
16 years retail, factory sales experience. Traveled nationally and in Canada to train dealership personnel in sales, customer service, CSI improvement and management. Jim Stanfa, 630-742-9336.

## Practices for safer computing

Consumers would be educated on the dangers of identity theft, in a new campaign by the Federal Trade Commission. The NADA is helping the FTC in that effort by working to educate dealers and their customers on the best practices for protecting personal information, particularly online. To help Internet users spot and avoid online fraud and deception, the FTC recommends adopting safer practices that include:

- 1. Know who you're dealing with.** Do business only with companies that plainly provide their name, street address and telephone number.
- 2. Protect your personal information.** Share credit card or other personal information only when buying from a company you know and trust. Don't share any personal information unless you know how it will be used and protected. And don't reply to or click on links in any e-mail that asks for your personal information.
- 3. Use anti-virus software and a firewall, and update them regularly.** Look for anti-virus software that recognizes current viruses as well as older ones; reverses any damage effectively; and updates automatically. If your firewall was shipped in the "off" mode, turn it on and make sure to set it up properly.
- 4. Be sure to set up your operating system and Web browser software properly, and update them regularly.** Select security settings high enough to reduce your risk of being hacked. Make sure to regularly update your system with the latest patches.
- 5. Protect your passwords.** Keep your passwords in a secure place, and don't share them on the Internet or via e-mail or telephone.
- 6. Back up important files.** If you have important files stored on your computer, copy them onto a removable disk and store the disk in a safe place.
- 7. Know who to contact if something goes wrong online.** If you think you've been a victim of fraud, report it to 1-877-FTC-HELP or [www.ftc.gov](http://www.ftc.gov). You'll be providing important information to help law enforcement officials track down and stop scam artists.

You also can go to [www.OnGuardOnline.gov](http://www.OnGuardOnline.gov), a site maintained by the FTC in partnership with other government agencies, Internet safety and help groups, and consumer organizations. Click on "File a Complaint" to learn how to respond if problems occur when you're online. OnGuardOnline.gov also provides practical tips from the federal government and the technology industry to help you be on guard against Internet fraud, secure your computer, and protect your personal information.

*This article was adapted from materials provided by the FTC ([www.ftc.gov/idtheft](http://www.ftc.gov/idtheft)) and by [www.OnGuardOnline.gov](http://www.OnGuardOnline.gov). Consumer materials in Spanish are available at [www.ftc.gov/ojo](http://www.ftc.gov/ojo).*

## Planning a 'cruise'? Tell DriveChicago.com

Are you participating in an upcoming cruise night or hosting an antique or custom car show? Let DriveChicago help you promote it.

The Web portal offers a listing of various auto events in the Chicago area. If you want to include your event on the

list, contact Mark Bilek, the CATA's new Internet director, at [mbilek@drivechicago.com](mailto:mbilek@drivechicago.com)

Include in your message the name of the event, its location and date and hours, and a contact telephone number and any Web address for more information.