

FADRA NEWS

Lots at Stake During Legislative Days

Story Page 9

Brandon Auto Salvage Hosts 2014 Yard Expo

Story Page 17



Shan Lathem-McMillon, Tim McMillon, Jason Grady, Bob Eubanks, and Steve Holland among the members who went to Tallahassee for Legislative Days. See full story on p. 9

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July 17-20

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FADRA
Florida Auto Dismantlers & Recyclers Association



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FADRA NEWS Issue 2, 2014

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PRESIDENT'S MESSAGE



Jim Butler, Butler Auto Recycling

We've had more wild and wacky weather here in Pensacola after a tough winter. This time we got the kind of rains and flooding one usually associates with a hurricane, except there was no named storm you could blame it on. We got 24 inches of rain in one night, which caused Highway 90 to wash out in two places and a bunch of new car dealers near me to flood. A dam containing three large container ponds at a sawmill broke, which flooded out 90 homes in a subdivision near me. Some people had to be cut from their roofs when they took refuge in their attics, bringing back memories of Katrina. Luckily, neither my yard nor any other member yards that I know of got any serious flooding. We also had about 4000 flooded cars come through the auctions afterwards.

We went through possibly our most critical Legislative Session this year, and while I can't say I'm happy about the bill that passed, changing the 80% threshold, we were able to work out a decent compromise and we hope this

ends any further fighting about the sale of badly damaged vehicles. It remains to be seen how much this affects the price and availability of salvage for us.

I do want to thank everyone who took part in this process, from those who attended Legislative Days to those who made phone calls and sent emails and letters to their elected representatives. I know many of you did this and I appreciate your investment of time on behalf of our industry. We all work hard and have better things to do, but as a group our participation in the legislative process has a big effect on our businesses. Thank you for your commitment and involvement.

On a happier topic, I am really looking forward to our annual convention at the Crowne Plaza in Melbourne. It is an affordable hotel on the beach, with great family amenities, and we have exciting social events and education for you. I look forward to seeing the sessions by keynote speaker Shannon Nordstrom, whose "Under the Hood" radio show is entertaining. He has spoken at ARA a few times and we are very pleased to have him come to Florida. I hope that all our members can take the time to attend and bring some of your staff and families with you. The information sharing and fellowship with your peers is tremendously valuable.

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Calendar

July 17-20, 2014

FADRA Annual Convention
Crowne Plaza Melbourne Oceanfront

August 7-9, 2014

Car-Part Industry Conference
Erlanger, KY
Info: 859-344-1925, <http://products.car-part.com/2014training/>

September 24-26, 2014

Hollander Innovation Summit
Minneapolis, Minnesota

October 22-25, 2014

ARA Annual Convention
Gaylord Opryland Resort & Convention Center
Nashville TN
Info: www.araexpo.org

Executive Directors Report

By Kim O'Dell, CMP, Executive Director

Summer has arrived and that means the Annual FADRA Convention & Trade Show is right around the corner.

Every year the Convention Planning Committee does an outstanding job of selecting great speakers and social events and this year is no different!

If you have not already registered, that's no problem, as you can register on-site at the Convention. If you want to join us on the Casino Cruise, and haven't registered, please call the FADRA office 407-614-8354 and we will add you to the list. The cost is only \$10 and includes transportation and admission on the Cruise. *Please note: Transportation for the Casino Cruise will depart at 5:30 pm from the Crowne Plaza Melbourne.*

Amazing Speakers at FADRA 2014!!

We are thrilled to have Keynote Speaker Shannon Nordstrom join us at this year's Convention, along with other fabulous speakers like Bill Stevens, Mary Hubbard, DJ Harrington, and William Richardson.



Our keynote speaker will deliver three completely different seminars this year touching on subjects that will educate, enlighten, and prepare you for successes and opportunities that you can take back and implement immediately in your business.

Shannon Nordstrom is Vice President and General Manager of Nordstrom's Automotive, where he is responsible for purchasing, inventory control, training and leading 75 employees. Shannon joined the family business full-time in 1988 when the company employed fewer than 10 and was transitioning from repairables to recycled auto parts. Nordstrom's has since grown to more than 75 employees and numerous divisions, including Auto Recycling with Green Recycled Used, OEM surplus, Remanufactured and new alternative parts, Ewe Pullet Self Service, Nordstrom's Repairables, and an installation and diagnostic service center.

In addition, for the past 24 years Shannon has hosted the syndicated radio show, "Under the Hood," which is broadcast on more than 100 stations.

There is something for everyone at FADRA this year! I can't wait to see you at the beach in Melbourne!

2014 Seminar and Event Schedule

THURSDAY, JULY 17

- 1:00 – 4:30 PM FADRA Board of Directors Meeting
- 3:00 – 5:30 PM Attendee & Exhibitor Registration Opens
- 5:30 PM – Midnight Bus Departs for Victory Casino Cruise

FRIDAY, JULY 18

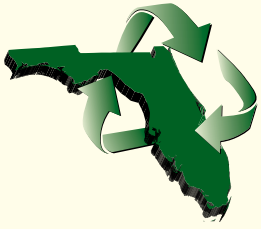
- 7:00 – 8:00 AM Breakfast on your own
- 8:00 AM – 6:00 PM Attendee Registration Open
- 8:00 AM – 12:00 PM Decorator Set-up in Exhibit Hall
- 9:05 – 10:35 AM Keynote Address: Nordstrom's Secrets to Success in Establishing Your Brand.
- 10:35 – 10:50 AM Refreshment Break
- 10:50 - 11:50 AM 7-Line P&L
- 11:55 AM – 12:55 PM Lunch Session
- 11:55 AM – 12:55 PM Women of the Auto Recycling Industry Luncheon
- 1:00 – 2:10 PM Purchasing Strategy to Grow Your Business Profitability
- 2:20 – 3:25 PM Making the Most of Your Resources
- 3:25 – 3:40 PM Ice Cream Break
- 3:45 – 4:45 PM Wage & Hour Seminar
- 4:50 – 6:00 PM U-Pull-It Panel Discussion
- 6:00 – 9:00 PM Exhibit Hall Grand Opening
- 9:15 PM – 10:00 PM President's Sponsor Recognition Reception
- 9:00 PM – 12:00 AM FADRA Hospitality Suite

SATURDAY, JULY 19

- 8:30 AM – 5:00 PM Attendee Registration Open
- 8:30 – 9:30 AM Capitalizing on eCommerce With eBay
- 9:35 – 10:55 AM Preparing Your Inventory for Future Sales (Online Sales & Leveraging Technology)
- 10:55 AM – 1:00 PM Brunch in the Exhibit Hall
- 1:05 – 2:00 PM FADRA General Membership Meeting
- 2:00 – 2:10 PM Refreshment Break
- 2:10 – 3:10 PM Voiceover IP
- 3:15 – 4:15 PM How Jeff Gordon Can Lead You to Better Sales
- 4:30 – 5:30 PM Beach Volleyball
- 4:30 – 5:00 PM Special Membership Drawing
- 6:30 – 10:30 PM Under the Boardwalk! - FADRA 2014 Coney Island Party Night!

SUNDAY, JULY 20

- 8:00 – 9:00 am FADRA Prayer Service with Jim Seamans



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Trademark Metals Acquires OneSteel Recycling's Tampa Facilities

Trademark Metals Recycling (TMR), wholly owned by Cincinnati-based The David J. Joseph Co (DJJ) has purchased the assets and business of OneSteel Recycling Inc.'s Tampa, FL-area scrap metal recycling facilities. The operations include a shredder facility and a deep-water export site on approximately 11.5 acres at the Port of Tampa. In addition to the port facility, OneSteel's other Tampa-area locations acquired by TMR are in Seffner, Clearwater, and Hudson.

Before completing the deal, TMR, headquartered in Tampa, had to make sure that the Port of Tampa Bay would approve the transfer of the lease from OneSteel to TMR. The lease expires May 14, 2017, and has two extension options of 10 years each.

The staff of the Port Tampa Bay reviewed the assignment of lease conditions with OneSteel and TMR and negotiated the terms and conditions of a consent to the proposed assignment of the lease to TMR, which currently leases other lands from the port.

TMR says the purchase of the OneSteel Recycling assets is consistent with the company's strategy to strengthen



TMR Facility Lakeland Florida

its presence in the Tampa region and demonstrates DJJ's commitment to expanding its existing regional recycling platforms. With the acquisition, TMR now has 30 recycling facilities in Florida and Georgia.

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LEGISLATIVE UPDATE

By Steve Holland, Brandon Auto Salvage, Legislative Chairman

FADRA just finished the 2014 Legislative Session. What a battle with the Salvage Auctions it was. Many of our members attended the first Senate Hearing and spoke in opposition to SB 754, but their testimony fell on deaf ears. That committee voted in favor with only one dissenting vote.

The grassroots efforts of our membership and the hard work and strategy of our lobbying firm had an impact, but in the end we lost in the House and Senate. The auction companies are well financed and they have been supporting Florida legislators for three years, and this helped to persuade many of them that a deal needed to be made. They also don't want to keep fighting the same battle year after year.

An airbag amendment was added in committee to SB 754. Although we asked the Governor to veto SB 754, he signed it into law on June 20. We are now playing in a new environment.

FADRA also had other bills involving Used Tires and Website Advertising to monitor and negotiate. These failed to pass the Legislature.

Don't be discouraged from the actions of your legislators; just realize that you need to be more acquainted with them to get their support. Senator Tom Lee, for example,

while he wanted a compromise, respects us and our positions greatly, as do the many other legislators with whom we have worked. The effort is necessary. Writing checks for campaign contributions can ensure that your legislators will support you when you need them.

Many legislators are having events and we need to support them. I have a list of legislators that we need to support financially this year. Please contact me or any member of the Board of Directors and we will direct you to who needs our support

Now is the time to contact your local legislators to get acquainted with them. They are no longer in session and have more time for people in their districts. Either invite them to your facility to educate them about your industry or visit their office to speak with them. Attend community events that they attend and speak with them. Be on a first-name basis when you need them or when they need your expertise and knowledge. We have a Facility Tour Toolkit if you would like one to use.

I want to thank everyone who took the time to attend Legislative Days, write letters or make phone calls to legislators. That work is not in vain. There will be other issues coming down the pike on which we will need to capitalize on the good relationships you help to establish.

Now is the time to contact your local legislators to get acquainted with them. They are no longer in session and have more time for people in their districts.

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Auto Salvage Industry Feeling Pinch in Tally Car Wars

By Joe Henderson, Tampa Tribune



Let's begin with a short hypothetical: Following an accident, your car was declared a total loss. You probably shrugged, took the insurance settlement, and went shopping for a new vehicle. More than likely, you don't care what happened to your old car.

A lot of people do care, though, and they have been engaged in what state Sen. Tom Lee, a Brandon Republican, called, "a good ol' fistfight."

It was a high-stakes showdown between the state's auto salvage industry and the auction houses that specialize in used cars. Those sides have waged a three-year battle in the state Legislature, resulting in a bill that changes the rules for what happens to cars that are classified as total wrecks.

Under the old law, those cars went to salvage companies and were stripped for parts, which were resold to customers needing, say, a cheaper alternative for replacing a side-view mirror or something like that.

Under the new law, which becomes effective July 1 unless Gov. Rick Scott vetoes it, even a car classified as a complete loss can be bought, repaired and resold by an auction house.

In other words, your neighbor could one day be pulling into his driveway in your old totaled car. More likely, though, someone in Central America could be driving your old, totaled car.

That's a big market for reconditioned vehicles.

"The public doesn't know about this law," said Steve Holland of Brandon Auto Services, which sells salvaged parts to body shops, mechanics and the general public. "We have a hard time supplying parts now."

This law could make it worse, resulting in a squeezed market for used car parts, higher prices and potential job losses.

"There is no doubt this is a step back for Steve and the salvage guys," Lee said.

Holland said he appreciates that Lee did his best to fashion a compromise, but he still wants Scott to veto the measure.

"I'd be surprised if the governor vetoes it," Lee said.

Since 1992, a vehicle in Florida was considered damaged beyond repair if an insurance company declared damage was 80 percent or more of a car's Blue Book value. Insurance companies claimed the car and recouped some of their money by selling it to salvage companies.

Lee said that put drivers with older cars at a disadvantage. He told of having a 2004 Ford Expedition with more than 200,000 miles on it. Lee said he took great care of the vehicle before finally trading it in for about \$2,500 on

a newer model. All the while, though, the resale value of his Expedition was going down.

"So, what if I had a little fender-bender and the damage was more than \$2,500?" he said. "Maybe I would have wanted to just get it repaired so I could keep driving it, but the law said I would have had to sell it over to salvage."

"Now, there might have been a little nod-nod, wink-wink going on between insurance companies and car owners about how they appraised the damage so owners could keep cars like that. That's not how the law was written, though. And it's a shame to be forced to send a car like that to salvage if you don't mind driving an older vehicle."

Point taken.

Salvage advocates, though, have been circulating a flier showing two cars that are obviously damaged beyond any reasonable attempt to repair. They charge that changing the law would allow auction houses to fix those cars and sell them.

"Yes, and the other side can bring you pictures of a car in a minor fender-bender that had to go to salvage," Lee said. "How do you draft a law that can match up with every single vehicle out there? We got about halfway there."

Source: *Tampa Tribune*, June 5, 2014



FADRA Members Testify on Senate Floor During Legislative Days

By Bobby Davis, Editor

FADRA members have been visiting their legislators in Tallahassee during Session for several years now, but this year was a first: we had several members speak before Senators while SB 754 was being considered. It was a heady experience for those who spoke, while some of the FADRA delegation merely waived our time in opposition to the measure.

A semicircle of Senators waited in session as citizens waited to give testimony on various bills. Our FADRA crew, dressed in green shirts and accompanied by Trevor Mask, our lobbyist, sat in a group near each other. Trevor had excitedly informed us a few minutes before that we would have an opportunity to speak on the bill directly. When SB 754 came up, the Senators invited anyone who wanted to speak in favor or against the bill. A GEICO representative spoke first, and expressed her opposition to the bill because she felt that without a state inspection program to verify the safety of used vehicles, the bill would allow too many unsafe vehicles on the road.

She was countered by the Copart lobbyist, who spoke about the fact that such a high percentage of vehicles in Florida—half of their nationwide total—were given Certificates of Destruction, making Florida an “outlier” state that, they felt, should be brought in line with the national average. Unspoken was the reality that Florida is an “outlier” because it has stricter standards to protect public safety.

FADRA President Jim Butler led off for FADRA speakers, calmly explaining FADRA’s position that this bill would unnecessarily increase the cost of auto salvage, lower the amount available to recyclers, and increase the number of unsafe vehicles on the road. Brad Rutherford followed and gave some historical perspective about how FADRA had worked with law enforcement and the insurance industry to create the 80% rule when they saw its value in protecting public safety. Shan Lathem McMillon and Tim McMillon also spoke against the bill. Senators asked questions about the testimony.



All in all, the Senators asked questions and listened respectfully, until Nancy Detert of Sarasota announced that it was clear “all the people in green shirts are against the bill” and signaled they should move on to other matters, but it was clear that the Senators wanted a compromise. Tom Lee summarized both positions aptly and said that working out a compromise was best for everyone. Testifying to the Senate was a heady experience for all of us who took part.

Those who attended Legislative Days visited with more than 30 Senators and Representatives or their aides. Senator Tom Goodson of Brevard County was particularly interesting and entertaining, as he interspersed his serious conversation with jokes and stories. We succeeded in educating legislators and staff about our issues. Steve Holland, Trevor Mask, and Ray Colas of LKQ did a great job educating the crew about how to present our positions and leading us in our travels.

Special thanks goes out to Auto Data Direct, which once again hosted our Board meeting and the dinner/legislative briefing on Tuesday night. President Jim Taylor, Sara Kathryn Wright, and the rest of ADD’s wonderful staff were excellent hosts as our members gathered for food and fellowship. As always, we hope that more FADRA members will join us next year when we return to Tallahassee to fight for our interests.



Return of the Surrender Stop Process for Lienholders

By Mike Samaan, Auto Data Direct

HB 7005, a bill that reinstates a notice to surrender and surrender stop process in Florida has passed the House and is awaiting Governor Scott's signature. The new requirements include a process for a customer to dispute the stop being placed by the lienholder.

Florida dealers and lenders may recall that lienholders in Florida once had the ability to place a stop on the Florida Real-Time Vehicle Information System (FRVIS) record of a customer who had not made loan payments and was concealing or refusing to return a vehicle with a recorded lien. This stop prevented the customer from renewing the vehicle registration until it was returned to the lienholder.

In 2012 a lawsuit was filed against the DMV claiming that the stop placement process in FS 320.1316 did not contain a procedure for a registered owner to appeal or dispute the registration stops. Florida Statute stated that if a registration applicant's name appeared on this list, DMV may withhold the renewal, registration or replacement registration of any motor vehicle owned by the applicant. Since the statute stated "**may withhold**" instead of "**must withhold**," DMV's position was that they were not required to enforce the registration stops.

The Florida Independent Auto Dealers Association (FIADA) worked very hard and was ultimately successful in finding a resolution that satisfied the interested parties, and created language that would reinstate a surrender stop process again. The bill is still awaiting the Governor's signature.

After passage and the official rule rewrite from DMV, ADD plans to offer the surrender stop letters to its lienholders as a part of its Direct-Post-Office (DPO) services, either through the ELT manifest or under the DPO tab.

When the Surrender Stop process was first introduced in 2009, ADD's lienholder customers successfully sent thousands of electronic certified or certificate of mailing letters through its DPO system, tracking and archiving letter submissions and avoiding trips to the post office.

The new requirements include a process for a customer to dispute the stop being placed by the lienholder, making ADD's DPO letter process, with its trackable letters and proof of delivery even more important for lienholders. With DPO, a lienholder can prove the required Notice to Surrender letter was sent to the customer before placing the registration stop.

ADD will keep its customers updated on the progress of the HB 7005 rule rewrite from DMV as well as the implementation of its Surrender Stop letter DPO process.

Stay Tuned!

Please contact ADD customer support with any questions at (850) 877-8804 or email them at info@add123.com

Ohio Trying to Level the Playing Field Among Auto Repairers

The Automotive Service Association of Ohio (ASA-Ohio) announced on Monday that it is supporting a newly proposed state bill that would, among other things, create a mechanical shop registration program in Ohio. If passed, the Ohio bill would force shop owners to pay a \$200 fee to register with the Ohio Motor Vehicle Board. Shops would also be required to adhere to certain operational standards, such as maintaining proper equipment, licensing and insurance, and compliance with all Occupational Safety and Health Administration (OSHA) and Environmental Protection Agency (EPA) regulations.

ASA-Ohio past president Joe Sanfillipo says the goal of the legislation is to protect consumers by providing assurance that they're doing business with quality shops. In addition, it would "level the playing field" among repairers by verifying that all the things quality shops do to operate properly would be replicated by every facility in the industry.

Sanfillipo says that exact goal was accomplished when Ohio implemented its registration program for collision repair shops roughly 10 years ago.

"It raised the bar for business, made shops accountable, and ensured everyone is playing by the same rules," he says. "There have been a couple instances when shops have been forced to close because they refused to comply."

Sanfillipo says both Ohio's collision registration program and proposed mechanical program are modeled after Florida's shop registration program, which played a significant role in reducing the number of consumer complaints against Florida's automotive industry since implementation in the early 1990s.

Source: Ratchet & Wrench, June 2014 Issue

LTAS Tracks the Underground Auto Salvage Economy and Odometer Fraud

Following up on the tremendous success of last year's curbstoning study, LTAS is releasing new statistics corresponding to the second-hand auto parts marketplace in the USA. Data was collected from Dec. 1, 2013 - Mar. 1, 2014 for "auto parts - by owner" category, and illegal auto parts vendors were calculated by looking for **10+ parts from the same seller**. Duplicate postings from the same seller were removed. Please **check out our interactive map** to zoom in on your state or city to see how the numbers work out.

This study has significant implications for many aspects of the economy estimated **sales tax lost by all states is \$27 million per year** illegal parts recyclers do not respect environmental laws and regulation significant portion of these parts may be associated with auto theft, or insurance fraud.

Craigslist Odometer Discrepancy statistics

Below are some statistics generated from Craigslist autos 'private sale' ads where a VIN was provided, and the percentage of those VINs containing odometer discrepancies or invalid 17-digit VINs. Odometer discrepancy and invalid VIN data courtesy of **Carfax**. Craigslist raw data courtesy **LTAS Technologies Inc.**

City	State	Odometer Discrepancy	VIN Error
Atlanta	GA	11%	13%
Boston	MA	1%	19%
Chicago	IL	2%	19%
Dallas	TX	6%	13%
Des Moines	IA	3%	5%
Miami	FL	9%	16%
New York City	NY	10%	4%
Phoenix	AZ	5%	15%
Raleigh	NC	6%	7%
Sacramento	CA	6%	12%
Seattle	WA	2%	14%
Washington	DC	2%	16%

Does Your Business Meet ADA Requirements?

Recently, a lawsuit was filed against an auto recycling business in Southern California, which should serve as a reminder to make sure that your facility meets the requirements of the Americans with Disabilities Act (ADA). It's a good idea to periodically check to ensure that signage is still legible, that parking lot stripes are easily visible, and that all other requirements are being met.

Parking: You must provide accessible parking spaces for cars and vans if it is "readily achievable" to do so. An accessible parking space must have an access aisle, which allows a person using a wheelchair or other mobility device to get in and out of the car or van. One of every six spaces must be van accessible. If your business has four or fewer parking spaces, you must have one accessible parking space.

Total number of parking spaces provided	Minimum number of required accessible parking spaces
1 to 25	1
26 to 50	2
51 to 75	3

Wheelchairs and Other Power-Driven Mobility Devices: Make sure that your business allows people with disabilities to use devices such as walkers, canes, crutches, braces and manually operated or power wheelchairs in all areas where customers are allowed to go.

Readily Achievable Barrier Removal: The ADA requires that small business remove architectural barriers in existing facilities when it is "readily achievable" to do so. This means that it can be "easily accomplishable without much difficulty or expense." So, businesses with more resources are expected to remove more barriers than businesses with fewer resources.

Readily achievable barrier removal may include providing an accessible route from a parking lot to the business's entrance, installing an entrance ramp, widening a doorway, installing accessible door hardware, repositioning shelves, or moving tables, chairs, display racks, vending machines, or other furniture. When removing barriers, businesses are required to comply with the standards to the extent that it is possible.

For more information on the American with Disabilities Act requirements, visit www.ada.gov.

Source: SDCARA Newsletter, May 2014

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Manheim To Unveil New Imaging Tool

Manheim's new Enhanced Vehicle Imaging Suite offers the highest resolution image quality and delivers merchandising-type images to support customers' digital marketing strategies.

The improved package offers customers up to 15 vehicle images, 'heat map' graphics that help buyers quickly assess vehicle condition and a dedicated photo staff with the goal of ensuring consistent image quality and standards across all Manheim locations. The offering was unveiled during the company's Client Advisory Board Meeting held May 14 in Napa Valley, Calif. Getting the best vehicle images involves precise operational standards, so Manheim gave its top customers a firsthand look at how the process works through a live, onsite demo. This included having attendees use the new imaging technology to take pictures of vehicles and compare them to the photos taken by Manheim's professional photographers.

The product rollout will begin with commercial customers such as Toyota Financial Services, and will be completed for OVE.com and Manheim.com, and at 20 Manheim operating locations in early July. The roll out will expand throughout 2014 as customers sign up and dealer requirements are refined.

Toyota helps develop process for ELV copper recycling

Toyota Motor Corp. (TMC), along with a number of partner firms in Japan, has developed what it claims is the world's first technology to recycle copper in wiring harnesses. The automaker, along with Yazaki Corp., a manufacturer of automobile components; Toyota Tsusho Corp., the trading arm of the Toyota Group; and eight Japan-based auto dismantling companies, has developed a method that is able to produce copper with a purity level of 99.96 percent from the wiring found in automobiles, according to the company.

The eight auto dismantlers involved in the collaboration are Auto Recycle Sanri, Johoku Jidosya Kogyo Co. Ltd., Kawaguchi Shouten Co.,Ltd., Kobayashi-shouten Inc., Marudai Corp., Morita Sharyo Corp., New Iwata Corp. and Yamauchi Shoten Co. Ltd.

Toyota says that when wiring harness-

es are removed from end-of-life vehicles using conventional methods, it is extremely difficult to separate the copper from the fuse box and other components. As a result, it has not been possible until now to recycle harnesses using mechanical sorting methods.

In 2010, however, TMC, Yazaki, Toyota Tsusho and auto dismantlers began collaboration in a number of areas, including establishing preprocessing quality requirements for dismantling companies. In 2011, TMC developed the first mechanical sorting method that is designed to prevent contamination from minute impurities. Trial production involving small amounts of recycled copper began at TMC's Honsha, Japan, plant in 2013. Once quality had been assessed by Yazaki, the copper was introduced to the wiring harness manufacturing line. Stable production involving recycled copper has been achieved, and the

IAA Launches Mobile App

Insurance Auto Auctions Inc. announced the launch of the CSAToday by IAA mobile app for Android featuring Market Value. This follows the launch of IAA's iPhone app and further expands customers' ability to estimate the value of their vehicles.

This application will offer CSAToday customers the latest operating platform and enable users to be at the forefront of technology. Through the patent pending Market Value, CSAToday customers can quickly and efficiently research and compare vehicle values. Similar to the iPhone app, users can scan the VIN with their phone, enter a VIN manually or type or speak a year/make/model.

Market Value uses historical auction data to compare customers' vehicle information to vehicles previously sold through IAA auctions using criteria such as damage details, location information, vehicle specifics and model options. The tool also looks at intuitive filters, such as loss type, damage, run and drive capability, engine size and more, to help users further refine their search results. Customers can also select from the matching vehicles to customize their Market Value results that can be printed, saved or shared as a PDF.

partner companies say annual production of recycled copper using this method will increase to about 1,000 tons in 2016.

The technology is the result of TMC's first collaboration with parts makers and dismantling companies in Japan on next-generation recycling systems. Toyota says it will continue to enhance this technology while reducing costs and expanding collaborative efforts. Furthermore, Toyota will create an ongoing next-generation recycling project with parts makers and dismantling companies with the aim of fostering a recycling based society. This, in addition to other resource recycling initiatives, will become a new source of competitiveness for Toyota and other involved companies as they combat resource depletion, the company says.

Source: Recycling Today, March 28, 2014

California Association Going After Unlicensed Recyclers

Believing that the automotive recycling industry is in a "state of crisis" in California, the State of California Auto Dismantlers Association's top priority for 2014 is to work with state regulatory agencies to ensure enforcement of state laws and regulations on unlicensed dismantlers.

David Street, SDCARA president and this year's SCADA's president, said that the time has come to put forth whatever resources are needed to end illegal activity by unlicensed dismantlers. "For us in the industry, it is clearly a business issue, as unlicensed dismantlers are unregulated and not subject to the same requirements that licensed dismantlers are. But we are also asking state regulators to help educate consumers about the dangers of doing business with unscrupulous, unlicensed dealers."

This includes those who post "We Buy Junk Cars" signs in public areas.

Source: SDCARA Newsletter, May 2014

Two members of Congress introduced a bill to reduce federal vehicle repair costs by encouraging the use of remanufactured auto parts

Rep. Gary Peters (D-Bloomfield Township) and Rep. James Lankford (R-Okla.) introduced the Federal Vehicle Repair Cost Savings Act of 2014 to reduce the nearly \$1 billion in annual federal vehicle repair costs of 588,000 government vehicles, according to a report in the Detroit News.

The bill would require all heads of federal agencies to encourage the use of remanufactured parts when it lowers costs, maintain quality and performance and does not compromise safety.

In a report issued by the Government Accountability Office (GAO) in 2011 they confirmed that 588,000 civilian Federal fleet vehicles were serviced at a cost of \$975,000,000.

Remanufactured vehicle components tend to be less expensive.

The US Postal service relies on remanufacturing to reduce their vehicle repair costs.



The advertisement features four white cars arranged in a 2x2 grid, each with the RAS logo on the roof. The logo consists of the letters 'RAS' in a stylized font, with 'CORES' written above it and a yellow starburst graphic. The text 'CORE Management Solutions' is prominently displayed in the bottom right corner. A QR code is located in the bottom right corner of the advertisement.

Donate Catalytic Converters to ARA University

Utilizing the **Ed U Cat Catalytic Converter Recycling Donation Program**, automotive recyclers can elect to donate the proceeds of one or more catalytic converters to ARAEF. Gifts of any size make a tremendous impact on the ability to serve automotive recyclers. With the help of generous supporters of the **Ed U Cat Catalytic Converter Recycling Donation Program**, ARAEF can continue to provide new and improved training courses, as well as develop innovative educational platforms designed to help professional automotive recyclers gain best-in-class status.

The contest runs through October 1, 2014, culminating at this year's ARA Convention in Nashville, TN, where every EDUCAT participant is entered to win valuable raffle prizes, and the most generous company will win a Grand prize for the most converters donated.

The eastern collection site is United Catalyst Corporation, Attn: ARAU CAT Drive, 846 N Hwy 25 Bypass, Greenville SC 29617. UCC will collect donated converters at any time and on any load. UCC will process the converters, and send you a check made out to ARAEF for you to forward directly.

ARA Partnering with Dale Earnhardt Jr.'s Racing Team to Promote Recycled Parts

Imagine if millions of viewers saw the Green Recycled Parts® logo promoting your inventory on cars driven by Dale Earnhardt Jr. and Regan Smith during the 2014 NASCAR season! Imagine the consumer brand recognition that would result when the NASCAR fan base of nearly 100 million people saw Dale, Jr. talking about the economic and environmental benefits of your parts and saw that same Green Recycled Parts® logo displayed in your facility!

An opportunity like this can occur - but only with the full support of ARA member recyclers, vendors and industry stakeholders like you! With your support and together with Dale Earnhardt Jr.'s racing team JR Motorsports. ARA is prepared to launch a public awareness campaign to promote the Green Recycled Parts® logo on cars driven by Dale Earnhardt, Jr. and Regan Smith in 6 upcoming Nationwide series races.

To help jumpstart this fundraising effort and secure the necessary financial resources, ARA has developed a contribution program with multiple levels of participation. Don't miss this opportunity to partner with two of the most popular drivers in NASCAR!

The Green Recycled Parts® Motorsports Campaign can make a difference in your consumer's purchasing habits, driving more parts sales and increased parts utilization. ARA is proud to offer this public awareness campaign that will enhance the public perception of genuine, recycled OEM auto parts.

Time is of the essence as the racing season is already underway. To participate in this not-to-be missed opportunity, make your contribution, or request more information by calling ARA at 888-385-1005.

FADRA TRIVIA

Who won the most Daytona 500 races and how many races did he win?

Check the FADRA website at www.fadra.org for the answer!

Find more useful information from your Professional Association, including procedures for applying for the Salvage Dealers License.

**Visit your association Website!
www.FADRA.org**



BRANDON AUTO SALVAGE



Brandon Auto Salvage Hosts Second FADRA Yard Expo

By Bobby Davis, Editor

Last year, FADRA began an annual program of local get-togethers for members and non-members hosted by member yards. Steve Holland and Ken Anderson hosted the 2014 Yard Expo on April 5 at their yard in Brandon. About 75 people attended and we had 13 vendors with tabletop exhibits in Steve's spacious warehouse area. Steve even got a reporter from the local *Osprey Observer* to come out and do an article.

Steve and his crew set up a dozen tables in the warehouse, which cleaned up nicely for the guests. This came after three months of work to clean, paint, and remodel the area. Along one wall stood tabletop displays from vendors such as Car-Part.com, Rebuilders Automotive Supply, Buddy Automotive, IAA, and Trademark Metals. Everyone mixed easily in a sociable situation before taking a tour of the yard and warehouse. It was a nice opportunity to discuss best practices and compare how Brandon does things with the way the attendees did. Although aimed at local recyclers, Joe and Karen Hines from A-1 in St. Augustine, Bob Eubanks of Rusty Acres and Brian Shell and the guys from Go Auto Recycling in Jacksonville came over. Mike Gagel and Billy Glueck, Jr. from the Bay area, Steve Underwood of Pasco Auto Salvage, Skip Donahue of Plant City Auto Salvage, and Mike Ingui from Florida Dial-A-Part were among the guests.

Set up in the lobby, Kim O'Dell and I got to see a master at work as Junior, Steve's lead salesman, greeted attendees and the random customer who came up to the



store because the cars in the parking lot made them think Brandon's was open. (Which it is not on Saturdays.) One woman drove up with horribly bald tires, one ready to pop, and they tried to find one that would fit. Junior was very solicitous and spent 30 minutes trying to help her. Another man came up wanting the centerpiece of a hubcap. Junior started to tell him that they were closed and he could call him back on Monday, but then he decided to let the man go back and try to find the right piece. He found it, and when he went to his wallet, Junior told him to keep it. That's the way to make a loyal customer!

Although no formal speaker was scheduled this year, Steve could not be restrained from talking about FADRA's priority bill in the Legislature, noting that it would reduce the availability and increase the cost of salvage and parts. He asked everyone to get involved in contacting legislators to speak against SB 754. Also, Sean McGinnis of the Hillsborough County Environmental Protection Commission briefly spoke to the group.

Attendees got to enjoy some great barbecue from a local food truck plus the country band Summer Moon, led by a longtime employee at Brandon. They have played all over the Bay Area for 15 years and you could see how professional and talented they were, with superb musicianship and vocals. A few hardy individuals even got up and danced.

All in all, the Yard Expo did its job, though we would like to have seen more non-members show up. It was a great social and learning event. Next year, we plan to take this show on the road to Jacksonville, at a location to be named later.



Ron Sturgeon's Management Tips

Pay For Performance

How to Make Your Dismantlers Twice as Productive

By Ron Sturgeon, Auto Salvage Consultant



Increasing sales often takes months. To do it, you need money to buy more cars and do more marketing. Want a shortcut to higher profitability? Think about cutting your costs. The beauty of increasing profits by cutting costs is that it can be done now.

Smart cost cutting often produces better cash flow and profit numbers within weeks. Having achieved better cash flow and profits, you can then use the extra money to buy more cars and get the inventory that will produce higher sales.

I have helped dozens of yards roll pay for performance and achieve lasting gains in productivity and profit. Some recoup the cost of hiring me in less than one week.

You **can** make a successful move to pay for performance and get back to the levels of profitability your yard once enjoyed!

In past articles, I have discussed pay for performance for sales people. In this article, I will discuss how to do pay for performance for dismantlers.

It's easy to start pay for performance in your yard's dismantling department.

- First, gather your metrics. The number of cars dismantled per day per dismantler will vary depending on what your people do (move the vehicle in and out, dismantling, checking engines, verifying parts, cleaning, tagging and stocking parts). Solidly managed yards using pay for performance should achieve well over 2 vehicles per day when the dismantler moves his car in and out and checks and pulls all parts.
- Second, make certain you have well trained dismantlers, standardized procedures, adequate forklifts, and good storage devices, carts, etc.
- Third, apply your metrics to your current rates of pay and figure out what your top performers, average performers, and laggards are doing so that you can set the right performance benchmarks. The price you will end up paying for the dismantling described above will vary, but you should expect to pay a minimum of



\$75 per car.

- Fourth, implement the program and keep tracking your KPIs.

Expect at least a 50% lift in productivity. In dismantling, a good pay for performance program should double output. It has in the dozens of yards where I have helped put it in place.

When I first switched my yards to pay for performance, sometimes dismantlers finished all the cars I had on hand. When they did, I gave them the option of going home early or doing extra side work at their dismantling hourly rate.

Whatever the side job was, I issued them a PO for the number of hours we agreed at their dismantling rate. My dismantlers hustled because the more productive they were, the more they earned for any side work.

Realistically, you should not run out of cars to dismantle very often, but you also need to make sure that you don't get too large a backlog. I tried to never have more than two weeks' worth of cars waiting for dismantlers. For every 4 weeks of standing dismantled cars, you will need an extra parts puller, a drain on payroll forever.

Part of your pay for performance program should be communicating a change in how vacation pay works. I paid vacation pay based upon the average weekly earnings of the dismantler over the previous eight weeks. My guys always hustled dismantling to make their vacation checks as big as they could be.

Continued Next Page

Your best dismantlers will earn over \$1000 a week. They will never leave, and you will be glad to pay them because they will be doing twice the work of you got from them when they were hourly.

Your most successful competitors have already lowered their labor expenses by switching their dismantlers to pay for performance. It's time for you to make the jump.

Are your labor costs above 20% of total parts sales? The easiest way to bring them back in line and make this year your best ever is a good pay-for-performance compensation program. I can help you make it happen.

Remember only you can make business great!

Ron Sturgeon, founder of Mr. Mission Possible small business consulting, combines over 35 years of entrepreneurship with an extensive resume in consulting, speaking, and business writing, with nine books published. As a consultant, Ron shares his expertise in strategic planning, capitalization, compensation, growing market share, and more.

To inquire about pay for performance compensation plan consulting or keynote speaking, contact Ron by calling 817-834-3625, by emailing rons@MrMissionPossible.com, by mailing 5940 Eden, Haltom City, TX 76117, or online at Mr. Mission Possible.



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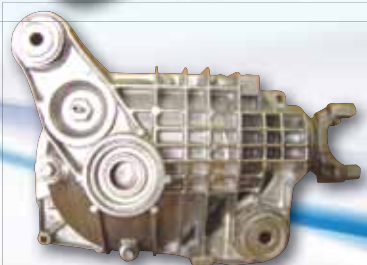
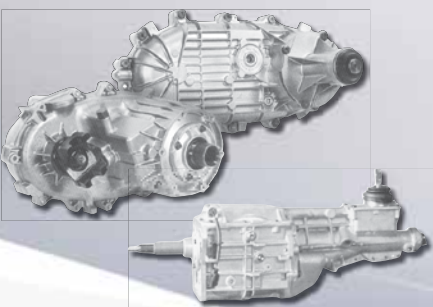
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