



Missouri NEWS

Auto & Truck Recyclers

Serving the Membership of the Missouri Auto & Truck Recycler Association

August/September 2015

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www.matronline.com

From the President

By Brent Baumgarten

Automotive recycling has come a long way from the beginning, we not only resell quality OEM parts, but we are protecting our environment and teaching the next generation how important it is to recycle and to reuse.

Oil and transmission fluids are used for heating buildings, antifreeze and gasoline is filtered and used, and washer fluid is also used, keeping all of these contaminants out of our environment, and putting them to good use. The precious metals are sold at a premium and the scrap metals are sold and processed into new steel.

We as auto recyclers, on average, recycle better than 80 percent of our product, which in turn is making it a better world for everyone, by saving landfill space, to protecting ground water.

As more Hybrid and electric cars are entering the market, I think we'll see more people using those types of vehicles for commuting to and from work in metropolitan areas, which should help control some pollution. But I think the electric models are still a way off for travelers, because of their carrying and range capacities. And some of us aren't willing to give up our gasoline or diesel power, just yet.

In short Auto Recyclers are the original Recyclers!!

With summer here and the weather heating up, mechanical parts are moving pretty good, and with the record rainfall we've had, I'm sure some of the flood cars will be hitting the auctions soon.

I hope everyone is having a great summer, and I urge everyone to please try to attend this year's annual meeting on November 20-22, 2015 at Lake of the Ozarks, it is always a great time to catch up with old friends, talk shop and enjoy a night or two out!!!

Happy recycling,
Brent

MATR Dates of Interest

October 2015

7-10 ARA Annual Meeting
Charlotte, NC

November 2015

20-22 MATR Annual Meeting
Camden on the Lake
Lake Ozark, MO

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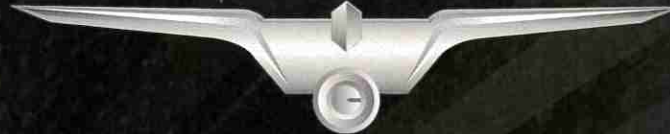
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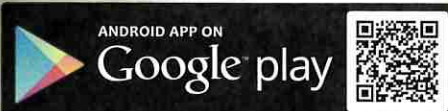


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Missouri Auto & Truck Recyclers News

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Missouri Auto & Truck Recyclers News

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Legislative Report

By Brian Bernskoetter

Many of you are aware of or have participated in surprise OSHA inspections in the past. These inspections can be complex, time consuming and expensive. Additionally, the pace of OSHA's enforcement inspections is running at historically high levels so now is a great time to remind you that the Missouri Department of Labor has a Free On-Site Safety and Health Consultation. This program allows you to sign up for a free inspection of your plant and in turn you agree to remedy what they find. This also has the advantage of postponing any OSHA inspection. The website for the program and application is <http://labor.mo.gov/LS/safetyconsultation/>

If you make an application to this Missouri Department of Labor for this program you must simply in-

form OSHA when they show up that you are awaiting the DOL inspection. If there is any trouble, simply tell them that you want to call DOL and DOL should tell OSHA the status of your inspection request.

Please consider that if you are inspected by OSHA and they find problems, you will not only have to fix the problems but also pay fines.

Other industries that we work with have used this program and have found it to be very beneficial.

If you have questions please contact the DOL at 573-751-3403

Finally, Governor Nixon signed into law House Bill 524 which allows the Department of Revenue to electronically release liens on certain trailers and cars.



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Your Internet Presence

By Don Hendricks

While talking with Brent today, he asked some questions that I have been asked more than once. I thought I might give it a try and see if I can answer a few of the questions that are most often asked.

1. What is SEO, and why do I have so many companies calling me about it? Search Engine Optimization or SEO is the way Google, Yahoo, Bing and other search engines find what you have listed. Companies will try to sell you their services so that your items stay on the top of the list when you search locally. That is great... IF you only sell locally. If you have your items on EBay, they do this for you. EBay also sells to a GLOBAL market. Let them advertise for you.
2. How does EBay rank items for sale? There is a great wizard behind a green curtain... NOT REALLY! It relies on an algorithm that has in it several factors. The ones YOU can control are: price, description, pictures, above/below standard, feedback, and what your ranking is in the BBB.
3. Did you say the BBB? Yes I did. The new generation of customers that buy items from the internet are NOT like you and I of old, yes I said old. They grew up on the 'net and ask questions online of how you are doing. This pulls up metrics from YOUR Google plus page (you do own your own page don't you?), the BBB ratings, any blogs you have, YouTube videos, and ANY bad reviews that show up on line.
4. I just don't sell on EBay, I have other sites. Does this help or hurt? We sell EVERYWHERE we can. Every place is a place that can and will sell your parts. Google pulls metrics from how many times you post items, when you post items and how many views your items have. We try to get all we can.

Pay per click, does it work? Yes and no. If you are going to start an ad campaign, you had better have a way to track what you have sold, when you sold it, where you sold it, and how much you made in profit. That is BEFORE you spend a dime, period. You have to have a way to track what you spend and if you have made any money. Just throwing cash at the 'net will NOT work.

Last question, and this is important. "I have been told that all the things you just told me are bunk. Mr. So and so from company so and so said that you are wrong" Remember, they are SALES PEOPLE, and they don't make money unless they sell you their program. I do not have a dime invested, nor do you at this time. I speak from our experience selling online. There are others that have had different experiences, from good to bad, and all are different. You will need to start at a baseline, try something and see if it works. We are not reinventing the wheel here, and if it worked in 2001, it probably won't work now. The one constant in selling on the internet is - everything always changes.

We built our business from nothing to where we are today. We aren't giants but we can hold our own. I still learn every day from places that do what we do BETTER than we do it. It is always a learning process with the learning curve going straight up....

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Membership Renewal Notices have been sent out. Please send in your renewal today!



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Why Should You Join?

- The MATR retains the services of legislative counsel in Jefferson City to monitor proposed new laws, changes in laws and proposed rule changes.
- The MATR publishes a newsletter 6 times a year at no charge with the latest information on business tips on subjects ranging from insurance, to updates on new products and services and more.
- The MATR maintains a web site at www.matronline.com featuring information about the industry for consumers, a membership and associate member on-line roster with direct links to their web sites.
- The MATR produces an annual convention & trade show featuring exhibitors showing off their latest products and services.
- The MATR maintains an office reachable 24 hours a day, 7 days a week by phone or fax
- All this and more for only \$400.00 a year!

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Renewal

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Mailing Address: _____

City: _____ State: _____ Zip: _____

Business Phone: _____ Fax: _____

Owner/Key Contact _____

E-Mail: _____

Active/Regular Membership: 1) Applicant must be any individual, corporation, firm, partnership, incorporated or unincorporated association or any other legal or commercial entity with ownership interest in an automobile and truck recycling business operated within the State of Missouri, 2) holds a valid Missouri salvage dealers license, and 3) derives a substantial portion of the income from the dismantling, sale and/or exchange of used automobile and truck parts provided, however, that a person, who does not possess an ownership interest in an automobile and truck recycling business operated within the State of Missouri but who is engaged as the full-time manager of such a business and would otherwise qualify for membership, with the written consent of the owner thereof not be denied membership.

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Membership Renewal Notices have been sent out. Please send in your renewal today!



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Additional Locations are charged \$200.00 annually

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ARA News

From Automotive Recycling Weekly

As Vehicle Thefts Decline, Incidence of Stolen Car Parts Rise

According to a report by the National Insurance Crime Bureau (NICB), while car thefts are declining across the country, the thefts of some vehicle parts and accessories are proving to be a lucrative business for professional thieves. NICB reports that in the Detroit area, it's become a huge problem that's costing consumers, insurance companies, car dealers and car rental companies. Organized crime rings are targeting newer vehicles parked in neighborhoods, in parking lots, even at dealer lots – anywhere they can quickly jack the car up, remove the wheels, and leave it sitting on blocks. Rental car companies have been particularly hard hit with hundreds of newer model cars targeted.

In some cases, thieves break the window, pop the hood and disable the gear shift to put the car in neutral. They then use another vehicle to push the car away to a nearby empty garage or lot where they can safely strip it.

According to Michigan State Police Detective Lieutenant Ray Collins of the Southeast Auto Theft Team (SEATT), the person stealing the tires and rims may be paid \$150 to \$400 for their work but more money is made by the middle man who resells the stolen property to smaller tire dealers or collision repair shops for \$700 to \$900. The repair shop may then install those tires and rims on a car and bill an insurance company for \$1,200 or \$1,300. And an insurance company has likely already paid a claim for those same stolen tires and rims.

Some manufacturers are working on technology to help track these parts when they are stolen, but reportedly there's no immediate solution on the horizon.

Recalls Significantly Diminish Value of Automotive Recyclers Inventory

Since the beginning of 2014, automakers have recalled over 100 million vehicles in the United States (U.S.) alone. Now halfway through 2015, the industry in the U.S. is grappling with an additional 25 million more recalled motor vehicles. These are massive numbers, especially considering the fact that automotive manufacturers in America have sold between 16 -17 million new vehicles in each of the past two years.

The increasing number of recalls demands bold and innovative approaches from the automakers to restore the market confidence in their vehicles and parts. Unfortunately, the manufacturers seem unable to harness their extensive resources to unlock their business model of the past and help lead the expanded automotive industry to define more advanced and responsive practices. A stunning example of this "slow to react" mentality is that of the 803 recall campaigns issued by auto manufacturers last year, there was only one buy-back program initiated within the automotive recycling industry in 2014 and that one failed to provide full parts value. What about the other 802 industry recall campaigns? The automakers unimpressive response will do little to address the growing damage that their recalls are inflicting on automotive recycling businesses and consumers.

Recalls significantly diminish the value of your inventory, especially when one considers that professional automotive recyclers buy millions of vehicles every year to meet consumer demand for recycled OEM parts. Given this vibrant and consumer-oriented industry, it is imperative that recyclers have access to parts data to help identify recalled parts in their inventory and also to receive compensation from automakers in exchange for defective parts.

In fact, there exists precedents for this type of remedy. Under the Motor Vehicle Safety Act, manufacturers are required to replace or repair the defective vehicle

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Recalls Significantly Diminish Value of Automotive Recyclers Inventory

Since the beginning of 2014, automakers have recalled over 100 million vehicles in the United States (U.S.) alone. Now halfway through 2015, the industry in the U.S. is grappling with an additional 25 million more recalled motor vehicles. These are massive numbers, especially considering the fact that automotive manufacturers in America have sold between 16 -17 million new vehicles in each of the past two years.

The increasing number of recalls demands bold and innovative approaches from the automakers to restore the market confidence in their vehicles and parts. Unfortunately, the manufacturers seem unable to harness their extensive resources to unlock their business model of the past and help lead the expanded automotive industry to define more advanced and responsive practices. A stunning example of this "slow to react" mentality is that of the 803 recall campaigns issued by auto manufacturers last year, there was only one buy-back program initiated within the automotive recycling industry in 2014 and that one failed to provide full parts value. What about the other 802 industry recall campaigns? The automakers unimpressive response will do little to address the growing damage that their recalls are inflicting on automotive recycling businesses and consumers.

Recalls significantly diminish the value of your inventory, especially when one considers that professional automotive recyclers buy millions of vehicles every year to meet consumer demand for recycled OEM parts. Given this vibrant and consumer-oriented industry, it is imperative that recyclers have access to parts data to help identify recalled parts in their inventory and also to receive compensation from automakers in exchange for defective parts.

In fact, there exists precedents for this type of remedy. Under the Motor Vehicle Safety Act, manufacturers are required to replace or repair the defective vehicle

equipment or to refund the equipment purchase price. Auto makers are not providing proper compensation for these defective components from automotive recyclers nor are dealers fixing the recalled vehicles that come to their dealerships for free. Rather, we know that the dealerships are receiving significant compensation to remove recalled parts from the marketplace. ARA is working on your behalf so that automotive recyclers receive fair value compensation for both the work of removing recalled parts from your inventories and for the now unmarketable part itself.

The recall issue is important to the professional automotive recycling industry so ARA members can help ensure the safety of drivers but also efficiently address any questions about the role of OEM recycled parts in the parts marketplace. In 2010, Chrysler directly questioned consumers' utilization of "salvage" components in one of their position statements due to the fact that the components "are not traceable should a component recall be required in the future." Throughout that document, the automaker appears to be trying to raise suspicion among consumers about all recycled automotive parts. It is because of threats such as these that we must hold automakers accountable for their faulty parts, misleading statements and refusal to provide parts data that would streamline the parts identification process, while at the same time aggressively promoting the continued use of quality OEM recycled parts.

Recalls diminish the value of your inventory. To adequately address this issue and make ARA member businesses whole, ARA staff is working hard to gain access for automotive recyclers to parts data to assist in the identification of recalled parts in your inventory and also to receive compensation from automakers for those recalled parts. Access to this data will greatly increase the efficiency and ability of automotive recyclers to satisfactorily comply with any regulations prohibiting the sale of used auto parts that are subject to a safety recall.

To date, the association has been successful in working with and educating federal officials about the need for access to parts data as illustrated in a recent statement made by U.S. Department of Transportation Secretary Anthony Foxx in which he stated that automakers should provide "parts numbers related to re-

calls" in an "efficient and easy to use format directly to recyclers and others who need this information." Other industry stakeholders have stated their agreement with this sentiment, most recently during NHTSA's "Retooling Recall" Workshop in late April and U.S. Representative Adam Kinzinger (R-IL) in a recent Congressional hearing on Takata airbags.

The demands for professional automotive recyclers' access to OEM parts data are growing stronger and ARA is proud to lead the charge to meet these demands in the U.S and around the world so that the automotive parts supply chain is streamlined, quality driven and protects the safety of each nation's drivers.

Hollander Introduces CoreConnectSM Core Buying Program

Hollander, LLC., a business unit of Solera Holdings, Inc. has announced the release of CoreConnect which the company defines as a system that identifies the price and demand of core parts for an automotive recycler and simplifies the process of selling those parts. Developed in partnership with Rebuilders Automotive Supply (RAS), Hollander notes that CoreConnect enables recyclers to easily determine the value of cores they have in inventory or on salvaged vehicles they are considering purchasing, by identifying the demand for those parts.

According to Hollander, "CoreConnect provides inventory valuation, key decision support information within the applications workflow, and streamlines the process of selling and shipping the parts to RAS." Further, the web-based application optimizes the cores' valuation process by giving recyclers various ways to identify the parts' value. Users can search by vehicle by entering or scanning the vehicle's vehicle identification number (VIN), run a query against their entire inventory, and subscribe to alerts for limited-time offers for high value parts. Once a core is placed into the program the price is guaranteed for a period of time, while the recycler retains the ability to remove and sell the core elsewhere. CoreConnect also manages the process of notifying RAS to pick up a core bin when full and electronically invoices them.



ARA Class Action Lawsuit Update

On February 9 ARA filed a class action on behalf of automotive recycling facilities in the United States who have purchased for resale any of the vehicles containing undeployed and allegedly defective airbags manufactured by Takata Corporation. Representatives of Kessler Topaz Meltzer & Check, the litigation firm representing ARA in the suit, held a conference call briefing on May 6 to provide an update on the lawsuit as well as the buyback offer from Hollander and Rebuilders Automotive Supply. On May 19, Takata drastically expanded the scope of its airbag recalls to over 33 million vehicles.

ARA's position with respect to the buyback program is that the price being offered is below the fair value for the airbags at the time they were purchased (and before Takata and the automotive manufacturers revealed the dangerous defect). ARA initiated its litigation against Takata and the vehicle manufacturers to attempt to recover for recyclers the fair value of the defective components, and considers the buyback program to be an attempt by Honda and others to avoid paying fair value.

A list of vehicles which have been recalled has been provided via email to ARA members along with guidance from the litigation firm that Takata airbags should no longer be resold to customers. In light of the pending lawsuit, these airbags should not be destroyed or altered in any way, and recyclers should store and maintain them through the duration of the lawsuit. The airbags constitute evidence in the pending lawsuit and their preservation may be critical to each recycler's ability to obtain an eventual recovery. In addition, there might be a need for some of the airbags to be provided to counsel for testing.

ARA and affiliate chapter members who are contacted by Takata or any of the vehicle manufacturers or attorneys involved with the litigation are asked to contact Kessler Topaz Meltzer & Check immediately. Questions may also be directed to staff@ar-a.org.

Aluminum Repairs Are Becoming Commonplace: Where Do Aluminum Recycled OEM Parts Fit?

The aluminum use in vehicles is expected to double within the next decade. As with many other sectors within the automotive industry, the automotive recycling industry is committed to the "sustainable management" of collecting and recycling aluminum.

Aluminum's use in autos and commercial vehicles is accelerating because it offers the fastest, safest, most environmentally friendly and cost-effective way to increase performance, boost fuel economy and reduce emissions while maintaining or improving safety and durability. From mass-market vehicles like the Ford F-150 to luxury cars like Audi, Mercedes Benz and Land Rover, aluminum is increasingly the "material of choice" for automakers thanks to its strength and environmental advantages.

ARA continues to work with CIECA's Recycled Parts & Inventory Committee to add new material codes that include new aluminum codes to the Business Message Suite in the 1st Quarter 2015.

Though a request to add aluminum labor codes into the CIECA standards came too late to be part of the update released a month ago, the organization announced that collision repairers, insurers and software providers can start using the codes immediately.

The Collision Industry Electronic Commerce Association develops uniform standards for collision repair software to keep the industry from having a Tower of Babel of programs which can't "talk to each other," thereby hindering efficiency. See its "Road Map" diagrams for visual examples of how this could aid various players related to the auto body industry. The organization releases two updates to the Business Message Suite a year, Executive Director Fred Iantorno said Monday. 2015R2 will appear this fall and contain aluminum codes for the labor, rate and total type tables. But developers — such as for services like AudaExplore, CCC and Mitchell — could start using the codes now and have them integrate seamlessly when

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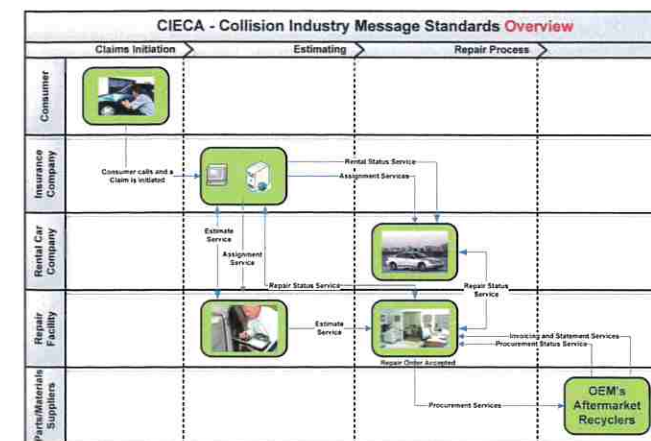
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2015R2 launches sometime before Nov. 1, according to Iantorno.



He gave the example of a hypothetical "ALU" code which would behave the same now and after R2 is released.

Registration for ARA's 72nd Annual Convention & Expo Goes Live!

Online registration for ARA's 72nd Annual Convention & Exposition is now available via the Convention website: <http://www.araexpo.org/2015>. Make sure to check out the updated agenda, speakers, travel information and social networking details! ARA is returning to Charlotte this year and events will take place Wednesday, October 7 - Saturday, October 10, culminating with the Bank of America 500 NASCAR race on Saturday evening. ARA has secured special pricing for registered Convention attendees staying at the Westin.

Don't miss this once-a-year opportunity to connect directly with hundreds of your automotive recycling colleagues from around the world. View the growing list of industry vendors and suppliers who have registered to join us -- exhibit space is already 89% full!



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