



December 2010/January 2011

### Customer Spotlight Scott Frank, Sam's Riverside, Des Moines, IA

Scott Frank is the general manager of Sam's Riverside, a full-service salvage yard that has been in this industry for over 45 years. They dismantle about 100 cars a month, and focus on vehicles that are 12 years old or newer.

# What have been the biggest challenges/ hurdles for your yard?

I would have to say it has been salvage acquisition. These cars are so hard to get, and you have to get every dollar that you can out of them. That is a major reason that we enjoy the partnership with RAS.

What are you especially proud of with regard to your yard?

We have been able to stay on top of new innovations. For example, we just installed a wireless fork lift, and all of our inventory is now bar-coded. Those types of technologies help us to be more efficient in our day-to-day operations.

### How has selling cores changed/impacted your business?

In the past I would strip cars, then decide what to



store in the warehouse. Eventually, a core buyer would show up and want to price my inventory, right then – it didn't matter what I had scheduled. The price given was for a group of parts, so I didn't know what I was getting for the parts. I didn't know if I was getting a good deal or not. With the RAS method I

decide what to core when I'm dismantling the car. I print a RAS sheet for each car and decide what to keep and what to core, so I know exactly what I'm getting for each item. I also don't have the labor of putting the parts up in the warehouse and removing them from the warehouse when the core buyer comes. This allows me to sell excess inventory without any extra labor.

It is also easy to clear the shelves of old stock with RAS, I can print a sheet of parts, by type, and by price with my location. This allows me to keep my inventory fresh and use the money to buy new inventory.

Sam's Riverside continued on page 22



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THE IOWA RECYCLER NEWS

The Iowa Recycler is published six times per year for the Iowa Automotive Recyclers. None of the material in this publication necessarily reflects the opinion of IAR, it's officers, directors, staff, members or it's Publisher. Statements of fact and opinion are the responsibility of the author alone.

Articles and letters suitable for publication will be published in the next scheduled newsletter as space permits. Material should be sent to the Executive Director, Sue Schauls. Articles may be edited for length.

Throughout this issue, trademarked names are used. Rather than place a trademark symbol in every occurrence of a trademarked name, we state we are using the names only in an editorial fashion, and to the benefit of the trademark owner, with no intention of infringement of the trademark. Mention of trade names, commercial products, or techniques does not constitute endorsement or recommendation for use.

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IAR retains the services of **R. J. McClellan Inc.** Call any staff member, Monday through Friday, 9 a.m. – 4 p.m.

Phone 651-458-0089Toll Free 877-525-4589Fax 651-458-0125E-mail: newsletters@rjmc.comRon McClellanPresident, Advertising SalesSheila CainVice President, Layout and Design

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#### Jodi Kunde

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Email: mike@donsautoandtrucksalvage.com

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#### Andy Wilken

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#### **Dave Wood**

Van Gorp Used Cars, Inc. 2696 Hwy. 63 S. P.O. Box 1007 Oskaloosa, IA 52577 Phone: 641-673-8459 Fax: 641-673-0450 Email: parts@vangorpia.com

Visit our website www.iowaautorecyclers.com Page 4

### Iowa Automotive Recyclers Teleconference Board Meeting

Wednesday, September 15, 2010 10:30 A.M.

President Mike Waterbury called the meeting to order at 10:45 a.m. Members present were: Mike Waterbury, Mike Swift, Kelly Salseg, Dave Wood, Andy Wilken, Joel McCaw, Jodi Kunde, Brent Nugent, Tim Smith, Eric Piper, Tom Snyder, David Hesmer, Scott Frank and Jeff Smid. Members absent were: Tracy Hurst and Clyde Lems.

**FALL OUTING:** Kelly reported that sponsorships received to date are close to the set goal. Mike



219 Main Street • Cedar Falls, IA 50613 Phone: (319) 268-4242 • Fax: (319) 268-4211 Toll-free: (866) 907-4242 S. is working on a few more. There are sponsors for the Friday night gathering, the buses on Saturday, Saturday lunch and educational seminars and the Saturday night banquet.

Kelly is planning on using both the bar and a room that is close to the bar for Friday night's social gathering at the Hotel Ottumwa. There will be drink tickets for everyone and chicken wings for an appetizer. She will keep track of the costs so they don't go over the budgeted amount that evening. Kelly said it looks like there will be 70-80 attendees. Eric reported that Spilman's is ready for hosting Saturday's yard tour and lunch.

Jodi asked if the auction monies to be collected would go to the PAC fund or the scholarship account. She reported the current balance of the PAC fund and the scholarship fund. It was decided the auction proceeds would go toward the PAC fund and Kelly would send an email to everyone to inform them. No corporate checks can be written to the PAC fund so cash and personal checks will only be accepted.

**NEW MEMBERS:** Kelly had 2 new direct members to vote on: Bice Auto from Mt. Ayr and Powerhouse Auto from Ackley. After some discussion it was decided that Tom would stop at Bice's to visit with them and check their yard so a motion by David H. was made to table the vote on this direct membership application with a second from Jeff; motion carried. Likewise, Jeff and David will stop at Powerhouse Auto prior to acceptance as a direct member so a motion to table the vote on their application was made by Brent with a second from David H.; motion carried.

Kelly asked for a vote on the associate member-

ship application from Pam's Auto (St. Cloud, MN). A motion was made by David H. to accept Pam's Auto as an associate member with a second from Brent; motion carried.

There was a discussion on the by-laws and the requirements in order to be considered a direct member so that will be further discussed at another meeting. The question was whether the by-law for membership needed to be more specific or if it's a general by-law so the board can ultimately make the decision on memberships.

**OTHER BUSINESS:** Mike W. asked if anything has been decided on new board positions. Mike S. stated he has talked to a few people and will get his information out to the board members by email so it can be discussed at the meeting on Saturday,

September 25th.

Mike S. reported on a discussion he had recently with Jim Piazza. There is an upcoming fundraiser for Donavon Olson, the chair of the environmental committee, and Jim has suggested the board donate to his campaign. Following some discussion, Scott made the motion to make a donation to Olson's campaign with a second from Tom; motion carried. Mike S. will let Jodi know when and where to send the check for this donation.

There was a motion by Brent to adjourn with a second from Jeff. The meeting was adjourned at 11:35 a.m.

Respectfully submitted, Jeff Smid, Secretary

### Iowa Automotive Recyclers IAR Board Meeting

Saturday, September 25, 2010 9:00 A.M.

President Mike Waterbury called the meeting to order at 9:00 a.m. Members present were: Mike Waterbury, Mike Swift, Kelly Salseg, Tracy Hurst, Joel McCaw, David Hesmer, Eric Piper, Dave Wood, Jodi Kunde, Andy Wilken, Brent Nugent, Tim Smith, Tom Snyder, Scott Frank and Jeff Smid. Guests present were: Jim Piazza, Steve Bloomenthal, Richard Roths, Rick Johnson and Stacy Johnson.

**MINUTES**: The minutes were distributed and read silently by the board members. Tracy made a motion to approve the minutes. Dave W. seconded the motion; motion carried.

**PAC REPORT**: Jodi gave the members a copy of the PAC fund report showing an ending balance of \$23,654.31 as of September 21, 2010. Jim Piazza recommended we spend some of that money to push

our legislation, and he has some ideas for those expenditures that he will discuss with the Legislative Committee. Jim feels it would be best to be bipartisan, less controversial and to take care of the transportation and natural resource committees. There



#### Association News

was a motion by David H. to accept the PAC report with a second from Dave W.; motion carried.

**REQUIREMENTS FOR DIRECT MEM-BERSHIP**: Mike W. recommended that some guidelines need to be set forth for membership criteria. After some discussion, it was decided that a committee made up of Mike S., Tracy, Brent, Andy and Mike W. would work on this project. Tom stopped at Bice Auto and David H. stopped at Powerhouse Auto, each to check on these possible new members. It was decided to continue to table the vote on these applications.

**CMARC**: The convention will be held in Springfield, IL in September of 2011 with more information coming at a later date. Some board members wondered if it would conflict with the Fall Outing but it was agreed to look into having the outing at a different time next year.

**COMMITTEE REPORTS**: No reports came forth at this time.

**FALL OUTING**: Kelly said 66 people were registered to attend the outing although there were only 40-45 at the Friday evening event. Mike W. thanked Kelly for her hard work in organizing the outing and also thanked the yards for opening their businesses for the tours this weekend.

**OTHER BUSINESS**: Mike W. brought up that Jodi's board term was ending but the board would like to keep her in some capacity. A new position was considered which would require an amendment to the by-laws. Switching of positions was also discussed. After the discussion, Tom made an amendment to appoint Jodi as the Special Funds Manager on the IAR Board with a second from Scott; motion carried. There will be 2 new members to fill Tom's and Jodi's expiring director seats on the board.

The Iowa Automotive Recyclers News

Jeff gave everyone a copy of an article from the Iowa Falls newspaper about the fines imposed by the DNR on a local recycler. It showed the importance of the I-CARE program.

Mike S. said he has been asked if the IAR would give a donation to Pat Toomey, a Pennsylvania candidate for the Senate who is very pro auto recycler and small business. It was discussed then David H. made a motion to give the campaign of Pat Toomey \$500. Tom seconded the motion; motion carried.

**FINANCIAL REPORTS**: Joel distributed the financial reports for review. As of September 25, 2010, the fund balances are as follows: checking account - \$9,250.36, scholarship account -

opportunities in Iowa through the QRPVMS program!

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\$12,630.66 (5,000.00 will paid out soon for scholarships given) and the Smith Barney fund – 115,588.38. Total assets amount to \$137,469.40. There was some discussion on monitoring the Smith Barney fund. Joel is going to check into having the monthly statements sent to the Finance Committee members. The board would also like to see the Smith Barney financial advisor come to meetings when possible.

There was a motion by Dave W. to adjourn with a second from Jeff. The meeting was adjourned at 10:20 a.m.

Respectfully submitted, Jeff Smid, Secretary

### The President's Pitch

By Mike Waterbury Sandhill Auto Salvage, Tama

It has been busy the last couple of months between the IAR fall outing, ARA national convention, and election of new board members and director.

The fall outing was held in Ottumwa Iowa. People were encouraged to tour Smith Auto Parts, Fairfield on Friday, Al Jon, Ottumwa on Saturday morning, followed by Spilman Auto Parts Saturday afternoon. I would like to thank each and every one of you for the time and money you spent getting ready for this event. Al Jon provided us with a very nice breakfast and Spilman Auto Parts provided us with a home cooked lunch. All the meals were splendid and no one was left hungry. Thank you to all the attendees that assisted in making it a success. I would like to thank all of those who sponsored this outing.

I attended the national association meeting in Austin, Texas October 20-23. I strongly encourage attendance to this if you haven't in the past. It is a great networking as well as educational event. The seminars have a lot of good information to offer. The trade show once again brought us new and upcoming technology changes. It takes time and practice to implement all the knowledge one receives and chooses to use. I was the first one drawn for the 2010 Mustang or 25,000 cash; however it was a reverse raffle. I received second place a storm water permit from James Environmental Management of Round Rock, Texas. The permit was valued at 2,500.00 dollars. I have already acquired this through our I-Care program therefore this was not need. I donated it back and had them auction it off with all the proceeds going to the ARA scholarship fund. It brought 2,000.00 dollars.

New board members were sworn in at the fall outing. We are glad to welcome Brad Osborn of Waterloo Auto Parts and Mike Davison DesMoines Auto and Truck. The Iowa Board has hired a new director as of December 2010. Sue Schauls will be our new director as well as completing the I-Care certification for the IAR members. Sue is on several committees for the ARA. I believe she will be a large asset to our association and bring us great recognition as a state. We look forward to working with her.

#### FUTURE ARA MEETING DATES

2011 Hill Days Mid-year Business Development Conference

March 16-18, 2011 Gaylord National Washington D.C. www.a-r-a.org Toll-free 888-385-1005





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### From the Executive Director's Desk

By Sue Schauls

The end of the calendar year will be here and gone before we know. I want to remind all the Used Car Dealer license holders that the deadline for taking the continuing education Dealer's Education Class is December 31, 2010. Every used car dealer must take the class in 2010 by December 31st, even if you took the class in another month of 2008 you still have until the end of the calendar year to get the required continuing education credits. Our associate member, the Iowa Independent Auto Dealers Association (IIADA) has gone to great length to make classes available to used car dealers through the local community college. Check the location, dates & time and course offerings at http://www.iowaiada.com/ en/dealer\_education.cfm. The remaining classes for December are:

#### **December 3, 2010**

Iowa Lakes Community College, Spencer, Iowa Gateway North, 1900 N. Grand Avenue - Suite B-1 Spencer, Iowa

CHASE Auto Parts Company, Inc. 1041 Sheffield Avenue • Waterloo, Iowa 50702

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Robert K. Schoof Manager

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#### **December 6, 2010**

Iowa Western Community College, Council Bluffs Looft Hall, 2700 College Road Council Bluffs, Iowa **December 10, 2010** 

Des Moines Area Community College - Ankeny FFA Enrichment Center at DMACC

1055 SW Prairie Trail Parkway, Ankeny, Iowa **December 13, 2010** 

#### Kirkwood Center for Continuing Education (KCCE)

7725 Kirkwood Blvd, SW, Cedar Rapids, Iowa

#### **December 17, 2010**

Indian Hills Community College Arts and Sciences Center Room 154 and 156 525 Grandview Avenue, Ottumwa, Iowa

The Environmental Education for Automotive Dealers class that I teach is offered on December 6, 10 and 13, 2010. If you have not yet received your I-CARE audit then my class will be of great benefit to you and give us a chance to meet as well. Hope to see you there!

It is an exciting time to be an Iowa Automotive Recycler. We have good contacts at the statehouse and we positioned ourselves well for the upcoming legislative session with our PAC contribution under the guidance of our Lobbyist, Jim Piazza Jr. We have high expectations for the legislative year and the opportunities that will present themselves for us to introduce our association, our members and our accomplishments. And, I might add, a great time to start my new position as Executive Director of the Iowa Automotive Recyclers.



### Behind the Scene: Auto Recycling By Sue Schauls

I'm amazed at the rapid pace of the front counter at the member's auto salvage facilities. Auto recycling is on the cutting edge of technology with realtime inventory information available at your fingertips. Of course knowing that auto recycling was at the forefront of the environmental movement, being the "Original Recycler," it is no surprise to find out that out-of-box attitude continues to push the industry forward.

Just back from the Automotive Recyclers Association (ARA) conference in Austin, Texas I am invigorated with the new ideas and contacts I make each year at the national trade show. Here are some of the behind the scenes activity going on that will benefit our association, our members and our business.

#### Waste Fuel, Used Fuel and Somewhere in Between

#### - Logan Oil Comes to Iowa

Fuel is often recovered from the dismantling and fluid evacuation process for end-of-life vehicles. It isn't hard to figure out what to do with good fuel, use it in loaders, truck and cars. Bad fuel is not so clear cut though. Unusable fuel that requires disposal is waste fuel. Like any other waste product it is subject to the EPA waste management standards as it is clearly a hazardous waste due to either ignitability or toxicity.

But what about the fuel that is not so clearly waste? It is true that some fuel that may not be suitable to burn as good/usable fuel may not actually be a waste product. Fuel that is varnished may be re-conditioned with an additive or burned in a two-cycle engine such as lawn mower. Also a market has developed in Iowa for usable fuel that requires reclamation.

Logan Oil Company has begun buying, that's

right BUYING, used fuel not suitable for use as good gasoline but not so watered-down that it is truly a waste product. That tea-colored gasoline is worth about 80 cents per gallon. Watch the newsletter for information from Logan Oil about the appropriate containers, the quality of product they accept and the pickup route schedule. Visit www.LoganOil.com for more information.

#### **Scrap Tire Report**

The Rubber Manufacturing Association published the Scrap Tire Markets in the U.S. 9th Biennial Report in May 2009. The interesting thing about the report was that it stated that 89% of all scrap tires were recycled in the data collection year of 20071. That prompted a call to the Iowa DNR to investigate what the tire market in Iowa looked like. The findings were disappointing in that the Iowa scrap tire market had not really changed much in recent years. Not for the anyway. Download the good report at http://www.sueschauls.com/Scrap\_Tire\_Markets\_20 07.pdf

According to the report in 2007, 89.3% of the scrap tires generated in the U.S. by weight were consumed in end-use markets. In 1990, only 11% of tires were consumed on a per tire basis.

Iowa has but four tire processors in the state. All of whom collect scrap tires for a fee. The going rate in Iowa varies but can be to as much as \$120/ton. Remember that a passenger car tire weighs about 20 pounds. Two of the processors reduce the tires down to crumb rubber, which is both labor and energy intensive, and the other two cut the tires up into the size required for landfill disposal in Iowa, about 18 inches. The larger pieces are disposed and the crumb rubber that does not find a beneficial reuse as materi-

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#### The Iowa Automotive Recyclers News

al in floor mats, mud flaps, playground mulch or running tracks ends up as daily cover at the landfill.

The good news in the report is that the our neighbors to the north in Minnesota and South Dakota seem to have developed a market for scrap tires that exceed the generation rate of waste tires in the states. So the potential for stimulating the Iowa market does



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exist. This is one issue that warrants investigation.

#### **Hybrid Vehicle Recycling**

Consumer reports indicate that the hybrid and electric vehicles technology is here to stay. Experts recently reported that 100 hybrid and EV models will be available for purchase by 20153. The number of

> hybrids sold doubled in one year from 2004 to 20052 (over 200,000). That means auto recyclers are seeing hybrid vehicles coming in as wrecks and soon end-of-life vehicles in need of dismantling and parts inventory. The ARA Technical Advisory Committee has been attacking the issue of lack of dismantler's guides for these vehicles.

> Most of the hybrid vehicle information is geared toward emergency responders or repair technicians. Volunteers from the ARA TAC, including me, are working to develop targeted guides for dismantlers. The General Overview and workbench guides for the Prius and the Insight are in the works with draft copies palnned for the end of the year. Until then some research material and resources have been compiled at http://www.sueschauls.com/ hybrid.html.

#### Mercury Switch Recycling Program

You may have heard in the news that the mercury switch incentive fund has been depleted. In Iowa, the Iowa Mercury-Free Recycling Act required the removal of

automotive mercury-containing convenience light switches from scrap automobiles before crushing or shredding. The act also requires payment for each mercury light switch that is recovered and properly recycled. That law has kept the bounty payment of \$5 per switch coming to the recyclers that send in their buckets to the ELVS (End of Life Vehicle Solutions) http://www. elvsolutions.org/mercury\_ home.html.

Recent changes in the program no longer required the VIN be provided for the switch placed in the bucket. In speaking with Mary Bills from ELVS at the ARA convention she noted that buckets will not be send out automatically now. Instead she recommends that you call in for a new bucket when your old bucket gets full. When the new bucket arrives you can use the box and shipping documents to send in the full bucket (just in case you lost that old box and label from last year). The new system has kept the cost down at ELVS since the number of requests for replacement shipping documents were fairly high.

#### No Open Burning of Commercial or Trade Waste in Iowa

It spread like wildfire, the rumors that it. The burning was actually intentional open burning of trade waste by a non-member yard. The rumor went around that a non-member salvage yard in Iowa was fined for burning. That was true. It was assumed that the burning was of office waste paper and lunch bags and such. A waste stream with which many of us struggle to dispose. The rumor is squelched now.

The open burning of trade waste violation was for blatantly burning tires after having been warned once before. The violation also included not having a Storm Water Pollution Prevention Plan (SWPPP) and discharge of commercial wastewater to a sanitary sewer system.

The resolution is obvious and the violation easy to avoid. There is NO open burning of commercial

### **Insurance for Auto Recyclers**

Tracy Jones Vice President

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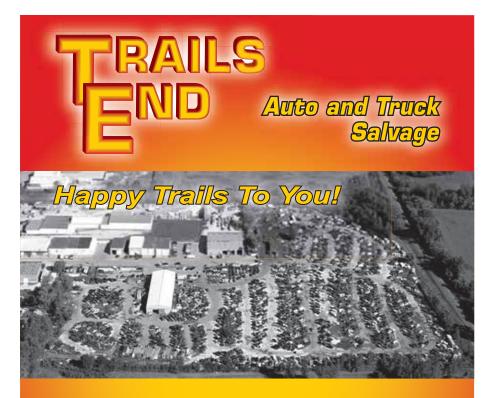
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waste in Iowa. The DNR has a website dedicated to the cause at http://www.iowadnr.gov/ air/citizen/burn/burn.html.

The development of SWPPP is another matter, simple to fix as one can and will be developed in conjunction with your I-CARE audit and certification. See my website if you are still unclear about the I-CARE program http://www.sueschauls.com/ about.html.

The wastewater discharge to a septic system cre-

ates a situation that turns the sanitary septic system in to a Class V Injection Well that is not permit-able in Iowa. I was hoping this gray area would not rear its ugly head. The options to cease discharging mop water from the shop to the septic tank is to cap the floor drain and not discharge at all, pump it to one of three disposal scenarios; 1) containerize it and haul it to the Publically Owned Treatment Works (POTW) for a fee; 2) pay for a sump sludge hauler to remove



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Milke Swifft • Steve Swifft 1600 NE 44th Avenue • Des Moines, IA 50313 the water before or after it have been removed from the floor drain sump pit; 3) pump it to an evaporator and boil off. A fourth option exist in a closed-loop power wash system that may be purchased and installed in which the wash water is continually filtered and recycled thus eliminating the wastewater generation. This will be the subject of further research.

As you can see there is a lot of behind the scenes work to do. Stimulating markets as they develop for the recycling of commodities that were once viewed as waste such as bad gas and tires will have positive impact on Iowa Auto Recyclers. Addressing waste management issues as they come up and keeping pace with technological advances should provide some interesting new vendor relationships. There is a lot of work to do, so I had better get busy.

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1 http://www.sueschauls.com/Scrap\_Tire\_Markets\_2007.pdf 2 http://hybridreview.blogspot.com/2006/01/record-number-of-hybrids-sold-in-us-in.html

3 http://www.hybridcars.com/news/expert-expect-more-100-hybrid-and-ev-models-us-2015-28579.html

#### WELCOME TO IAR'S **NEW MEMBERS**

#### ASSOCIATE MEMBER

### PAM'S AUTO, INC.

7505 Ridgewood Road St. Cloud. MN 56303 Contact: Wes Bradford Phone: 320-282-9518 Toll Free: 800-560-7336 Fax: 320-363-9232 Email: wes@pamsuato.com www.pamsauto.com

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**New Executive Director of Iowa** 

I am happy to announce that I accepted the appointment as the Iowa Automotive Recyclers Executive Director. Most of you know me from

our I-CARE audits and other trainings. The change

will relocate our IAR office to *Waterloo, Iowa*. If you have any questions or suggestions, please feel free to

New Fax/Landline office phone: 319-233-7970

**Automotive Recyclers** 

Sue Schauls, Executive Director

Iowa Automotive Recyclers

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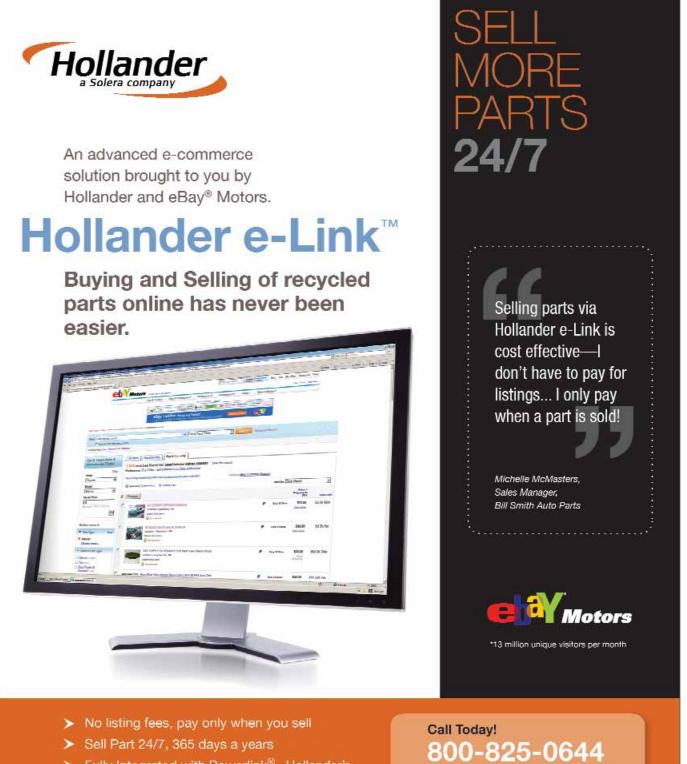
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### In Memory of Dale Swift

TO PO

Dale Swift, 72, passed away Saturday October 16, 2010 at his home in West Des Moines from esophageal cancer. He was born September 29, 1938 in Des Moines to Agnes and Ora Swift.

Dale graduated from East High School in 1957 and then served in the United States

Marines. He owned and operated Swift Auto Salvage in Des Moines. His favorite place to be was the Lake of the Ozarks. Dale was a good friend to all who knew him, extremely generous, and especially loved being with his grandchildren and family.

Dale is survived by his loving wife, Gretchen; his son, Michael (Tracy), granddaughter, Mallory (Troy) Henke and great-granddaughter, Kalli; grandson, Samuel; his daughter, Susan (Jim) Fidler and grandchildren, Grant, Caroline and Isabelle; his daughter, Wendi (Rob) Roush and grandchildren, Callie, Jack and Olivia; his son, Steven (Kelly) and grandchildren, Benjamin and Nicholas; his dog, Lilly; aunt and uncle, Byron and Gloria Brockway; aunt, Betty Lawler; and many family and friends.

The family would like to thank Mercy Cancer Center, with a special thank you to Dr. Matt Hill, Dr. Jeffrey Stahl, and Dr. Phillip Colletier and the nurses on 8 South.

A visitation was held on October 20, 2010 at Lutheran Church of Hope in West Des Moines, followed by a funeral service at Resthaven Cemetery.

The family requested those wishing to remember Dale and the family make memorial contributions to the Dale Swift Philanthropic Fund, a fund set up to provide financial assistance to cancer patients and families in need.

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#### **Association News**

#### **Association News**

The Iowa Automotive Recyclers News

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Hawkeye Auto Salvage	De Soto	Sun Line, Inc.	Cedar Rapids
High Country Auto	Cherokee	Sunset Beach Auto Salvage	Des Moines
Hulett & Sons Auto Salvage	Creston	Swift Auto Parts	Des Moines
Hurst Salvage	Spencer	Trail's End Auto & Truck Salva	age Des Moines
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Jeff Smid Auto, Inc.	Iowa Falls		Noines, Sioux Falls
Jerry Carney & Sons	Ames	Van Gorp Used Cars, Inc.	Oskaloosa
John's Auto	Aplington	Van Horn Auto Parts	Mason City
Kabele Truck & Auto Parts	Spirit Lake	Walker Auto Salvage, Inc.	Waverly
Lems Auto Recyclers	Doon	Waterloo Auto Parts, Inc.	Waterloo
Leon Recycling & Auto Parts LLC	C Leon	West Edge Auto Salvage	Independence
Lyle's Auto Salvage	Oto	Wilken & Sons	Nashua, Waukon
Midwest Auto Parts, Inc.	Waterloo	Wrench 'N Go	Des Moines
Monson Salvage, Inc.	Lone Rock	Yaw Auto Salvage	Des Moines

### 2011 Membership Renewal:

You will soon be receiving your 2011 IAR membership renewal notice. When you receive your notice please do your best to fill this out and return to IAR as soon as possible. Carefully review the information on your renewal notice and make any changes or updates as necessary, as this information will be used as the basis for your free listing in the 2011 IAR Who's Who In Salvage Membership Directory & on the IAR web site. IAR must receive your 2011 renewal notice and membership fee no later than December 31, 2010 in order to guarantee your listing in the directory.

IAR

IOWA

AUTOMOTIVE RECYCLERS

The Iowa Automotive Recyclers News

### Why Should You Join Iowa Automotive Recyclers?

**NEWSLETTER** - The Iowa Automotive Recyclers News, *free to all members*, is mailed out six times a year. The newsletter will keep you up-to-date on IAR members, events, current legislation, business and market conditions, industry related news, announcements, advertisements and more.

IAR WHO's WHO MEMBERSHIP DIRECTORY - A listing of all IAR members, which is distributed annually to members, insurance adjusters, and other associated businesses. *FREE LISTING to IAR members!* 

ANNUAL MEETING - *Free to all members*. Every fall, IAR members and their families meet to choose future leadership in the organization, attend educational sessions, exchange ideas and information, meet and socialize with others in the industry and have fun!

**CENTRAL MIDWEST AUTO RECYCLERS CONVENTION** - Teaming up with the Illinois & Indiana associations, IAR hosts this new convention and trade show for the Central Midwest region.

**LEGISALATIVE REPRESENTATION** - IAR retains a lobbyist who monitors the state legislature for actions which affect IAR members.

WEB SITE - www.iowaautorecyclers.com - An information source for recyclers, body and repair shops, and retail customers. Our Members Page contains complete contact information and web site links to all IAR members – *FREE!* Parts Search area provides an opportunity for IAR members to sell their parts.

MEMBERSHIP PLAQUE - All IAR members are provided with a plaque denoting membership in IAR, for daily display in their place of business.

**IMPROVED PUBLIC AWARENESS AND RESPECT** - By working together, IAR members promote awareness of the advantages of recycling.

**MEMBER OF AUTOMOTIVE RECYCLERS ASSOCIATION** - IAR is an affiliate of the international Automotive Recyclers Association and receives valuable information and alerts – which are passed on to IAR members.

**SCHOLARSHIPS** - Developed to provide annual post-secondary educational scholarships to children of IAR members and their employee's children.

	Automotive Recyclers ation for Membership			
Company Name				
Contact Person & Title (Name in directory)				
Address:				
City, State, Zip:				
Phone:Fax				
-mail:Web Site:				
Recyclers License # (If applicable):				
Dealers License # (If applicable):				
ENCLOSED IS MY IAR MEMBERSHIP CHECK:				
<ul> <li>\$250.00 Regular Membership (businesses which dismantle and sell used parts)</li> <li>\$150.00 Associate Membership (suppliers to the industry and out-of-state dismantlers)</li> <li>Rates are based on annual membership. Membership subject to approval of IAR Board.</li> <li>Signature:</li> </ul>				
Please return this form with your membership check to: Iowa Automotive Recyclers, 2214 Regal Avenue, Waterloo, Iowa 50702				
Iowa Automotive Recyclers Code of Ethics				
1. To promote goodwill by maintaining fair business practices and the very highest standards possible in	help curb theft of both autos and parts.			
the sale of all parts.	6. To make every effort to work towards clean and orderly working conditions and attractive business			
<ol> <li>To sell high quality parts, recognizing a fair price structure, free of deceptive practices and misrepre- sentations.</li> <li>To work towards sustained satisfaction through</li> </ol>	<ul><li>locations.</li><li>7. To advertise our products honestly, avoiding false,</li></ul>			
	misleading and deceptive statements, in order to maintain goodwill and good faith in our industry.			
3. To work towards customer satisfaction through parts guarantees whenever possible and when necessary, make reasonable adjustments.	<ol> <li>8. To make every effort for customers in finding the parts they need through parts locating services.</li> </ol>			
4. To give courteous and fair treatment to all cus- tomers, answer all questions and make every effort to satisfy any reasonable complaint.	9. To support the policies and regulations of the Iowa Automotive Recyclers, and to abide by the standard trade practices of the Automotive Recyclers			
5. To cooperate with law enforcement authorities to	Association.			



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Association News

#### The Iowa Automotive Recyclers News

THE IOWA AUTOMOTIVE RECYCLERS ASSOCIATION WOULD LIKE TO THANK THE SPONSORS OF OUR 2010 ANNUAL MEETING FOR ANOTHER GREAT GATHERING

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# 2010 IAR Annual Meeting



James Píazza, Jr. gíves a Legislatíve Update

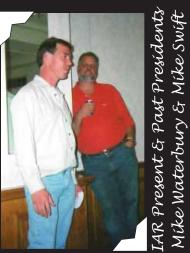


Spilman Auto Parts Staff





Getting ready for lunch





"Get your money out for the 50/50 drawing."



Scott Frank as auctioneer



2011 IAR Board is sworn in.

Happy Hour by CAR-PART.com

#### **Association News**

Sam's Riverside continued from cover

RAS allows me to sell my parts, on my time, at a fair price.

### You have a strategy for consistently selling cores to RAS. What is your formula?

We average a gaylord box about once a month, and my boxes usually sell for about \$3000.00, and the price shown on RAS is very close to the check I get back. For example, on our last invoice, the difference between what we expected and what we received was only \$7.75. Some people worry that they send cores off and will only get paid on some of them, but that's really not the case. There are always a few identification errors, but RAS does a good job of making it easy to identify cores.

### What would you tell other yard owners to do or change to make their yard better?

My advice would be to stay on top of industry trends and new technology by attending the industry trade shows and conventions. It's so helpful to see what other yards are doing, and talk to people from other yards. In fact, it was at the Greater Midwest Auto Recyclers show a few years back that I was introduced to RAS. We also attend the CMARC show (Central Midwest Auto Recyclers Convention). Those events enable us to take what's new in our industry and bring it home to put into practice.

Reprinted with permission of RAS Cores.

#### FUTURE ARA MEETING DATES

#### 68th Annual Convention & Exposition

October 11-14, 2011 Westin Charlotte & Charlotte Convention Center Charlotte, North Carolina www.a-r-a.org Toll-free 888-385-1005





### **OSHA Fines Illinois Scrap Metal Recycler**

9/23/2010 - Gaby Iron and Metal cited for exposing workers to lead and other hazards.

The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) has cited metals recycler Gaby Iron and Metal Co., Chicago Heights, Ill., with 17 alleged health and safety violations, including allowing workers to exceed allowable exposure limits to lead and failing to require respirators to be worn. The citations carry total penalties of \$135,850.

OSHA's inspection, initiated earlier this year from

a State of Illinois Lead Enforcement Program referral, cited Gaby Iron and Metal Co. with four alleged willful violations with proposed fines of \$112,000 for failing to implement a respiratory protection program, failing to provide a written lead compliance or training plan, failing to monitor air for lead during process or material changes and allowing workers to be exposed to lead in excess of allowable limits. A willful violation is one committed with intentional, knowing or voluntary disregard for the law's requirement, or plain indifference to employee safety and health.



#### INDUSTRY NEWS

"Gaby Iron and Metal has demonstrated disregard for the safety and welfare of its workers by not following OSHA safety standards to monitor employees' exposure to hazardous materials," said OSHA Area Director Gary Anderson. "We are committed to protecting workers by enforcing safe practices and OSHA regulations."

Additionally, the company was cited for 12 serious citations with proposed penalties of \$23,850 that include failing to evaluate employees' exposure to arsenic or provide arsenic training, place lead-contaminated clothing in closed containers and label those containers, provide a medical surveillance program for lead exposure and implement a hazard communications training program. The company also received one other-than-serious violation for its lack of a written and certified personal protective equipment assessment.

Gaby Iron and Metal Co. was also inspected by OSHA in 2006, resulting in three serious citations for lack of protective clothing for welders and improper oxygen cylinder storage, and in 1984, when OSHA inspectors noted the lack of a hearing conservation program.

The company has 15 business days from receipt of its latest citations and penalties to comply, request an informal conference with OSHA's area director or contest the findings before the independent Occupational Safety and Health Review Commission.

The company said that at the present time they have no comment on the citations.

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### **NMVTIS Advisory Board's Second Meeting**

ARA's Chief Executive Officer, Michael Wilson, represented ARA last week at the second NMVTIS Advisory Board meeting.

At the meeting, the American Association of Motor Vehicle Administrators - the group that administers NMVTIS - reported that forty-nine states are currently providing data to the system. Twenty-six states provide data to the system as well as make title inquiries before issuing new titles. Twelve states provide data but are not making inquiries. Eleven states are in development (Alaska, Colorado, Hawaii, Kansas, Maine, Michigan, Mississippi, New Mexico, Oregon and Rhode Island). Although, Illinois and the District of Columbia are not providing data at this time the Department of Justice (DOJ) noted that both states recently received grants to help implement systems. Kansas, Colorado, Georgia and Oregon also received grants to assist their NMVTIS efforts. DOJ also noted they planned extra enforcement efforts in several states including: California, Florida, Illinois, Massachusetts, Michigan, New York, New Jersey, Pennsylvania, Texas and North Carolina. Members of the board also recommended that towers who meet a certain definition be required to report to NMVTIS. DOJ staff agreed to consider the recommendation.

The objective of the NMVTIS Advisory Board is to provide input and recommendations to the DOJ regarding the operations and administration of NMVTIS such as meeting the statutory goals of the system; ensuring participation of system stakeholders; implementing a system that is self-sustainable with user fees; creating opportunities for alternative revenue-generating streams; and determining ways to enhance the technological capabilities of the system.

Reprinted with permission of ARA.

### DOJ Enforcement: \$1,000 per NMVTIS violation by Sarah Kathryn McRae

Friday, September 3, 2010 - The Department of Justice mailed out thousands of letters this week, explaining the mandatory reporting requirements for businesses that handle junk, salvage and total loss vehicles. Special emphasis was placed on the importance of the salvage reporting to the National Motor Vehicle Title Information System (NMVTIS) and its role in fraud prevention.

The letter also states that NMVTIS enforcement has begun, and that the failure of affected businesses to report is punishable by fines of up to \$1,000 per violation.

"Accordingly, for example, a failure to report 100 junk or salvage automobiles could result in a civil fine of up to \$100,000. NMVTIS Reporting Entities are responsible for ensuring all required information has been reported to NMVTIS accurately and within the timelines required. DOJ is not obligated to perform a site visit or provide additional time to provide data or correct reporting deficiencies before imposing any fine."

The Department of Justice also indicated that it will work with the National Highway Transportation Safety Administration (NHTSA) to ensure that NMVTIS reporting requirements are met. The letter states that anyone who wishes to report a non-compliant business may e-mail nmvtis@usdoj.gov and include "Nonreporting Referral" in the subject line of the message.

Below is the full letter.

U.S. Department of Justice Office of Justice Programs Bureau of Justice Assistance Washington, D.C. 20531 RE: Federal Enforcement of Requirements Regarding Auto Recyclers, Salvage Yards, Junk Yards, and Certain Other Businesses Engaged in Salvage and Total Loss Automobile Commerce

#### Dear Business Owner:

Reporting information on junk and salvage vehicles to the National Motor Vehicle Title Information System (NMVTIS)-supported by the U.S. Department of Justice (DOJ)-is required by federal law, and by doing so you play an integral role in DOJ's efforts to prevent fraud, reduce theft, and potentially save the lives of consumers who might otherwise unknowingly purchase unsafe vehicles. As of today, over 19 million salvage or total loss records have been reported by approximately 8,000 registered reporting entities.1 Although the number of reports is encouraging, DOJ has been informed that some entities are not reporting because, as it has been explained, they claim to be uncertain of the NMVTIS requirements or they do not believe the requirements will be enforced. For these reasons, DOJ is pursuing additional outreach to ensure that all reporting entities are notified of the reporting requirements, methods for reporting, DOJ enforcement efforts, and penalties for non-reporting, including



substantial civil penalties.

#### **NMVTIS Reporting Entity**

An NMVTIS Reporting Entity includes any individual or entity that meets the federal definition, found in the NMVTIS regulations at 28 C.F.R. § 25.52, for a "junk yard" or "salvage yard." The regulations are available at http://edocket.access.gpo.gov/ 2009/pdf/E9-1835.pdf. According to those regulations, a junk yard is defined as "an individual or entity engaged in the business of acquiring or owning junk automobiles for- 1) Resale in their entirety or as spare parts; or 2) Rebuilding, restoration, or crushing." The regulations define a salvage yard as "an individual or entity engaged in the business of acquiring or owning salvage automobiles for-1) Resale in their entirety or as spare parts; or 2) Rebuilding, restoration, or crushing." These definitions include vehicle remarketers and vehicle recyclers, including scrap vehicle shredders and scrap metal processors as well as "pull- or pick-apart yards," salvage pools, salvage auctions, and other types of auctions handling salvage or junk vehicles (including vehicles declared by any insurance company to be a "total loss" regardless of any damage assessment). Businesses that operate on behalf of these entities or individual domestic or international salvage vehicle buyers, sometimes known as "brokers" may also meet these regulatory definitions of salvage and junk yards. Reporting entities can determine whether a vehicle is junk or salvage by referring to the definitions provided in the NMVTIS regulation. An NMVTIS Reporting Entity is required to report specific information to NMVTIS within one month of receiving such a vehicle, and failure to report is punishable by a civil penalty of \$1,000 per violation.

1 An "NMVTIS Reporting Entity" includes any entity that meets the NMVTIS definition for junk yard or salvage yard. An "NMVTIS Reporting Entity" is required to report specific information to NMVTIS and failure to report is punishable by a civil penalty. 2

#### **NMVTIS Reporting Requirements**

By no later than March 31, 2009, all auto recyclers, junk yards, and salvage yards were required to fully comply with NMVTIS as established by the Anti Car Theft Act of 1992 (Public Law 102-519), the Anti-Car

#### The Iowa Automotive Recyclers News

Theft Improvements Act of 1996 (Public Law 104-152), and its implementing regulations (28 CFR part 25, published January 30, 2009, 74 FR 5740). These regulations were published in the Federal Register in January 2009 and are available via www.vehiclehistory.gov. While these regulations are the definitive source of NMVTIS reporting requirement information, other explanatory information is also available on this web site, including frequently asked questions and a contact e-mail address for further questions. DOJ has communicated regularly about NMVTIS and its reporting requirements through many of the insurance, auto dealer, recycler, and salvage industry associations, and a letter was recently sent to these associations asking them to notify their members of the commencement of DOJ's enforcement efforts.

In summary, the regulations require all junk yards and salvage yards (as defined above) handling five or more junk or salvage motor vehicles per year to provide NMVTIS with the following information on each junk or salvage automobile obtained in whole or in part in the prior month (including automobiles obtained through the U.S. Department of Transportation's Cash for Clunkers Program as well as salvage automobiles obtained through other means):

- 1. The name, address, and contact information for the reporting entity (junk yard, salvage yard, recycler).
- 2. Vehicle Identification Number (VIN).
- 3. The date the automobile was obtained by the reporting entity.
- 4. The name of the individual or entity from whom the automobile was obtained.
- 5. A statement of whether the automobile was crushed or disposed of, for sale or other purposes, to whom it was provided or transferred, and if the vehicle is intended for export out of the United States.

It is important to note that state motor vehicle titling agencies have separate reporting requirements under the NMVTIS regulations than do other reporting entities. Although junk yards and salvage yards are not required to report to NMVTIS if they already report ALL the required NMVTIS information (listed above)

to their state AND their state provides the required information to NMVTIS on their behalf as required, no state is currently reporting all of the data required. Thus, junk yards and salvage yards must report automobile data directly to NMVTIS until and unless the state they are located in begins reporting the information required by the yards. Reporting is required of junk yards and salvage yards in every state and the District of Columbia without regard for their state's reporting compliance status. For more information regarding the junk yards and salvage yards reporting requirements, please review the NMVTIS regulations: http://edocket.access.gpo.gov/2009/pdf/ E9-1835.pdf.

### Methods for Reporting the Required Information to NMVTIS

DOJ and the NMVTIS operator, the American Association of Motor Vehicle Administrators (AAMVA), partnered with the private sector to provide multiple reporting methods to meet the business needs of reporting entities. Currently, there are four reporting methods or services available, offering individual VIN and batch reporting options. At least two service providers offer a no-cost per-transaction program as well as enhanced reporting services. In addition, at DOJ's request, AAMVA has made available a basic, nocost per transaction, direct reporting service via the Internet. More detailed information on these reporting

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Holiday Wrecker Service, Inc. 800-383-9091

Hollander 800-825-0644

IIADA 641-755-4177

I Buy Converters Too, LLC 815-409-5252

> Integrated Recycling Technologies 877-892-9194

The Locator Magazine 800-831-0820

LSB Financial 319-268-4242

Metro Salvage Pool 515-266-5196

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QRP 888-241-0294

QCSA Auto Auction 563-285-2100

Recycled Parts Plus 866-837-2039

S & L Auto Parts 641-521-0156

Shine Bros. Corp 712-262-5579

Sioux City Compressed Steel 712-277-4100

Trissel, Graham & Toole 800-448-4839

Trissel, Graham & Toole, Inc. 866-711-4641

Wheeler's Auto Body Supply 888-294-1320

#### INDUSTRY NEWS

options can be found at: www.vehiclehistory.gov/ nmvtis\_auto.html. 3

#### **NMVTIS Enforcement**

The NMVTIS statute includes an enforcement provision requiring DOJ to impose and collect penalties for those junk yards, salvage yards, and insurance entities that fail to meet their reporting obligations pursuant to the Anti Car Theft Act as amended. Since January 2009, DOJ has focused its attention on development and implementation of NMVTIS, rather than actively pursuing enforcement against entities that are in violation of their reporting obligations. However, it is clear that maintaining the integrity of the system and the data within it counsels us to begin more active enforcement efforts. As a result, our enforcement efforts have begun and staff assigned to examining and investigating potential violations are making site visits to entities that are required to report to NMVTIS and advising these entities of violations. Our efforts will focus on reporting since April 2009 as well as current and future reporting. In addition, we are collaborating with the National Highway Traffic Safety Administration's compliance officers to identify and investigate NMVTIS reporting violations and other federal requirements related to reporting on salvage motor vehicles. We are also collaborating with other components of DOJ that have consumer protection and investigative responsibilities related to motor vehicles.

Failure to report to NMVTIS as required is punishable by a civil penalty of \$1,000 per violation. Accordingly, for example, a failure to report 100 junk or salvage automobiles could result in a civil fine of up to \$100,000. NMVTIS Reporting Entities are responsible for ensuring all required information has been reported to NMVTIS accurately and within the timelines required. DOJ is not obligated to perform a site visit or provide additional time to provide data or correct reporting deficiencies before imposing any fine. If you wish to notify DOJ of an entity that is not currently reporting, please e-mail nmvtis@usdoj.gov and include "Non-reporting Referral" in the subject line of the message.

Additional information regarding the NMVTIS reporting requirements, policy clarifications, frequently

asked questions, and a public database to check reporting status of a junk yard, salvage yard, or insurance entity can be found on the NMVTIS web site: www.vehiclehistory.gov. If you have questions or require clarification of the reporting requirements, you may e-mail us at nmvtis@usdoj.gov and include "Reporting Requirement Question" in the subject line of the message.

The Iowa Automotive Recyclers News

Thank you for meeting the reporting requirements required by law and for helping to prevent crime in your community.

### Helping the Iowa Automotive Recyclers PAC Just Got Easier

As you all know, the Iowa Automotive Recyclers PAC Fund is funded through donations. It is intended to help get our voices & concerns heard at the capitol.

Well donating just got easier! You can now pay via your personal or non-corporate PayPal account.

#### Contact: Jodi Kunde Phone: 563-556-0044 E-Mail: iarpacfund@gmail.com Fax 563-556-5097.

She will send you an invoice and walk you through logging into your PayPal account and making a donation with just a few mouse clicks.

Don't have a PayPal account? Don't worry - You can still pay via PayPal. Just follow the link on the invoice sent to you and fill in the information for your personal or non-corporate credit card and donate in seconds!

Please consider donating to the PAC Fund TODAY!

#### Page 29

### The Automotive Recyclers Association Responds to Auto Manufacturers' Unfounded Attacks on Recycled Automotive Parts

10/27/2010 - Manassas, Virginia - At their annual meeting of members in Austin, Texas, the Automotive Recyclers Association (ARA) announced that the organization has issued a formal complaint letter with the Federal Trade Commission (FTC) against two car manufacturers, Hyundai Motor America and American Honda. Both companies have released statements that warn against the use of recycled auto parts, and indicate that their use will void vehicle warranties issued by the companies. In the letter ARA said the statements made recently by these two companies and their threatened warranty refusals could be violations of the Magnuson-Moss Act.

Use of these recycled parts, a 22 billion dollar industry, has been widely accepted for decades and there is a very long track record of their successful use. Recycled parts are original equipment manufacturer (OEM) parts. They are fully functional and are in many cases identical to the original parts Hyundai Motor America and American Honda are requiring. Recycled parts were new OEM parts at some point, yet both Hyundai Motor America and American Honda are calling for the use of their own new parts in repairs.

"Neither manufacturer has provided any evidence that parts unaffected by an accident become inadequate once reused, which begs the question why their use is not supported by either company," ARA's Chief Executive Officer Michael E. Wilson states in his appeal to the FTC. "Following the logic held by these companies, as soon as a new Hyundai, Honda or Acura drives off the lot, its parts are unsuitable for use as replacement parts in another vehicle, implying that the parts are unfit for use as soon as the car drives off the lot."

In addition, recycled parts have several additional benefits compared to new parts:

- Recycled parts allow consumers to save on costs while using parts identical to new OEM parts.
- Recycled parts are much better for the environment, since no additional resources or energy were used to create an unnecessary new replacement part.
- Auto recyclers provide warranties on any recycled part used in a repair, indicating that recycled parts are not used in an attempt to cut corners with customers.

"We believe the statements made by Hyundai Motor America and America Honda are part of a concerted effort among automobile manufacturers to limit competition in the automotive parts market to try to limit their competition," said Wilson.

According to the most recent Mitchell Repair Collision Data, new OEM parts accounted for 67.9% of all parts used in repairs, which represented a decline from previous quarters. In the second quarter of 2008, new OEM parts accounted for 74.4% of all parts used in repairs. Much of this decline can be explained by consumers and the collision repair industry becoming better educated about quality part alternatives, such as recycled OEM parts. As automobile manufacturers watch their large market shares shrink from legitimate competition, they become concerned about loss of profit. "We believe that many, if not most manufacturers are attempting to maintain

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their market power through inappropriate restrictive activities including issuing statements that their warranties will not cover the use of recycled parts," said Wilson.

Established in 1943, the Automotive Recyclers Association ("ARA") represents an industry dedicated to the efficient removal and reuse of "green" automotive parts, and the proper recycling of inoperable motor vehicles. ARA represents over 4,500 auto recycling facilities in the United States and fourteen other countries around the world. With programs such as the Certified Automotive Recycler Program (CAR) and other partnerships, ARA members continue to provide consumers with quality, low cost alternatives for vehicle replacement parts, while preserving our environment for a "greener" tomorrow. To learn more about the Association, visit ARA online at www.a-r-a.org or call (571) 208-0428.

### **LKQ Completes Six Deals During Quarter**

LKQ Corp. reports that it has completed a number of key transactions since the start of the fourth quarter of 2010. In a release announcing the acquisition, LKQ says that the acquired businesses will help expand the company's operations across Canada, provide an entry into the engine remanufacturing industry, expand its wholesale collision product lines and add new recycling and self-service retail locations.

On a combined basis, the acquired businesses have annual revenue of about \$100 million.

The acquisitions include:

- Cross Canada an aftermarket parts distributor to the collision industry with operations in five Canadian provinces: Alberta, British Columbia, Manitoba, Ontario and Saskatchewan;
- PROFormance Power Train an engine remanufacturer with production facilities in Springfield, Mo.;
- SPI Distribution an aftermarket heating and cooling system parts distributor that specializes in radiators, air coolers and other related parts;
- Best Bumper a bumper remanufacturing facility in the Dallas area;
- Wholesale automotive recycling business serv-

ing the Norfolk and Virginia Beach, Va., markets; and

• A self-service retail recycling operation in Denver.

Joseph Holsten, president and CEO of LKQ, states, "The transactions we announced support our strategic priorities. Combining the Canadian acquisitions with our existing operations in Canada provides LKQ with a geographic presence in each province from British Columbia to Quebec and forms the foundation for further expansion in Canada. The acquisition of PROFormance integrates with our engine product line, harnessing one of our competitive strengths – access to automotive drive-train equipment eligible to be rebuilt. The other transactions expand LKQ's presence in related product lines, including coolant and heating supplies, increase our bumper reconditioning capacity, and provide distribution points in new and existing markets."

Holsten adds, "We have been able to continue LKQ's growth story and make meaningful acquisitions. So far this year we have completed a record number of acquisitions and will likely execute additional transactions before 2010 is over."

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