THE CALIFORNIA WINTER 2012

A Publication of the Automotive Service Councils of California

WHAT'S AHEAD N 2012?



Automotive Service Councils of California CELEBRATING YEARS

1940-2012

How would you like to grow your car count and sales by 20-40%?

Direct Mail works better than any other type of marketing because it is delivered right to the customer's home. Targeting high caliber customers in your market area will put money in your pocket, because an average new customer will spend \$2,000 - \$4,000 in your shop over the next five years.

Our turn-key program makes it easy for you, start to finish. Mudlick Mail does everything for you, including proven offers, artwork, carrier route selection, printing, labeling, postage and trucking.

We create an advertising campaign with consistent results and higher profit margins that provide sustainable long-term business for your shop.

the



TO TAKE ADVANTAGE OF OUR EXPERTISE THAT WILL INCREASE YOUR BUSINESS 20-40%, visit us online at www.mudlickmail.com or call 866.794.0167.

GET STARTED WITH OUR FREE MARKET ANALYSIS [Limited time only] Over a \$299 value



AFER FOR 45

Increase your ARO, get a higher car count, and attract more customers with Demandforce D3

Λ

Find out more: (800) 246-9853 Demandforce.com/auto





Automotive Service Councils of California

Professionals in Automotive Service Since 1940

Volume 36 • Issue 1

One Capitol Mall, Suite 320 Sacramento, CA 95814 (916) 924-9054 (800) 810-4272 Fax: (916) 444-7462 E-mail: calvidrez@amgroup.us Web site: www.ascca.com

How to Submit Material to The California Independent

Material must be submitted in writing to Cindi Alvidrez E-mail: calvidrez@amgroup.us Fax: (916) 444-7462 Mail: One Capitol Mall, Suite 320 Sacramento, CA 95814

ASCCA Staff and Associates

Jackie Miller **Executive Director** (916) 924.9054 Ext. 108

Gloria Peterson Assistant Executive Director (916) 924.9054 Ext. 104

Connie Payne Accounting Manager (916) 924.9054 Ext. 103

Cindi Alvidrez Director of Communications & Web Editor (916) 924.9054 Ext. 131

Heather Vigil Membership Director (916) 924.9054 Ext. 110

Brad Davis Armstrong & Associates (916) 923.5070 Toll-Free (866) 923-7767

Jack Molodanof, Esq. Legal Services (916) 447.0131

Cover photo: ©iStockphoto.com/sankai





CONTENTS

President's Message
Anniversary Milestones
Executive Director's Report
Company Sold Illegal Catalytic Converters
Charging Customers for Cost of Hazardous Waste Disposal
Auto Recycling: Rough Roads Ahead
Looking for Leadership
Interview with Allen Pennebaker
Calendar of Events
Government Affairs Committee Update13
Forty Percent of Drivers Increasing Safety Risk by Delaying Automotive Maintenance 14
Membership Committee Report15
40 Technicians Honored at ASE Annual Meeting16
Public Relations Committee Update17
ASCEF Report
ASCCA Chapter Network

2012 BOARD OF DIRECTORS

Tracy Renee President Gene's Auto Repair 37 Tennessee Street Vallejo, CA 94590 Tel: (707) 642-1900 Fax: (707) 645-1900 TracyReneeT@aol.com

Jack Crawley 1st Vice President Fisk Automotive 820 West Commonwealth Ave. Fullerton, CA 92832 Tel: (714) 526-3603 Fax: (714) 526-3603 jack@fiskauto.com

Mary Kemnitz

Treasurer D&H Enterprises 2689 Monument Blvd. Concord, CA 94520 Tel: (925) 356-0683 Fax: (925) 356-2530 mak300z@aol.com

David Baerg

Chair, Chapter Representatives Committee Precision Auto Repair 22701 Granite Way, #B Laguna Hills, CA 92653-1218 Tel: (949) 855-9981 Fax: (949) 855-4742 david@precisionauto1980.com

Steve Vanlandingham

Secretary Van's Automotive 10813 Airport Dr. El Cajon, CA 92020 Tel: (619) 596-0011 Fax: (619) 596-0022 vansautomotive@hotmail.com

Dennis Montalbano

Immediate Past President German Auto Repair, Inc. 6652 N. Blackstone Ave. Fresno, CA 93710-3627 Tel: (559) 438-6508 Fax: (559) 438-8651 Dbenzdr@aol.com

Declan Kavanagh

Director Kavanagh Motors 13428 Ventura Blvd. Sherman Oaks, CA 91423 Tel: (818) 788-3375 Fax: (818) 788-0516 jkavan1497@aol.com

Craig Johnson

Director Craig Johnson Automotive 19140 East San Jose Ave. Rowland Heights, CA 91748 Tel: (626) 810-2281 Fax: (626) 912-1638 cjauto@ix.netcom.com

John Villa

Director Villa Automotive 34 South St. San Luis Obispo, CA 93401 Tel: (805) 781-3925 Fax: (805) 781-3184 jvilla@villa-automotive.com

Jeffrey Stich

Director Clayton Valley Auto Servie 1505 Rishell Dr. Concord, CA 94521 Tel: (925) 682-2281 Fax: (925) 682-2371 jjstich@myway.com

Steve Elstins

Director West Coast Muffler, Inc. 2090 Market St. Concord, CA 94520 Tel: (925) 676-8376 Fax: (925) 798-5760 westcoastmuffler925@yahoo.com

Stuart Terry

Director Stuart Terry Auto Repair 4858 El Cajon Blvd. San Diego, CA 92115 Tel: (619) 287-9626 Fax: (619) 287-6158 stuartterry@sbcglobal.net

Allen Pennebaker

Ex-Officio (Non-voting) Appointee Orinda Motors 63 Orinda Way Orinda, CA 94563 Tel: (925) 254-2012 Fax: (925) 254-5821 allen@orindamotors.com



Tracy Renee ASCCA President 2012

President's Message

Throughout the past 72 years the members of ASCCA have worked hard to maintain the commitment that has made us what we are today - the most proactive automotive service professionals association of our kind. All of ASCCA's member-volunteers make a commitment to our industry in a variety of ways, from joining their local Chapter Boards, to acting as their Chapter's Representative at Team Weekends, to serving on committees-both locally and statewide, to attending regulatory and legislative hearings, giving testimony on behalf of our industry. ASCCA members understand the importance of team work.

I am honored this year to be your President. I'm committed to moving our association forward with the help of our team of dedicated member-volunteers throughout the state, and I'm positive we'll succeed in doing so.

As a member of ASCCA we often take things for granted. The investments we make in the health and success of our businesses often have a price attached. The price of ASCCA membership brings back countless returns on this investment, making it priceless. Most of us don't have the time to track all of the bills and regulations that come out of Sacramento or Washington D.C., laws, regulations, policies that all have an impact on our lives, both personally and in our business. Just this past year, your Government Affairs Committee has been tracking bills and regulations that impact your businesses. Things like the new Smog Check Program, tire pressure monitoring, towing charges disclosure, paid sick leave, tire recycling, employee flex time, workers comp and many more. The Endorsements Committee continues to align ASCCA with amazing companies committed to bringing us exceptional products and services. Not only do these companies provide products and services, they have committed to giving back to our industry. They continue to support our members, chapters and our mission, so we can further our goals.

This year we'll be kicking off our "ONE MEMBER CAN" Campaign...please get involved, ASCCA is not a secret, share it with your friends and colleagues. ONE member can make a difference...imagine the difference we can make together. Let's UNITE this industry! Your voice matters!

I would like to thank our executive director, Jackie Miller and her staff of experts. They are committed to all of us and work very hard to ensure the success and growth of ASCCA....we can't thank them enough!



Anniversary Milestones

ASCCA would like to recognize members who celebrate a milestone anniversary between the months of September and January of this year. Congratulations and thank you for your support! Our association has grown strong and is effective because of members like you!

50 Years

Bruce & Jack Auto Service Tyerman's Wheel Alignment

45 Years

Liebsack & Son Auto White Automotive

40 Years

Bursch, Roger W. E. Harding Co.

30 Years

C. H. Topping & Co. Florin Automotive Repair MCM Jobes

25 Years

Allied Auto Works, Inc. Edwin L Walker Automotive Kenny's Auto Center, Inc. Modesti's Independent Repair

20 Years

Barber's Machine Shop Bertolucci's Body Shop Lee's Performance & More Say Ray Foreign Auto Service Scheidel's Fleet Service

15 Years

American Smog Car Clinic Classic Auto Repair Community Smog Center Eye Street Automotive Harvey's Autotech J S Auto Service Jenkins Automotive Portola Valley Garage Steve's Auto Electric Winter Automotive

10 Years

Bert Williams & Son (B.W.&S.) Kingsburg High School Ochoa Brothers Reedley College Tuolumne Street Auto Repair & Electric

5 Years

C & D Auto Care D & H Enterprises Auto Repair Frederick Blum Insurance

ATI Nose Profits

At ATI, we specialize in making struggling shops successful and taking successful shops to the next level. Our passion is helping the owners of independent auto repair shops reconnect with those once bright dreams that have been worn away by the daily grind of running a business.

Voted the #1 Automotive Management Company in America by Frost & Sullivan.

Attend the next Automotive Training Institute "Think Like A CEO" workshop and turn things around today!

Call 877-875-5999 for more info or to register.

Automotive Training Institute Driving Profits and Dreams Home



Jackie Miller ASCCA Executive Director



Executive Director's Report

First, I would like to wish all of you a happy and prosperous 2012. Second, I would like to thank 2011 President Dennis Montalbano for all his efforts on behalf of ASCCA – he put hundreds and hundreds of miles on his car, visiting Chapters from one end of the state to the other. He and other Board members contributed countless volunteer hours, working on membership, member benefits, legislative and regulatory issues, sponsorship opportunities and countless other tasks. Their efforts contributed mightily to ASCCA's many accomplishments in 2011.

Our 2012 leadership team is headed by Tracy Renee, one of the few women to head ASCCA in its 72 years. She brings energy, drive and determination. Those of you who have yet to meet her will be impressed with her business savvy, as well as her enthusiasm for the Association and industry.

I'm excited about what's going on in our association, as well as the industry in California. ASCCA continues to partner with its aftermarket colleagues, including the California/Nevada/Arizona Automotive Wholesalers Association (CAWA) and California Autobody Association (CAA). ASCCA and CAWA have held joint industry summits for the past two years, and is doing so again in 2012. Bigger and better than ever, the summit will address such topics as achieving industry unity, training, industry image, and technology and how it is transforming business practices and how a modern shop will operate. We'll also be sharing legislative agendas.

CAA has also asked to partner with ASCCA during its annual legislative day, taking place April 18. This free, one-day event brings members from both organizations to Sacramento to hear influential legislators, policymakers and regulators, as well as to lobby their legislators. Legislators always tell the group that meeting constituents is important to them – they want to hear their concerns. So think about joining this effort.

Last, I would be remiss if I didn't address financial issues which may affect our members. ASCCA recognizes that a number of members are or have been facing challenges in weathering the country's economic downturn. This, in turn, affects your trade association. It is our intention to do everything in our power to support and protect our most valuable resource – you. If you find yourself facing challenging economic times, please give the ASCAA office and your chapter leadership a call – we will be happy to work with you. We want you not only to survive, but thrive!

Company Sold Illegal Catalytic Converters

The California Air Resources Board penalized U.S. Auto Parts \$233,000 for selling illegal catalytic converters for use on passenger vehicles.

ARB investigators documented the sales of 932 illegal catalytic converters by the company, which is based in Carson, California.

"Catalytic converters are integral to reducing smogforming emissions from motor vehicles," said ARB Enforcement Chief James Ryden. "When the equipment doesn't comply with California standards, the health of the public is compromised."

Aftermarket catalytic converters for on-and off-road vehicles must be approved by ARB to be advised, sold, offered for sale or installed in California.

Faulty catalytic converters may result in vehicles failing smog checks, incurring expensive repairs for customers, and jeopardizing vehicle registration with the Department of Motor Vehicles. Enforcement of these regulations not only protects the environment and public health, but also protects against unfair business practices.

The settlement will go to the California Air Pollution Control Fund to support projects and research to improve the state's air quality.

California's air quality measures are in place to safeguard public health. Excess automobile emissions can lead to smog, which in turn can cause shortness of breath, headaches, birth defects, cancer or damage to internal organs.

ARB's mission is to promote and protect public health, welfare, and ecological resources through effective reduction of air pollutants while recognizing and considering effects on the economy. The ARB oversees all air pollution control efforts in California to attain and maintain health based air quality standards.

Charging Customers for Cost of Hazardous Waste Disposal

By Jack Molodanof, Esq.

The Bureau of Automotive Repair (BAR) regulations allow automotive repair shops to charge customers for the cost associated with handling, management and disposal of toxic wastes or hazardous materials. According to BAR, a repair shop can recover its "costs" for disposal of hazardous waste; however, this charge is not intended to be a "profit" center. Furthermore, the shop must be able to document how the cost of disposal was calculated.

Title 16 Division 33 Section 3356.1, Chapter 1, Article 7 Section 3356.1 states:

An automotive repair dealer may charge a customer for *costs* associated with the handling, management and disposal of toxic wastes or hazardous substances under California or federal law which directly relate to the servicing or repair of the customer's vehicle.

Such charge must be disclosed to the customer by being separately itemized on the estimate prepared pursuant to Section 9884.9(a) of the Business and Professions Code and on the invoice prepared pursuant to 9884.8 of the Business and Professions Code. In order to assess this charge, the automotive repair dealer must note on the estimate and invoice the station's Environmental Protection Agency identification number required by Section 262.12 of Title 40 of the Code of Federal Regulations.

In order to charge a customer a hazardous disposal fee, the charge must be separately itemized on the estimate and invoice and the repair shop EPA number must also be on the estimate and invoice.

Additionally, if a repair shop is selling some of its waste (i.e. recycled oil), that must be taken into account when determining costs. In theory, if a repair shop is recovering more money (by selling the waste) than the actual costs of handling, management and disposal of toxic wastes or hazardous materials, then the shop would not be allowed to charge a customer for costs under Section 3356.1.

Finally, remember when charging a customer for Hazardous Waste make sure you properly document such costs.



©iStockphoto.com/Erlon

Republished from AmericanRecycler.com

The biggest problem in the automotive recycling business boils down to one thing – lack of cars. "Salvage acquisition continues to be the number one issue affecting the industry," said Michael E. Wilson, Chief Executive Officer of the Automotive Recyclers Association (ARA).

The ARA is an national trade group for salvage yards, used parts dealers and scrap processors. Wilson says there are about 8,400 United States auto recycling businesses, generating about \$23 billion worth each year.

The industry does a lot of good, both economically and environmentally. About 95 percent of vehicles retired from use are recycled. The process saves an estimated 85 million barrels of oil per year that would have been used to manufacture replacement parts.

Engines and transmissions are the most valuable and popular parts, However, virtually everything from upholstery to tires can be recycled into other products. In practice, about 84 percent of each vehicle recycled one way or another. An engine and transmission from a single car can be worth hundreds or thousands of dollars. Smaller parts, such as catalytic converters, can be worth up to \$250 each due to the platinum used in the converter.

A car that has had usable parts removed and is valuable only as scrap for the oil, gasoline, antifreeze, plastics and metal it contains is still worth approximately \$300 to \$400. That value changes over time, but not a lot. The Automotive Recycling Index compiled by Wrecknet shows prices the last 2 years have risen 6.27 percent, while declining 7.84 percent the last year. "The scrap prices have been pretty steady," according to Bradley Alexander, President of Affordable Auto Parts, a Painesville, Ohio recycler.

The percentage of salvaged cars sold as scrap has also held steady. That is about 13 to 14 percent, according to Greg Horn, Vice President of Industry Relations for Mitchell International in San Diego and editor of Industry Trends Report, which studies the collision repair and property insurance businesses. The percentage of salvaged parts used to repair vehicles has increased sharply, however. "In the average estimate, about 15 percent of the parts to repair a car are used parts," Horn said. "That's an increase of about 5 percentage points from 5 years ago."

Used parts can be 30 to 70 percent less costly than new parts, which makes them appealing when times are hard. The more the demand, the more valuable they become and that makes recyclers' inventory of vehicles and parts more valuable. However, it's bad news for makers of new parts, who have seen their dominance decline.

The new parts manufacturer's market share fell from 74 percent as recently as 2008 down to 68 percent today, according to ARA's Wilson. "It's a significant drop off and they're not taking it lightly," Wilson says, pointing to efforts by parts manufacturers to invalidate warranties of car owners who use second parts to repair their vehicles.

Whether or not new parts manufacturers can make used parts less attractive, auto recyclers face serious issues when it comes to getting cars to recycle. For one thing, fewer cars today are declared total losses after collisions. According to Horn, 5 years ago about 19 percent of insurance claims resulted in the car being totaled. Today, it's a little over 15 percent. That means fewer vehicles available for salvage.

Another growing problem is foreign competition. About 32 percent of vehicles sold at salvage auctions today are purchased by foreign buyers, according Horn. "I'd say five years ago, the number about half that," he said.

Overseas salvage vehicle buyers come from China, Africa, and he Middle East. But the biggest player is Mexico. Since 2005, at least 3 million cars have been exported to Mexico, according to Lucas Davis, a University of California business paper who has studied the salvage car market. "At the peak it was a million a year," Davis says.

The Mexican exodus began in 2005 when export rules were eased. "It was like you turned on a faucet," Davis said. "Massive amounts of cars were flowing." In 2008, the Mexican government tightened its rules and the flow eased. "You still see cars going south but not in a large a volume as in 2005, 2006 and 2007," Davis said.

Most cars going to Mexico would have been scrapped in the United States, Davis said. In Mexico, they are being kept on the road, which is good for Mexican drivers, because they are much less costly than new cars. But it's not for United States auto recyclers. "There's no question that they are the losers here", Davis said.

American auto recyclers complain that foreign buyers inflate prices for salvage vehicles. Horn agreed. He calculated that in addition to the 32 percent of auctions foreign buyers win, prices in an equal number of auctions are higher because of losing foreign bids. "You're looking at 64 percent of the salvage business being heavily impacted by foreign buyers," he said.

Another source of competition for salvage vehicles comes from home-grown salvage operators. The major players here are so-called rogue tow-truck operators who buy wrecked or inoperable vehicles for as little as a few hundred dollars, then strip the parts and sell them online through eBay and Craigslist, Alexander said.

The problem, according to Alexander, is that these competitors rarely have required salvage and other permits, don't transfer title properly, misrepresent themselves as private individuals, and process vehicles in facilities without environmental safeguards. "We're being outbid by people who are unlicensed and unregulated," he said. He and others would like to stop salvage operations by tow truck drivers and other unlicensed operators.

Auto recyclers today are joining together to lobby state governments to enforce licensing and regulatory rules, and appealing to eBay to police online sellers of used parts. Organizations such as ARA work with the federal government to promote participation in the National Motor Vehicle Title Information System, a government backed country-wide registry inaugurated in 2009 to keep stolen vehicles from being resold.

Insurance companies are pushing to open salvage auctions so that individuals without salvage licenses can also bid for cars. The new car slump, which helps increase values for used and salvage cars alike, won't last forever, although it hasn't lifted yet. And China and Mexico's appetite for salvage cars remains high. The result is a complex playing field unlike anything auto recyclers have seen before.

"It's more than a 3-D chessboard," said ARA's Wilson, "You have all these people competing for market share for vehicles. You have the Chinese pushing to get more scrap metal. That is probably the newest part – how to compete in an open market economy. It's one thing to have open markets, but they have to be fair and open. That's where we're focusing our education efforts today." ■

Looking for Leadership

"The ultimate measure of a man is not where he stands in moments of comfort, but where he stands at times of challenge and controversy."

- Martin Luther King, Jr.

President Tracy Renee is calling for volunteers who are interested in leadership opportunities. Do you want to make a difference? Do you want to be part of the winning team that will bring ASCCA to an even higher level of distinction within the automotive industry? We need you! We need your talent and expertise.

ASCCA's leadership:

Have the same amount of time... just like you Have the same number of commitments... just like you Have a thousand reasons why they can't commit... just like you Are passionate about the industry... just like you

> The following is an interview with one such leader: Allen Pennebaker, of Orinda Motors. Allen has been involved with ASCCA Leadership for many years and has served as a President of ASCCA. Currently he remains on the ASCCA Board of Directors and also serves as the current Vice-Chair of NASTF.

©iStockphoto.com/3DMaster

An Interview with Allen Pennebaker of Orinda Motors, Orinda, CA

By Mary Kemnitz (ASCCA Secretary), of D&H Enterprises, Concord, CA

Tell me about how you became a shop owner?

I purchased the shop that I had been managing.

What makes your shop unique either in California or within your city?

It has an attached Drive-Through Oil Change facility, sort of like Jiffy Lube but it does minor mechanical repairs, alignments and tires. We provide the most services that can be found in the aftermarket. Like rental cars, shuttles, car washes, etc. We have more tools, access to more resources and our technicians receive more training than any other shop.



Allen Pennebaker, ASCCA Past President and Ex-Officio Board Member

Do you have a recipe for success? Or, name 3 things that are essential to the success of your shop.

- Community Involvement;
- Hire the right management team and empower them with a great deal of responsibility and authority;
- Associate with the right people, associations and companies.

What are the rewards you experience as a business owner by being an ASCCA member?

- The ability to effect legislation and regulation through the Association that no individual could hope to do.
- Better relationships with vendors. Better pricing but more important, better relationships that help build a better business and makes being in business a lot more fulfilling.
- A whole network of people I can turn to for advice and help.

How has your business knowledge expanded by interacting with other ASCCA members?

By drawing on the experiences of so many smart and successful business people I have been able to learn from other's successes and failures. Learn firsthand, not in a book.

When did you start realizing you wanted to move into a leadership role within ASCCA?

After attending my first Team Weekend as a Chapter Rep. I was fascinated by all that was being done by a few shop owners.

After being a member in ASCCA for sometime how essential was joining your industry association?

I already had a successful business. Being part of ASCCA helped me keep it that way through some trying times. It also allowed me the opportunity to give back to the industry (something that is vital in anyone's private and business lives) and it allowed me to impact my business and my industry both locally, in California and Nationally. The business acumen that I was able to get from contact with others allowed me to change my business with the times as well as start a whole new business, something I would never have been equipped to do without ASCCA.

What is the one benefit that has continuously proven itself to you that you only could have received by joining ASCCA?

The legal, business, and personal. Opened my world to a whole bunch of interesting and successful people I would never have known otherwise.

How would you respond to a shop owner who says they don't have time to participate in ASCCA and /or moving towards a leadership position?

Do they have time to read a book, go to the movies, go to a ball game, and watch TV? The Association does not take that much time. It is very fulfilling and the work that it does is what allows us all to continue to do all the things that we use as the excuse not to participate. Everyone I know, that has held a leadership position in ASCCA has experienced significant personal gain. Of the many past and current leadership people, I know of nobody that regrets the time they gave to ASCCA.

2012 Calendar of Events

April 18

Legislative Day Sacramento, CA

June 22-24

ASCCA Summer Educational Conference Hilton Irvine, Orange County Airport Room Rate: \$99 Hotel Reservation: Call 800.445.8667 and ask for ASCCA room rate. Reservation deadline: June 5 Conference Brochure: COMING SOON



September 29-30 Team Weekend Embassy Suites, Sacramento

December 8-9

Team Weekend Embassy Suites, Sacramento



Servicing California for over 25 years

One call to **Ritter Lien Sales, Inc.** can save you time and money with our computerized and inexpensive services. We've been organizing and simplfying the Lien Sale needs of our customers for more than two decades. We're here to provide you with the fastest and most comprehensive lien processing service available in California.

(310) 391-4525 (888) 474-8837

12609 Venice Blvd. Los Angeles, California 90066

Stay Informed. Be Heard.

LEGISLATIVE APPOINTMENTS I PROMINENT GUEST SPEAKERS I INDUSTRY EXPOSURE I LEGISLATIVE/REGULATORY UPDATE

FLY-IN SCHEDULE:

8:00 - 9:00A 9:00 - 9:30A 9:30 - NOON NOON - 1:00P 1:00 - 2:30P WELCOME BREAKFAST SPECIAL GUEST SPEAKER LEGISLATIVE APPOINTMENTS LUNCH LEGISLATIVE APPOINTMENTS



HOT BUTTON ISSUES:

TAX ON LABOR REGULATORY CHANGES ON SMOG REGULATORY CHANGES ON TECH LICENSES EMPLOYEE TAX LAWS

ASCCA/CAA LEGISLATIVE FLY-IN STATE CAPITOL | WEDNESDAY, APRIL 18 | 8:00 AM - 3:00 PM

Join Us For A Day at the Capitol!

California Autobody Association (CAA) is partnering with ASCCA for the 2012 Legislative Fly-In! Don't miss out on this opportunity to connect with others in the industy. Fill out this registration form and book your airfare. We're taking care of the rest – transportation from the airport, food, and the scheduling of legislative appointments. Please don't delay, space is limited! Reservations will be accepted on a first come, first serve basis. **PAST SPEAKERS HAVE INCLUDED:** Chief, Bureau of Automotive Repair; Governor's Small Business Advocate, Governor's Economic Adviser; Chair, Select Committee on Career Technical Education & Workforce Development; Author AB2289 (Smog Check), Chair Senate Transportation & Housing Committee.

Want More Information?

Visit www.ascca.com, upcoming events OR contact Monique at 916.924.9054 x107 or mrice@amgroup.us

Government Affairs Committee Update

By Craig Johnson, Chair

As auto repair shop owners, we have limited time to dedicate to monitoring legislation and regulation that affect our industry and our personal businesses. We regularly receive notices in the mail or a surprise visit from a government agency asking for various documentation, new licenses or conducting an unexpected inspection.

The value in belonging to a statewide association specifically related to our industry is that changes in regulation and legislation that we don't normally know about until the inspector shows up, are carefully monitored by the staff at ASCCA, and membership is notified of impending changes. Your dues pay for a full-time legislative advocate working the Capitol daily.

The task of the Government Affairs Committee is to notify you of regulatory and legislative changes that will affect you. Here is a partial list of items we are monitoring and taking action on. A complete list (32 action items) can be found on ASCCA's website: www.ascca.com.

- 1. Right to Repair
- 2. Smog Licensing Restructure
- 3. STAR inspection grades
- 4. The new Smog program that starts in 2013 called Cal-VIS
- 5. Catalytic Converters being installed illegally
- 6. Freon cans being sold to our customers.
- 7. OEMS announcing use of non-oem parts voids their warranties
- 8. Body Shop parts standards.

We regularly attend BAR meetings, where we're the only attendees, so our voices are heard!

The next Auto Body Meeting is January 25, and the next BAG (BAR Advisory Group) meeting is February 02, 2012.



A Publication of Automotive Service Councils of California

Consumer Reports: Forty Percent of Drivers Increasing Safety Risk by Delaying Automotive Maintenance

Drivers favor independent shops over dealers or national chains for repairs

According to a recent Consumer Reports poll, cash-strapped consumers are delaying automotive maintenance at the potential cost of their safety. Forty percent of poll respondents who are involved in repair decisions stated that they are postponing car maintenance or repairs on their primary vehicle.

This delay in servicing items such as brakes, tires, light bulbs, or other internal mechanical parts has consumers running the risk of larger, more costly problems down the road.

Forty-four percent of those who deferred work in the past year also admitted that they felt the value, safety, or reliability of the vehicle would suffer, with some saying the car was becoming an embarrassment. The failure to have small problems promptly repaired or regular maintenance performed on schedule can lead to larger, more costly problems down the road.

Those in lower-income households were more likely to delay necessary work, and the youngest drivers, aged 18 to 34 years, were more likely to delay work on wear items, such as brake pads or tires. Twenty-one percent of this age group admitted to not attending to a wear item in a timely fashion, compared to 14 percent of those aged 55 or over.

Compounding the issue is the fact that drivers are holding onto their vehicles longer. Many of the

respondents bought their cars used, and have owned them for five years with the intent to hold on to that vehicle for another five. Survey results showed that older drivers, residents of western states, and lower-income owners go the longest before replacing their vehicles. On average, owners have 78,000 miles on their current vehicle, meaning many are quickly approaching major maintenance milestones that shouldn't be ignored.

Among those surveyed, the types of non-warranty work most commonly postponed were led by minor manufacturer-recommended scheduled service (22 percent); wear items (17 percent); and body or other exterior damage (15 percent). Interviewees stated that a major repair bill, costing an average of about \$2,000, would become a serious financial burden. Lowerincome households (\$1,418 average), women (\$1,601), and younger adults (\$1,749) were shown to be most vulnerable.

Car Owners Put Faith in Independent Repair Shops

Contrary to popular belief, car owners put a lot of faith in their chosen repair shops, with 83 percent of those involved in repair decisions saying they were confident they would get the right maintenance and repair work done for the right price. In addition, more than half said they completely trust their shop. According to the survey, independent repair shops were used more often (37 percent) than dealers (30 percent) or repair chains (11 percent).

Refer a Member: Help ASCCA Grow Strong!

ASCCA is a strong organization today because of members like you! Remember - use The *ASCCA Advantage* to highlight member benefits and savings when speaking to potential members.

- Larger member numbers contribute to the legislative strength of the association as a whole
- Help ASCCA reach its goal to double its membership
- Earn a \$75.00 referral fee to be paid directly to you or applied to your membership renewal dues

So bring those non-member shop owners to your next meeting and show them what they are missing by not being an ASCCA Member! \blacksquare



Membership Committee Report

By Mary Kemnitz, Chair

As 2012 opens, the Membership Committee is gearing up for its 2012 Membership Drive Campaign: "One Member Can". The following ASCCA members have agreed to serve on the Membership Committee in 2012: Rory Balmer, Twin Peaks Auto Service, Jack Crawley, Fisk Automotive, Dennis Montalbano, German Auto Repair, Stuart Terry, Stuart Terry Auto Repair, Marty Bloom, Zenergy Works and Joseph Appler, Chapter Administrator for ASCCA Chapter 5, Foothill.

Stay tuned as we roll out an exciting contest with great prizes giving you all the incentive you need to look for that next new member. Ask that guy who owns the repair shop down the street from you; ask that vendor who supplies you with parts or supplies. Hasn't belonging to this Association made you a better leader, better business owner, better professional, more knowledgeable, more secure in your trade and on the cutting edge of what is going on in the industry? Take that knowledge and sell it to your fellow repair shops and vendors.

One member can make a difference. As our President Tracy Renee has stated, "Just think if every existing member were to recruit just ONE MEMBER, we would double our membership". We manage to find new customers each and every day, why not new Members?

We brought in 63 new members in 2011. How about 263 in 2012?

facebook.

Find us on



40 Technicians Honored at ASE Annual Meeting



2nd from left, row 2: ASCCA/ASE Master Automobile Technician of the Year, Patrick Nicoll

Leesburg, VA., December 5, 2011 -Forty automotive professionals were recognized on November 16, 2011, at the Fall board meeting of the National Institute for Automotive Service Excellence (ASE) held at the Marriott City Center in Charlotte, NC. The annual awards banquet spotlights top scorers on the ASE Certification Tests. Thirty different companies from both OEM and Aftermarket segments sponsored the individual technician recognition awards in the Auto, Truck, Collision and Parts categories, along with three instructor awards. In addition to looking for top scores on ASE tests, award sponsors examine onthe-job excellence, community service and other factors when selecting honorees.

This year's celebration in Charlotte was enhanced by a visit from five former Team ASE drivers, who volunteered their time to sign autographs and meet the award winners in person. NASCAR drivers Kasey Kahne, Jason Leffler and Mike Bliss were joined by Ted Musgrave and Jimmy Spencer to help make the reception a memorable affair. In addition, there were two new award sponsors this year, one being the first ever from the military, representing the US Air Force.

"ASE has been honoring the best of the best in our industry for more than 30 years, and this year we recognized forty outstanding individuals from all across the nation," said Tim Zilke, ASE President & CEO. "We couldn't do this without the support of our many award sponsors, whose ranks include some of the best-known names in the industry. Their commitment to excellence is reflected in the talented individuals we recognize each year."

ASCCA is pleased to announce Patrick Nicoll, of Pat's Automotive in Santa Maria, CA as an ASE Top Tech Award winner. Congratulations to Patrick for his recognition as ASCCA/ ASE Master Automobile Technician of the Year!

Affac.

Voluntary Insurance Solutions

Sam Rumbaugh | Aflac SPC

3300 Douglas Blvd | Roseville, CA 95661 An Independent Agent Representing Aflac Pacific Territory American Family Life Assurance Company of Columbus (Aflac Office 916.205-1794 | Toll Free: 866.923.7767 | Fax 96.471.0178 | CA License #: OF71628 www.aflac.com

For more than 50 years, Aflac products have given policyholders the opportunity to direct cash where it is needed most when a lifeinterrupting medical event causes financial challenges. Aflac is the number one provider of guaranteed-renewable insurance in the United States. Aflac's insurance products provide protection to more than 40 million people worldwide.

Working together with Armstrong & Associates.

Why Offer Aflac?

- Enhance your benefit package <u>without any direct cost to</u> your company. Products such as accident, disability, cancer, hospital etc.
- > Help improve employee morale and retention.
- Achieve FICA savings and reduction in workers' compensation costs.
- Pays cash directly to policy holder in time of need.
- Aflac policies are affordable, portable and renewable at the same group rate.
- Aflac benefits provide peace of mind, knowing cash is there in time of sickness or injury.

Public Relations Committee Update

By Jerry Kubitsky, Chair

As chair of the Public Relations committee, I look forward to 2012 being a productive year building ASCCA's name recognition, and growing our brand as the association for the top shops in the state. I'm joined on the committee by Dennis Montalbano, German Auto Repair, Inc. and John Camara, Camara Auto Service, Inc.

The Public Relation committee's job is to promote the ASCCA name, to increase brand recognition so that it becomes familiar to both consumers and shop owners. Associating the ASCCA name with ethical conduct and excellent service will lead to additional membership and drive consumers into shops.

Our 2012 goals are:

- Increasing chapter participation in the distribution of Press Releases to local media to announce or advertise local partnerships or public service events.
- Enhance social media as a tool for communications
- Enhance the consumer page of the website, filled with information on how to maintain vehicles and leading consumers to the ASCCA shops.
- Phase in signage continuity for membership to display.
- Extend the ASCCA brand in non-traditional ways, such as the sponsorship of Little League teams.
- Work with the Membership and Government Affairs committees to ensure that messaging is cohesive.

Our goal is to brand ASCCA as the association with the most ethical shops in the state. The Public Relations committee is dedicated to that task.

If you wish to be involved in our efforts, please contact Jerry Kubitsky at jerry@summittransmissions.com.

WHO YOU GONNA CALL?

"Who you gonna call" the next time you need an employee who will be your most promising prospect? What if you want someone who has demonstrated an ability to understand how complex vehicles function? Your next thought should be to contact your local community college or to make an AS Degree in Automotive Technology a requirement.

It costs a lot of money for student to support themselves while they work on their education. The ASC Educational Foundation has been hard at work for almost 20 years providing scholarships for qualified automotive students, students who may eventually find their way into your shop. Currently, we have 11 scholarships providing annual awards between \$500 and \$1,100. All money to create these scholarships came from business owners like you.

There are several ways you can help:

- Make a direct donation on your ASCCA Dues Invoice;
- Create a scholarship named for an important family member, such as the Steve Lustig Fund;
- Make an annual or monthly donation to ASCEF;
- Add ASCEF to your family trust;
- Donate unwanted vehicles to Cars for Careers;
- To make a one-time donation, mail a check payable to ASCEF to the ASCCA office.

And the next time you need to hire someone – someone who will become important to the future success of your business – that employee might be available because he or she was able to get the education needed to succeed.

For more information on how to donate to the ASC Educational Foundation, contact ASCCA staff at (800) 810-4272 or gpeterson@amgroup.us.

ASCEF Report



By Frank Joel, Chair, 2011

As you consider this summary of the ASC Educational Foundation's 2011 activity, please keep in mind the focus of the Foundation is external. Our "customers" are outside of our organization and the results we produce are measured by what we contribute to the industry.

Scholarships:

In 2011, \$7,000 was awarded through 11 scholarships.

The New Bylaws:

After many discussions (debates!) — and with the Board's approval we now have a robust set of bylaws, which created the framework for the Foundation to expand from just administering scholarships to an organization that can provide important resources to improve the industry and become a supporting partner to ASCCA.

The Affiliation Agreement:

The concept of the Affiliation Agreement has been proposed for several years. This was critical for the governance of the Foundation. It established the connection and the separation of the two legal entities. Thank you to our Foundation President, Jackie Miller for her patience as we navigated our way through this process. This most important legal bond between the Foundation and ASCCA, in conjunction with the new bylaws, will allow ASCEF now to be managed as a charitable foundation.

Cars for Careers:

In 2010 the Foundation had less than \$200 in donations. In 2011 the Foundation will earn more than \$10,000 through the Cars for Careers Program spearheaded by Mary Kemnitz and Glenn Davis.

This income will provide the operating capital for the Foundation and can be used to create projects that will achieve the purpose stated in the new bylaws: "...to provide educational and training opportunities, scholarships and endowments in the field of automotive repair and maintenance."

The program administration is being developed. The website and promotional materials for Cars for Careers are being created. The program will be promoted to the ASCCA membership in the near future.

Summary:

This was a pivotal year for the Foundation. I especially want to thank Mary Kemnitz and Glenn Davis for their selfless devotion and many hours of hard work that made these things happen. Jackie Miller and Gloria Peterson have been instrumental in managing this foundation and Jackie's patient oversight and involvement were vital to the approval of the bylaws and affiliation agreement.

I'm not overstating when I say the Foundation can be more than just a scholarship administrator. The Foundation is now in a position to partner with ASCCA to create programs that will improve ASCCA members' success and support our industry. The key to success will be collaboration between the leaders of both organizations.

ASCCA Chapter Network

The Automotive Service Councils of California is made up of local chapters for members to join and become actively involved in. Check them out!

Bakersfield (58) Meetings held fourth Thursday, 6:30 p.m. Call Bob Klingenberg: (661) 631-5765

East Bay (16) Meetings held second Tuesday, 6:30 p.m. Call Stephen Small: (510) 427-4345

Foothill (5) Meetings held first Tuesday, 6:30 p.m. Call Joseph Appler: (626) 296-6961

Fresno (25) Meetings held second Thursday, 7 p.m. Call Zarkis Martirosian: (559) 268-6359

Hemet (32) Meetings held second Tuesday, 6:30 p.m. Call Phil Fournier: (909) 927-2101

Inland Empire (14) Meetings held third Tuesday, 7 p.m. Call Glenn Davis: (909) 946-2282

Long Beach (18) Meetings held third Tuesday, 7 p.m. Call Kristen Bunting: (562) 424-8726

Mount Diablo (20) Meetings held third Thursday, 7 p.m.

Napa/Solano (9) Meetings held second Tuesday, 7 p.m. Call Angela Larson: (707) 644-5566

North Orange County (48) Meetings held third Wednesday Call Jack Crawley: (714) 526-3303

Orange Coast (50) Meetings held third Thursday, 7 p.m. Call David Baerg: (949) 855-9981

West Los Angeles (12) Meeting times vary Call Jo Ann Fischer: (714) 773-0949

Ventura County (2) Meetings held second Tuesday, 6:30 p.m. Call Kathy Riggs: (805) 983-8100

Peninsula (23) Meetings held last Tuesday of every other month, 7 p.m. Call Angie Roberts: (408) 266-9658

Redding (99) Meetings held last Wednesday, 7 p.m. Call Roger Vines: (530) 221-2646 Sacramento (34) Call for meeting dates and times Call Roy Joerger: (916) 383-2076

San Diego (24) Meetings held third Tuesday, 7:30 p.m. Call Stuart Terry: (619) 287-4215

San Francisco (21) Meetings held last Wednesday, 6:30 p.m. Call Paul Grech: (415) 474-7323

San Joaquin Valley (6) Meetings held second Thursday, 6:30 p.m. Call Andy Pollino: (209) 472-9866

San Jose (42) Meetings held second Wednesday, 7 p.m. Call Angie Roberts: (408) 266-9658

San Luis Obispo (17) Meetings held third Wednesday, 7 p.m. Call John Neiswenger: (805) 772-8448

Santa Clarita (3) Meeting times vary Call Kevin Browning: (661) 251-6736

Santa Rosa (28) Meeting times vary Call Robert Toepp: (707) 546-2851

South Bay (1940) Meetings held quarterly, 6:30 p.m. Call Eulogio Tamayo: (310) 371-2449

South Los Angeles (10) Meetings held second Tuesday, 7 p.m. Call Les Morris: (323) 750-0511

Tulare/Visalia (26) Meetings held every other month, 6:30 p.m. Call John Camara: (559) 688-6621

BAR, Industry Ombudsman Rick Fong

(916) 255-2893

California Chamber of Commerce Headquarters (916) 444-6670

CARB (General Number) (800) 242-4450



Now Available ASCCA Consumer Brochure

ASCCA has created a consumer brochure for members to use in their shops! It's a handy new tool which describes the value of choosing ASCCA member shops over others.

Download the free electronic template from the member's only section of the ASCCA website, www.ascca.com.

Note that you must login with your member ID to access the template.

Find us on



Automotive Service Councils of California One Capitol Mall, Ste. 320 Sacramento, CA 95814



Industry and Endorsed Vendors Contact List

ENDORSED SERVICES

ASC Insurance Services Armstrong & Associates Brad Davis (916) 979-7992 Fax

MERCHANT SERVICES

Elavon Kimberly Layton, Association Sales Kimberly.Layton@elavon.com (866) 638-8614

Heartland Payment Systems Bob Payne (408) 293-7001

EDUCATION PROVIDERS

Educational Seminars Institute (ESI) Maylan Newton (805) 526-3039

FINANCIAL SERVICES

GE Money (866) 209-4457

Redwood Credit Union Cathy Lavaroni Hall (415) 898-1778 x 238

LEGAL SERVICES Jack Molodanof, Esq. jack@mgrco.org (916) 447-0131

SOFTWARE PROVIDERS ALLDATA (800) 684-1250 Mitchell 1 (888) 724-6742

Identifix Bill Sauer (651) 628-5702

UNIFORM SERVICES

G&K Services Rob Faulkenberry (303) 591-4102

MAINTENANCE SERVICES & EQUIPMENT

BG Products Erin Waln (949) 337-2484 www.bgproducts.com

MARKETING PROGRAMS

Repair Pal Andrew Drake (800) 969-9204

Customer Link Joe Gibson (888) 942-5448

AutoNetTV, LLC Robert Cannon (801) 642-3565 Direct http://autonettv.com

Zenergy Works Bryan Fikes (888) 278-5718

Hertz Rental Customer Relations (888) 777-6095 AAIA

Kathleen Schmatz (301) 654-6664 kathleen.schmatz@aftermarket.com

Office Depot Rod Campbell (916) 505-7262 Roderick.Campbell@officedepot.com

ConocoPhillips Tammy Tinder (253) 906-1051 Tammy.Tinder@conocophillips.com

Autoshop Solutions Danny Sanchez (888) 847-7036

CUSTOMER SUPPORT

Demandforce Todd Westerlund (415) 904-8080

Cobra Striker Reminder Stickers Brian Steele Digman (714) 688-7999

Customer Loyalty Systems Ryan Tunison (888) 622-7552

Mudlick Mail Ryan Monson (866) 794-0167 x 2