



# ATRIF

## News

May/June 2011



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## The ATRI NEWS

*The ATRI News* is published six times per year for the Auto & Truck Recyclers of Illinois. None of the material in this publication necessarily reflects the opinion of ATRI, its 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:

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Springfield, IL 62704  
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## President's Perspective

Joseph Watson, ATRI President

It is convenient to have a family member live close to you, even more convenient when you work with that family member. Once in a while my brother Jim and I car pool, usually it is when one of us needs to leave a vehicle at home or at work for some reason. It is nice to be able to have some uninterrupted time to chat about a myriad of topics both work and home related however during one of these conversations he used a 'phrase'. We were talking about situations we encounter and he was telling me that during one of his conversations he asked "And, so what are you going to do about it?" Now his phrase comes close to my favorite "And how is that working out for you?"

"And, so what are you going to do about it?" This is a direct question seeking to determine if the person being asked is going to do something to change the situation they are currently experiencing. It is pretty straight forward, and rather brash because it assumes that a choice needs to be made and some sort of action taken. I really like this phrase, and I am adding it to my vocabulary, however let's look at my phrase.

'And how is that working out for you?' This question

elicits an evaluation of an action, it makes no presumption that the person you are speaking with needs to do anything except evaluate the action. It also makes no presumption that the action being questioned is good or bad, it forces the person to make that determination. The more I read this phrase; I realize how passive it is. It serves its purpose to demand self reflection and used (im) properly, it can be rather passive aggressive.

Remember, failing to make a choice is a choice in itself; it is just a passive choice. Failing to take action is an action in itself, just a passive action.

I like it best when both phrases are used, one to link onto the other. We need to evaluate our situations and actions. We need to determine how something is working out. You as a business owner may decide that you are not going to sell certain parts. We decided years ago that we would not sell motor mounts or pressure hoses because: the time required to remove those items, the price we could charge, the percentage that were worn or returned. Suddenly sales for those two items dropped. If asked, how it worked out, answer was great. Employees had time they could devote to profitable sales, and frustration at doing additional work dropped. What are we going to do? Continue with current practice, make no change. Once we come to our conclusion we need to ask what, if anything, we are going to do to change it.

So next time you hear someone start complaining or you find yourself in a 'situation', pull out one of those phrases and see what happens. While insanity is doing the same thing over and over and expecting different results, change is the only constant.

President, Joe Watson

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## Executive's Viewpoint

Michelle Lechner, Executive Director

I want to know where Spring went? It was here and now it seems to be gone. The only hint of Spring has been a couple warm days, and the Day Lilies coming that is about it, brrrrr.

Lots of new news for you. Lets see, first of all, ATRI now has a lobbyist, me! I have been busy learning the ropes since there are a few issues out there that need our attention. I am not going into much detail at this point as they are still unresolved. We are working on a couple issues with the Secretary of State and I am pleased to say we are working together. I will better inform you when I have answers. I want to thank those of you who have come forward with information on unregulated buyers in the state. Lets get one thing clear, there will be some changes made. I have been getting to know some of our Representatives and Senators and my way around the State Capitol. I have attended some committee hearings and it has all been a very interesting process.

You will see an article in this newsletter from IEPA about mercury switches. I am being told not everyone is pulling the switches. You need to be pulling them since you are getting paid for them and IEPA needs to keep track the progress. Please read the article in this issue and if you still have questions please call IEPA, or me for answers. Remember, we are very lucky to even have a state program and to be getting paid for the switches.

A couple of weeks ago Bryan Tsikouris of Market Financial Group, also an associate member and I went to a few yards in IL and IN. It was so nice to get out and see some of you. Some of you I had

met, and some I had never met. A couple of new members were a result of our visit, and Bryan was able to provide some good insurance information, as well. The newsletter reaches all licensed recyclers in IL and you will notice more and more are coming on board all the time. I think the newsletter lets you know that ATRI is looking out for your best interest all of the time. When I ask myself why would I want to be a member of ATRI, I read this newsletter and the list of reasons why to join ATRI and my questions are answered. In this ever changing industry, we need to ban together to make a difference.

The IL Green Car program is also growing and I am encouraging you to become a member of that program. Again, this program gives you peace of mind about your business. If you become a member, you know you are providing the best facility and business practices you can. I would be more than happy to email you the complete program and you can see for yourself. Just let me know.

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# Auto & Truck Recyclers of Illinois Association News

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ATRI is going to have a "Spring Fling" in Alton, IL, May 19/20. There will be golf on Thursday, dinner at Fast Eddies Bon Air on Thursday night, an industry round table breakfast Friday morning followed by a yard tour at Wood River Auto Recyclers. The reason for choosing this location was in hopes of getting more and more recyclers in the Southern portion of the state to join us. Okay, I also hear the golf course is spectacular, too. Please read the flier in this newsletter and join us! A round table discussion is always a wealth of information when we hear from one another on how each other runs their business or deals with the on going issues in this ever changing industry.

The CMARC plans are well underway, and the vendor packets are just about ready for mailing. I can't say enough about this Convention & Trade Show. Mark your calendars, bring the family and

gear up for training in just about anything you are looking for in today's recycling industry. Also, take in the Abraham Lincoln attractions. Don't forget, along with the CMARC Event, the Route 66 Mother Road Show will be going on. I know for a fact some of you have a car you would love to show off. The next issue will list the full itinerary for the weekend of September 23rd/24th.

Please welcome Andy Zalon from C&J Auto Parts as ATRI's newly appointed Treasurer. Thanks to Scott Mefford who has held that position for the last 20 years, or so, and he is giving up the reigns to Andy.

Keep Recycling,  
Michelle Lechner

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## ***Discover the Benefits of Being an ATRI Member!***

### ***Illinois Green Car Program (Illinois Certified Automotive Recyclers)***

Illinois Green Car recognizes and certifies that the member meets certain criteria in terms of environmental impact, safety, licensing and other regulatory standards as well as general business practices. This program is endorsed by the Illinois EPA and is cost effective. For just \$50 a year you can become CAR certified through the National Association. ATRI has an established a working relationship with Illinois EPA so if you have questions for them but don't want to call, ATRI will be glad to make the call and provide you the answers.

***ATRIF Executive Director*** is a lobbyist for the association and engages legislative issues pertaining to Illinois auto recyclers. Through the Executive Director, ATRI engages in lobbying efforts and has established relationships with government agencies including the Secretary of State of Illinois.

### ***Education and Training Opportunities***

ATRIF provides training throughout the year. Additionally, ATRI provides educational programs, social events, yard tours, and networking with fellow recyclers.

Opportunities to network, share and learn from other recyclers. See what works and what does not.

### ***ATRIF Newsletter is published 6 times a year***

The newsletter is currently mailed to all recyclers in Illinois. The newsletter includes industry news, a complete listing of the membership, updates on legislative and environmental issues and lots of other interesting information I am sure you will find useful in your day-to-day business operations.

### ***CMARC Central Midwest Auto Recyclers Convention and trade show held annually***

This event rotates between Iowa, Illinois and Indiana. This event is designed to bring recyclers and vendors together from all over to network, educate, and provide and encourage camaraderie. We invite our fellow recyclers from surrounding states to attend our convention and trade show, which clearly makes CMARC a regional show like none other.

### ***Website and staff accessibility, [www.illinoisautorecyclers.com](http://www.illinoisautorecyclers.com)***

- All members are listed on the website with all of your information, including a link to your website, if available.
- Newsletter archives
- Calendar of Events, as they are scheduled.
- Parts Search, an opportunity for each member to sell parts.
- Suppliers list, a complete list of suppliers, associate members of ATRI.
- All contact information for the ATRI Board of Directors and Staff.
- Staff accessible to answer all your questions, or find the answer for you.
- Information friendly, ask ATRI to email the membership with an article or question you may have.

***ATRIF is a member of the Automotive Recyclers Association***, the National association for auto recyclers. ATRI is active by participating at the ARA conventions and sharing that information with ATRI Members.

***All Illinois recyclers encouraged to join ATRI and make a difference by getting involved. Support your state association and reap the great benefits of the membership.***



# Auto & Truck Recyclers of Illinois Association News



## Auto & Truck Recyclers of Illinois

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County \_\_\_\_\_

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### Type of Business Activities

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## Is a Cash Balance Plan Right for Your Business?

A cash balance plan is a type of tax-qualified defined benefit pension plan. If you and other highly-compensated employees are currently maximizing contributions to your company's 401(k) and profit-sharing plans, it can be a valuable plan addition to your retirement program.

As with traditional defined benefit pension plans, cash balance plans are subject to minimum funding standards, and must provide a specified accrued benefit at retirement. However, unlike traditional defined benefit pension plans, hypothetical "individual accounts" are used to communicate the current value of each participant's accrued benefit. Participants receive periodic statements showing the accumulation of "contribution credits" based on compensation, age and service, and "interest credits" based upon a market rate of return. Employer contributions are based upon actuarial projections, and earnings are credited to the plan's trust based upon actual investment performance. Distributions from cash balance plans are normally paid as an annuity, but lump sum benefits may also be available (with spousal consent) upon termination of employment.

A cash balance plan allows the plan sponsor to make tax deductible contributions for eligible employees determined under a nondiscriminatory formula, which may exceed the dollar limits for defined contribution plans. Cash balance plan contributions are in addition to amounts contributed for an employee to a defined contribution plan.

Potential candidates are companies with owners, partners or other highly compensated employees who may have neglected retirement savings to grow their business, or otherwise desire to catch up on retirement

savings. Businesses should have consistent cash flows and profits since contributions are required on an on-going basis to meet the minimum funding standards of the Internal Revenue Code. Cash balance plans require the services of an actuary to determine appropriate funding levels.

Your current retirement program may not be taking advantage of the additional benefits which can be provided through a cash balance plan. Now may be the time to review your current retirement program



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## Update on Illinois Mercury Switch Removal Program

by Becky Jayne

**Illinois Switch Collection Results for 2010** – Approximately 47,000 mercury-containing switches were collected for recycling in Illinois in 2010, making Illinois the third top state for the number of mercury switches that were recovered from scrap vehicles. This is great

news and we want to commend the auto recyclers for doing their part to keep mercury out of the environment. However, we still have work to do because 47,000 switches represents only 27 percent of the total number of switches available for recycling in Illinois.

**Steel Pellet Switches** – ELVS reports that it is still receiving a large number of steel pellet switches from 2003 and newer vehicles. The only 2003 vehicle with a mercury switch is the Jeep Wrangler, which has mercury anti-lock brake sensors. Mercury switches were not used in any passenger vehicles after 2004. **Please do not ship switches with steel pellets to ELVS.**

*Becky Jayne is an Environmental Protection Specialist with Illinois EPA. If you have any questions about the Illinois Mercury Switch Removal Program, please do not hesitate to contact her at either [Becky.Jayne@illinois.gov](mailto:Becky.Jayne@illinois.gov), or 217-524-9642.*



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## A Passionate Industry Response to Excessive Government Regulations

By David Kendziorski  
Illinois Green CAR Program Manager

*Ron Dumas is the owner of AutoGator Auto Dismantling in Roseville, California. Ron is deeply committed to the auto recycling industry...and he is the most passionate recycler I know.*

**The story:** The California State Water Resources Control Board has proposed the strictest industrial stormwater permit in the nation. Stung by third-party lawsuits which have been successfully filed by environmental action groups against both regulators and industries, the State Water Board developed a permit that places extreme burdens on industries and forces them to “prove” compliance or face automatic enforcement action and/or a lawsuit. The proposed permit includes mandatory best management practices, frequent stormwater sampling, rigid record keeping and reporting, and the application of numeric action levels and numeric effluent limits that trigger increased expenditures. Any mis-step would be a publically-disclosed permit violation. Each business would be required to hire a professional engineer or expert to prepare a new stormwater plan. The proposed permit is complicated, confusing, and expensive.

**The response:** As a leader of the State of California Auto Dismantlers Association (SCADA), Ron Dumas was selected to present testimony at the public hearing for the proposed stormwater permit. But Ron did not complain about the excessive costs. He did not explain how ridiculous it was for a small business to understand, much less comply with, this permit. And Ron did not emphasize that all the sampling and numeric limits will do little, if anything, to improve the water quality of California’s rivers, estuaries, and coast.

Instead, Ron talked about the impact of such ex-

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cessive regulations on the struggling auto recycling industry. Here is the essence of Ron's two-minute testimony:

- Over the past decade, SCADA members have invested over \$500,000 in an award-winning certification program (Partners in the Solution<sup>®</sup>) that sets strict environmental and safety standards for all of its members. This program was developed as a unique collaborative effort between industry, federal and state regulators, and the environmental community. The Partners program has been a tremendous success.
- The proposed permit will destroy this collaborative effort that has had mutual benefits. It will no longer pay to be proactive or responsible when the rules are so unreasonable and the consequence of a slip-up so severe. Rather than work together, battle lines will be drawn. Recyclers will focus on fending

off fines or lawsuits instead of investing in measures that protect water quality. Regulators and environmental groups will concentrate their resources on punishing those who fail to comply with a permit few people can even understand.

- Legal, legitimate recyclers will either close their doors or go underground, joining a growing abundance of illegal and unlicensed operators who circumvent environmental and safety rules, spew fluids onto the ground and refrigerants into the air, and fail to pay sales and income taxes. These unregulated operators have no accountability or regulatory oversight and will be free to scoop up valuable salvage, making it prohibitively difficult for legitimate recyclers to compete.

Ron closed his comments with these words: "We lose, you lose, and most importantly water quality loses."

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## “Are you engaged and enthusiastic about your job, or not?”

By Christine Corelli

Every employee was asked that question by a chief executive during the many one-on-one interviews he conducted throughout 2010. Early in the year, he had been reading a great deal about employee engagement, employee enthusiasm, and their importance in the workplace. Posing the question in that blunt manner was his way of thinking he could get his employees to be “engaged” and enthused about his vision for the company. What did he expect them to say? “No?”

This executive is one of many leaders who are aware of the importance of obtaining high levels of employee engagement but have no clue how to obtain it. The answer is quite simple, and well stated by employee engagement expert, Jim Rembach...

**“Employee engagement occurs when the business values the employee and the employee values the company.”**

This intent of this issue of Monday Morning Motivation is to help you determine whether you are engaged, and discuss the benefits of being engaged and enthused. It is also intended to motivate your leaders to create an environment where employee engagement is a strong part of your organization’s culture.

### What is an engaged employee?

An “engaged employee” is one who is fully involved in, and enthusiastic about his or her work, and thus will act in a way that furthers their organization’s interests.

### Engaged and enthused...Who me? Why should I be?

1. Do you believe in your product or service? Do

you believe that your product or service delivers on the promises made in your company’s marketing materials and by your sales team?

2. Do you believe the leaders in your company demonstrate the core values of honesty, and integrity and that your company operates ethically?
3. Do you believe in your job-role and that your work is meaningful and valuable?
4. Do you believe your company focuses as much on employee satisfaction as they do on customer satisfaction and that they value you as much as they value their best customer?
5. Do you respect your boss?

If you answered “yes” to these questions, you are engaged, but are you enthused? If you look forward to coming to work each day, you are indeed, enthused. But if you are a member of the Thank God it’s Friday Club, and not the “Thank God It’s Monday Club,” (as my colleague Roxanne Emmerich calls it) then change your attitude and put a little enthusiasm in what you do.

### Take this job and love it!

In today’s challenging work environment, being an engaged employee and having an enthusiastic attitude is not easy. We are overworked and underpaid. And not everyone has a job they love. But if you can learn accept and adapt to today’s changing business environment, and to love your job, you will be more content, more creative, and simply make things better for everyone around you. Everyone wins. If you feel your company needs help in this area, forward this issue of MMM to your leaders.



## Leaders - How to Build Employee Engagement

Employee engagement has all the earmarks of a marriage—a business one anyway. It exists when an employee feels that he or she has a job in a company they believe in. Regardless of the size of your company or the type of business you're in, building employee engagement is critical to your organization's success.

There has been a great deal of research that reinforces this. One major study done by the Gallup Organization revealed that companies exhibiting the highest levels of employee engagement are more likely to have above-average productivity and profitability, as well as higher levels of customer retention.

## Employee involvement

Actively encourage your people to share ideas and step forward to challenge the Status Quo. The best leaders go beyond this; they demand it. They know that engaging the brains of one's employees in finding new, better, and more efficient ways of providing great service builds employee engagement. You can accomplish this through employee involvement—asking for and listening to the voice of your people.

Ask for your employees' opinions and ideas. Make sure they feel comfortable enough to challenge the way things are done so that they will step forth with new ideas.

## Employee empowerment- Enable first

Provide training on organizational Leadership (How to demonstrate leadership in your organization), customer service, teamwork, conflict resolution, employee motivation, sales, negotiation and computer skills. When they are well-trained, you can feel confident to empower them to solve problems and serve customers without asking for your permission to do so.

## Reward and Recognition

Recognize and reward people (both formally and informally) for their individual contributions in the workplace. It is a surefire way to make people feel appreciated and help them feel engaged. Studies have proven that if your employees are happy with you and your company's culture, you will have higher levels of employee engagement which translates into customer loyalty.

Obtaining high levels of employee engagement involves a great deal more. For now, ask yourself this question:

## Would you work for you?

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She has been a popular speaker at numerous automotive industry events. To learn more about her presentations and books, call (847) 581-9968, or visit [www.christinespeaks.com](http://www.christinespeaks.com)



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## Leadership: How to Listen To Your Inner Compass in the Recycling Industry

By Paul David Walker, Founder & CEO of Genius Stone Partners

### Cause and Effect Moves With or Without You in the Recycling Industry

The flow of cause and effect move events, stimulate ideas, and drive consumer wants and needs because everything is connected. This flow has a powerful momentum, and moves like the multi-dimensional currents in a powerful river. This force moves forward with, or without, our conscious involvement. We are all connected to it even if we are not aware of our connection. The more we are consciously in sync with what I call "The Life Force," the faster, more targeted and powerful are our actions. Like an athlete "In The Zone," we accelerate our performance with grace and ease.

Imagine how difficult life would be if you are not aware of these flows. Many of us are not. It would be like hiking through a wilderness fog without a compass. Even if you knew you needed to go North, you could not tell which way it is. Likewise, we need an "Inner Compass" to navigate within the flows of cause and effect that influence every moment of our lives, a way to understand where we are, and where the flow of history

is going. But what is, and what is the practical use of, our inner compass? A story best illustrates.

### What Is Your Inner Compass?

When I was working as a leadership consultant to Don Ross, Chairman and CEO of New York Life, during the summer of 1987, many people were coming to me questioning the Chairman's actions. He had asked the investment department to slowly move all investments out of the stock market into conservative investments. This frustrated his investment team because the stock market was at an all time high and their competitors were using "High Yield Bonds" and stocks to create gains much greater than New York Life's. They wanted to play in the game, and Don Ross was telling them to step back.

Many came to me, as Don's coach, to suggest I persuade him of the foolishness of his actions. I explained that I was his leadership coach and had little knowledge of the financial markets, but encouraged them to speak directly to Don. However, no matter how people pleaded, he would not change course. Several key players resigned and went to more "progressive" companies.

In October of 1987, while I was on site at New York Life, the market crashed. It was the biggest crash since the Great Depression. But New York Life had moved most of its investments out of the stock market and had not invested in any "High Yield Bonds," known later as "Junk Bonds." Don Ross was now considered a genius. The financial gain was enormous.

A week or so later, I asked Don how he knew to pull all of the company's investments out of the stock

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market three months before the October 1987 crash. He said, "I just knew it couldn't last." Everyone in his world thought he was wrong, yet he had the wisdom and courage to do what he felt was right.

## Knowing the Difference

When I pressed him to tell me more, he went on to explain that, as Chairman and CEO, he was continuously bombarded with "experts" trying to convince him of completely different strategic directions. Each had incredible credentials and a good story, yet each recommended different directions. The only tool he had to make the final decision was his instinct, or intuition. He said, "Whenever I have gone against my intuition, I have regretted it."

Don Ross explained to me, "The key to wisdom is to know the difference between your wild hopes and fears and common sense, intuition or true wisdom." They often seem the same, but they are not. There is a distinct difference in the feeling. One comes from the Ego and insecurity, and the other comes from Wisdom. Great leaders learn the difference and, given this knowledge, develop the courage to act quickly. Don had found ways to live in the present like an athlete "In The Zone," but with an easier more sustainable feeling I call "Integrative Presence," or at least he was able to find that state of mind when he needed insight. When I met with him over the years, he was often in the state of Integrative Presence. He was warm, yet seemed to be able to see through people. Insightful, yet he moved with grace and ease.

## Courage To Act

All the great leaders I have worked with know how to achieve the state of Integrative Presence, even though they may not understand the nature of this state of mind. They have experienced being connected to something that supercharges their own knowledge. They speak reverently about this connection in private, but rarely talk about it to the press. It just seems too outside the norm for stockholders and the public. But knowing and connecting to wisdom through Integrative Presence is

essential for leaders in business today. Markets move quickly, often with little warning, and the wise leader can feel the moving currents. At each moment, like a surfer, the conscious leaders are so present they take advantage of trends as they emerge.

## Know How It Feels

When I have asked people to describe how they feel when they experience being "In The Zone" or Integrative Presence, they say things like: confident, at peace, exhilarated, powerful, graceful, and present. Some report a slow motion effect as time slows. Kareem Abdul-Jabbar told how the five seconds he had to win the NBA championship with one shot seemed like five minutes. He felt relaxed, as if he had all the time in the world, yet he appeared to move like lightning to the rest of the world—the very definition of Integrative Presence. His creativity, within these few precious seconds, was nothing less than pure genius. He was integrating the skills he had learned over the years, his desire to make the shot, and the flow of the moment.

## It Is A Natural State of Mind

As I have experienced and studied athletes in the zone or integrative presence. I have found that this state of mind, though not often reached, is a natural way of living. It seems we have lost touch with true presence overtime. Ironically, the art of getting into this state of mind is letting go of what we think we know. As you let go, this state of mind just takes over. You don't need to train yourself to experience Integrative Presence, you



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merely need to “let go.” This state takes over your consciousness and supercharges your performance because it is in our nature to live this way.

Sports create highly charged environments. They are designed to bring out the best in people. But can this state be achieved outside this arena? Certainly, if these states of mind that seem to create super human results can be created in one area of life, they should be able to be created in others. While the environment is particularly right for this kind of performance in sports, it is not beyond or separate from this “real world” we all operate within.

## **The Present Is The Only Portal To The Future?**

You might ask, “If you are in the present, “How do you create the future?” Here is my answer. Imagine the world is a dance floor and the rhythm and flow of the band is “The Life Force,” which infuses everything. The multidimensional flow of the band seems irresistible to some, yet others stand against the wall not knowing how to jump in, and many are not even aware of the dance. They have heard people talk about it, but can’t seem to hear or feel the flow of the music. Those who feel it deeply dance like gods and goddesses in the middle of the floor creating a vortex of energy and motion that draws new dancers into their circle.

The band, which represents “The Life Force,” naturally lures people onto the floor to dance in a rhythm and harmony that seems to come from outside them. Of those out on the floor, many dance out of rhythm most of the time, but have moments of grace. Others have a routine that they have worked out over the years which works for them, but only captures a small part of the rhythm. Some have a routine and experiment momentarily with new movements, but mostly go back to what they know. Those who feel the music deeply dance adding rhythms and counter rhythms and seem to be an extension of “The Life Force” that passes through the band.

Without knowing, many start to follow the waves of energy coming from the leaders and the overall quality

of the dance improves. At some point in time, magic occurs. The beauty and energy of the lead dancers is so compelling that the band itself is drawn into the dance creating new rhythms and flows as the Life Force, the band, and the dancers join and create new realities.

## **Start With The Present Moment**

“The Life Force” creates Life and Life influences “The Life Force,” just as the band creates the rhythm and flow and changes, because the lead dancers’ energy becomes part of the rhythm and flow. The only way to create the future is to engage, like the dancers, with the rhythm and flow of the present; and by doing so you become a co-creator. It is not about wishing and hoping as the popular book “The Secret” would suggest. The various rhythms and flows of business markets are subsets of the rhythm and flow of “The Life Force,” which animates everything. Both can be influenced in the manner just described. Great leaders have discovered and mastered this secret.

## **There Is No Substitute For Practice**

The flow of market wants and needs is like the complex themes, harmonies, and rhythms in music. Your team must spend lots of time dancing with those rhythms to know how to influence the flow of the dance. Your team, products and services must dance first with the rhythm and flow of the present, then lead. There is no substitute for this kind of presence in your target market, and like dancing to a good band, or being in “The Zone” in sports, it is a blast! The energies of the market will feed you and your creativity will lead the flow of the market.

Your inner compass lets you know the difference between your thoughts about the flow of cause and effect, and the actual flow. We have to practice to know the difference between the feelings that come from our thoughts and ego and our natural wisdom. Knowing how to access our natural wisdom is the inner compass.

## **Your Inner Compass & Hiring**

According to Dana Borowka, CEO of Lighthouse Consulting Services, LLC ([www.lighthouseconsulting.com](http://www.lighthouseconsulting.com)).



# Auto & Truck Recyclers of Illinois Association News

May/June 2011

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com) and author of *Cracking the Personality Code* ([www.crackingthepersonalitycode.com](http://www.crackingthepersonalitycode.com)) creating a foundation for strong leadership requires the right people. Hiring the right people is key to future growth. If you would like additional information on hiring, please see below to get a link to an article on this subject:

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*Paul David Walker, Founder & CEO of Genius Stone Partners was part of building the first leadership firm to align Strategy, Structure and Culture, and has been a business leadership adviser to the CEOs of Fortune 500 and midsized companies for over 25 years. He is the author of *Unleashing Genius: Leading Yourself, Teams and Corporations*, and two other books. He has succeeded by unleashing the genius of the people around him and is known to be a visionary leader and master of collaboration. Paul brings a special energy that calms people and brings teams together. He has been, and is, mentored by some of the most profound philosophers and spiritual*

*leaders of our time.*

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## Chicagoland College Offers Automotive Recycling Certificate

Waubonsee Community College's automotive technology department is used to being on the leading edge, having been ranked the top auto school in the nation by the Automotive Industry Planning Council in 2007. This summer, the program is again taking the lead with the introduction of an innovative new automotive recycling curriculum.

Waubonsee's Automotive Recycling Certificate is a total of 3 semester hours and consists of two courses – Automotive Recycling Basics (AUT 211) and Environmental Standards for Automotive Recycling (AUT 212).

Covering content such as dismantling techniques, quality control, parts grading and inventory management, the basics course will meet Saturday mornings from May 21 to June 25 at the college's main campus in Sugar Grove, about 45 miles west

of Chicago. Also at the Sugar Grove Campus on Saturday mornings from July 2 – 30 is the environmental course, which will focus on "green" practices such as safe removal of mercury switches, storm water sampling and the Illinois Green Certified Automotive Recycler standards.

Like all of the best career-oriented educational programs, Waubonsee's Automotive Recycling Certificate of Achievement was developed in close collaboration with local industry leaders. In this case, it was Sean Krause and the team from Speedway Auto Parts in Joliet who helped shape the college's coursework.

"They saw a need to help educate employees of the state's recycling facilities," said Ken Kunz, Professor of Automotive Technology at Waubonsee. "Plus, it's a great employment avenue for our graduates. This field has a lot of potential and need."

According to Kunz, the industry's need for workers comes from both the increasing number of cars on the road and the increasing emphasis on "going green." "We're looking forward to taking a leadership role in doing what's right for the environment," Kunz said.

For more information or to enroll in the program, visit [www.waubonsee.edu](http://www.waubonsee.edu) or call (630) 466-7900, ext. 2319.

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## Training & Education: The Road to Profitability, Opportunities, and Productivity

Training your employees extends well beyond showing them how to do their jobs. Increasingly, auto recyclers are realizing the benefits of training: increased revenue and productivity, satisfied customers, improved profitability, better compliance with government regulations and company policies, and improved job satisfaction. The types of training available are expanding: sales, inventory, dismantling, equipment use and maintenance, hazardous material shipping, environmental compliance, and safety.

Fortunately, there are many more training options available:

- **ARA University**
  - Online courses tailored to your business
  - High speed internet access essential
  - Available for portable devices (smart phones)
  - Learning curriculum is documented and tracked
  - Sponsored by Automotive Recyclers Association
  - Special discount for CAR (Illinois Green CAR) members
- **Other Online Training**
  - Inexpensive
  - Webinars can inexpensively train large numbers of participants
  - Available 24x7
  - Self-paced
  - Convenient
  - Forklift: <http://www.free-training.com/oshaforklift/forkmenu.htm> (free)
  - Airbag: <http://www.hazmatu.org> (\$299/facility/year)
- **Traditional Classroom**
  - Technical schools, community colleges, business centers, equipment vendors
  - Best for complicated operations: new computer systems
  - Costly
  - Conferences and Seminars
  - ARA, ATRI, related industries (body shop, auto repair)
  - New issues and industry developments
  - Lots of interaction and networking
  - Large variety of training topics
- **Onsite Training**
  - Minimum group size: 6-8 or more
  - Focus on company topics and needs
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Note: Employee training is the theme of the Central Midwest Auto Recyclers Convention to be held in Springfield, Illinois on September 23 – 24, 2011.



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## Special Report on Salvage: Mobilizing Fairness

By Elizabeth Vermette

Automotive Recyclers Association Calling It As They See It for Auto Recyclers

The 2009 study titled International Trade in Used Vehicles: The Environmental Consequences of NAFTA, by Lucas W. Davis, Haas School of Business, University of California, Berkeley, and Matthew E. Kahn, UCLA Institute of the Environment, studied the effects of the law since its passage in 1993, including trade patterns. The North American Free Trade Agreement was created to expand trade between the United States, Canada, and Mexico to make them more competitive in the global marketplace. As of January 1, 2008, all tariffs among the three countries were eliminated and trade tripled from \$297 billion to \$1 trillion between 1993-2007, according to the study.

*"Virtually overnight a vigorous trade flow emerged," the study states, "and we document that between 2005 and 2008 over 2.5 million used vehicles were exported from the United States to Mexico." Continuing, the study poses the question, "Does this imply that the stock of vehicles in the United States has decreased by the same amount?"*

The answer was not good news for the automotive recycling industry.

Based on data provided by R. L. Polk & Company, the study surmised: *"The results indicate that less than one in four traded vehicles represent a net exit from the stock in the United States. This suggests that most of the vehicles that were exported to Mexico were either vehicles that would have been retired otherwise, or vehicles that were already retired."*

*"This statistic is just one reason we are pushing to stop unregulated access to the U.S. salvage pool," says Automotive Recyclers Association (ARA) CEO Michael E. Wilson. "This is an example of the unfair plundering of our industry's product pool. With salvage vehicle stock dwindling and competition for it*

*rising worldwide, not just from Mexico, the price paid for salvage vehicles is being artificially inflated and the quality green recycled parts inventory of professional auto recyclers in the United States is being negatively impacted."*

### Exposing the Problem

Automotive recyclers are a competitive bunch. Many are small business owners who enjoy the opportunities and challenges that come with building an automotive recycling business. Yet, the problems in the current business environment are beyond challenging: unscrupulous and unregulated buyers do not pay taxes to the United States government; do not pay local sales and business taxes, do not pay employee payrolls, taxes, or benefits; do not operate in accordance with the Environmental Protection Agency; do not have in mind to purchase salvage vehicles for the purpose of properly dismantling and distributing recycled auto parts; and have plenty of money to spend more on a salvaged vehicle than the average auto recycler can justify paying to get a good return on their investments.

The bottom line is that salvage vehicles are disappearing from the United States, and the buyers of these vehicles are driving up prices of these vehicles at the auctions, making it difficult for automotive recyclers to continue to operate in the best interests of their businesses and the consumers.

### Mandate to Act

At the 2010 July ARA Legislative Summit, attendees from across the country identified salvage acquisition as the most important issue facing members today and directed ARA to focus efforts in a coordinated way to ad-



dress this issue. Since then, ARA leaders and staff have spent considerable time and effort brainstorming how the Association can make the most positive impact on salvage acquisition in an effort to help ARA members and the industry.

In November 2010, ARA successfully united with fellow advocate groups, who desire to end vehicle fraud, by hosting the first-ever Consumer Summit, a formal stakeholder meeting to coordinate efforts toward that end. Other meetings with both federal and state legislators have also been conducted. In the process, the legislative staff at ARA has researched and familiarized themselves with state licensing statutes and curbstoning laws across the United States.

In these efforts, ARA is now positioned as the expert on salvage acquisition and as such is working with federal and state legislators, state agencies, and organizations representing states to establish an economically fair, consumer-oriented, and environmentally-sound business practice regarding salvage vehicle acquisition and management.

## State Legislative Activity

*"One of the key functions of ARA's governmental affairs efforts is to provide members with a national perspective on state issues,"* says ARA Director of Government Affairs Elizabeth Vermette. *"This is especially important on the salvage issue, as we see similar issues pop up in multiple states."*

ARA tracks legislation on a variety of topics in all 50 states and Washington, D.C., including: all legislation related to salvage pools, buyers at pools, Internet sales, de-titling legislation, automobile recycler and dismantler licensing, and anti-curbstoning legislation.

*"We communicate with members and affiliate chapters to make sure they know about the legislation when it is introduced in their states,"* says Chairman of the Government Affairs Committee Norman Wright. *"We highlight the issues on a weekly basis on our state legislative calls, and we offer support to members. In just one week in February, we notified members in three states of legislation that would negatively impact their ability to acquire vehicles. We've sent letters to legislators highlighting ARA's concern with the legislation and drafted letters for members to send their legislators as well."*

## National Motor Vehicle Titling Information System (NMVTIS)

Established by federal law in 1992, NMVTIS is a U.S. Department of Justice (DOJ) system that is operated on behalf of DOJ by the American Association of Motor Vehicle Administrators. The public electronic system enables users to report, access, and verify key vehicle titling information and branding history.

Forty-nine states are currently providing data to the system; twenty-six states currently make title inquiries before issuing new titles; twelve states provide data but are not making inquiries; and eleven states are in development (Alaska, Colorado, Hawaii, Kansas, Maine, Michigan, Mississippi, New Mexico, Oregon, and Rhode Island). Only Illinois and the District of Columbia are not providing data at this time.

As a stakeholder, ARA participates on a 27-member NMVTIS Advisory Board to guide the development of the system that is still in its early stages of implementation. "The Advisory Board is designed to bring all these different organizations together, some whom have competing agendas, to work toward a unified and complete system that serves and protects the consumer," says Wilson, who is serving a two-year term on behalf of ARA.

The board's input and recommendations regarding NMVTIS include such things 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 enhancing its technological capabilities.

*"ARA is fully supportive of NMVTIS,"* he adds. *"It is sometimes difficult for the auto recycler to understand the benefits of the system once it is fully functional. We are working to educate recyclers on the tremendous upside it will have as reporting and usage matures."*

Earlier this year, the DOJ issued a policy clarification on NMVTIS reporting requirements for tow truck operators and towing companies.

The NMVTIS implementing regulations state that individuals or entities engaged in the business of acquiring or owning junk or salvage automobiles for resale in their entirety or as spare parts or for rebuilding, restoration, or



crushing must report to NMVTIS. This includes scrap-vehicle shredders and scrap-metal processors as well as pull-or pick-a-part yards, salvage pools, salvage auctions, and other types of auctions, businesses, and individuals that handle salvage vehicles (including those vehicles declared a total loss.)

In the clarification, DOJ notes that tow operators and towing companies (and similar businesses) that meet the statutory and regulatory requirements of NMVTIS must provide monthly reports.

## Internet Vehicle Sales

On another front, ARA has conducted several discussions with eBay, specifically eBay Motors, about the sale of motor vehicle parts. ARA is now working with them to address concerns regarding state licensing requirements for those who sell recycled automobile parts. EBay regularly works with many industries to ensure that items being sold online are done so in accordance with applicable federal and state laws.

For example, before listing an item on eBay, sellers must check for specific rules and conditions on how the item should be listed. Sellers also need to make sure that the sale of their item complies with all laws.

ARA has also just created a task force on Internet motor sales chaired by ARA At-Large-Director Bradley Alexander. Taskforce members will check Internet sites like eBay and Craigslist for sales that could be violating state law, compile a list of the potential violators and their ads, and send them to ARA monthly.

## Getting Members Engaged

Ultimately, ARA is a member-driven effort. As with the Cash for Clunkers program, sometimes it takes an urgent issue to awaken the industry to action. During the Cash for Clunkers program, ARA membership grew significantly as the association got actively engaged in the process from the start to finish.

Salvage acquisition is the next challenge to be overcome, and ARA is aggressively pushing for reform. There are many ways to help; but being informed is the first step. "Right now, our role is to educate," Wilson says. "We need in-

*formed members – auto recyclers. We need informed legislators; and we need informed consumers. The more educated everyone is, the faster we can fight for the solutions and the more likely auto recyclers will see value in having a unified voice in places like Capitol Hill."*

For consumers, education starts with the new ARA website, [www.greenrecycledparts.com](http://www.greenrecycledparts.com) (see The Battle for Public Awareness in this issue for more on this initiative). For legislators, hearing from ARA members is a start. Contact your representatives, local and federal, and share the information contained in ARA's Special Report on Salvage.

For ARA members, getting informed can be as simple as being on a conference call once a week. The Internet motor sales task force meets via conference call once a month. Auto recyclers can contact Bradley Alexander at [bradley@affordableautopartsinc.com](mailto:bradley@affordableautopartsinc.com) to join the task force. The Legislative Affairs Committee also meets via conference call once a week. To join the call, contact Elizabeth Vermette at [elizabeth@a-r-a.org](mailto:elizabeth@a-r-a.org).

Another way to be involved is to become the eyes and ears on the ground. Report any suspicious salvage activity by calling (888) 385-1005 x15. To report questionable ads on eBay, Craigslist, or other Internet sites, e-mail them to [tforceara@gmail.com](mailto:tforceara@gmail.com).

At the very least, if you are not an ARA member, the time has come to join forces to protect your biggest investment, your business. With the 20 to 1 ratio of benefits to membership dues, the fee to join pays for itself. In return, ARA can count you in when talking with legislators and regulators in Washington, D.C., across the United States, and the world.

The forces in control of the salvage problem are big, strong, and unwilling to change. Yet as Margaret Meade once stated, "Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it's the only thing that ever has."

"At the end of the day," says Reinert, "auto recyclers are not looking for favors. We are looking fairness in the marketplace."

Elizabeth Vermette is ARA's Director of Government Affairs

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**Illinois Green Certified Automotive Recycler**  
**(Illinois Green CAR)**  
**Application Form**

Owner/Contact Name(s): \_\_\_\_\_

Business Name: \_\_\_\_\_

D.B.A. (If applicable): \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Mailing Address (if different): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

*I wish to apply for Illinois Green Certified Automotive Recycler (Illinois Green CAR) certification.*

*I agree to meet the Illinois Green CAR standards.*

*I agree to participate in the Illinois Green CAR auditing program to verify compliance with the Illinois CAR standards.*

*I agree to pay the Illinois Green CAR membership fee as established by ATRI.*

I agree to comply with the following guidelines:

- Be a member of ATRI, and meet the membership requirements.
- Appropriately display applicable Illinois Green CAR program identity and promotional materials. I agree to surrender same if ATRI membership is canceled or terminated.
- Improve my effectiveness as a business person and professional automotive recycler either through business courses and seminars offered by ATRI, or by recognized colleges and universities.
- To not knowingly purchase and/or sell automotive parts of questionable origin. An Illinois Green CAR member should take pride in his industry and business, thereby enhancing quality, customer service and confidence.

***Illinois Green Car Members***

***ABC Auto Parts and Sales, Inc.***  
***Auto Parts City, Inc.***  
***BC Automotive, Inc.***  
***Bionic Auto Parts and Sales, Inc.***  
***C & J Auto Parts, Inc.***  
***Elgin Super Auto Parts***  
***I-55 Auto Salvage***  
***Mack's Auto Recycling***  
***New Cats Auto Parts***  
***Rhodes Auto S/S/S, Inc.***  
***Rockford Auto Parts, Inc.***  
***Route 14 Auto Parts***  
***Scotty's Auto Parts***  
***Speedway Auto LTD***  
***Stafford's, Inc.***

*I understand that as the automotive recycling industry changes, the requirements to be an Illinois Green CAR member may also change, I agree to incorporate any such changes in my business. If I fail to do so, my Illinois Green CAR membership will be subject to termination.*

Business Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Staff Use Only: \_\_\_\_\_ (date received by ATRI)

*Mail to: Illinois Green Car, c/o ATRI, 2817 White Plains Ct., Springfield, IL 62704*



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