

# CAR NEWS

APRIL 2014+COLORADO AUTO RECYCLERS NEWSLETTER



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## Spring Session Legislative Report

by Norman Wright  
CAR Legislative Committee Chair

Colorado Auto Recyclers have been extremely active this year at the Colorado Legislature. Two significant Bills were introduced and passed, now waiting for the Governor's signature.

During this last summer, a task force was assembled to study and make recommendations on changes in the Colorado Title statutes regarding branding of titles and current salvage designations. Colorado was known as a "title washing" State and the group was tasked to review what recommendations were needed to make a change. The task force included representatives from the new car dealers (CADA), the used car dealers (CIADA), law enforcement, county clerks, car hobbyist association, Colorado Auto Recycler's Association, scrap processors (ISRI), insurance companies, and other interested parties. Our lobbyist, RJ Hicks represented our Association. Colorado also suffered severe floods last September which created a huge amount of flood vehicles to be processed.

### House Bill 1100

House Bill 1100 was introduced to address many title branding issues. Through our lobbyist RJ, we had significant input on the writing of the Bill and personal contact with the sponsors. RJ testified at the House and Senate Transportation Committee meetings and strongly lobbied for its passage. The Bill had significant changes in definitions and new brands in our law:

1. Creates authority for Department of Revenue to brand incoming titles from other states with existing brands from those states. Previously Colorado did not carry forward the title brands from other state.
2. Creates new flood definition and brand for Colorado.
3. Establishes a new title classification- "non-repairable title" that calls for vehicle to be taken off highway and used only for recycling purposes.
4. Allow recyclers to use current bill of sale with VIN number or a copy of the title to sell parts at retail. We were able to amend the bill to eliminate a provision that all parts sold to

a customer required a copy of a title or prove of legal possession at time of the parts being sold.

5. Enable Department of Revenue to make rules that create brands to be used and to do the processes called for in Bill. There will be a working group this next summer to go through the rule making process- CAR should participate.

HB 1100, if signed by our Governor, will now bring Colorado closer to what most State's title laws have become. Vehicles with branded designations from other States will no longer have the ability to obtain a clear Colorado Title. We will now have a clear definition of when a vehicle will be designated as a "flood vehicle" and a clear brand on the title that will not be removed. A new classification and definition of a "non-repairable" vehicle will have a clear brand on the title with this designation and this vehicle will never be brought back on the road. Clearly, the new law will help our State eliminate many of the illegal and unethical practices that now exist due to the current title laws.

We hoped that HB 1100 would also address the current six year exemption on the salvage designation in our State's Title laws. The sponsors of HR 1100 did not want to address the salvage exemption in their Bill for fear it may be a key reason for some to kill it. The Chairman of the House Transportation Committee agreed to introduce a separate late Bill to address this issue which was agreed upon by the members of the task force. It was obvious that the majority of last summer's task force had agreed that the salvage exemption was extremely important to address in order for Colorado to not be a title washing state any longer.

### HB1299

House Bill 1299 was introduced and passed by both Houses and is now awaiting the Governor's signature. CAR had introduced an almost identical Bill two years ago in an attempt to drop the six year exemption but was unsuccessful. This time, with RJ's help, we were able to put together and be part of an extremely effective coalition to get the Bill through the Legislature, (cont'd page 3)



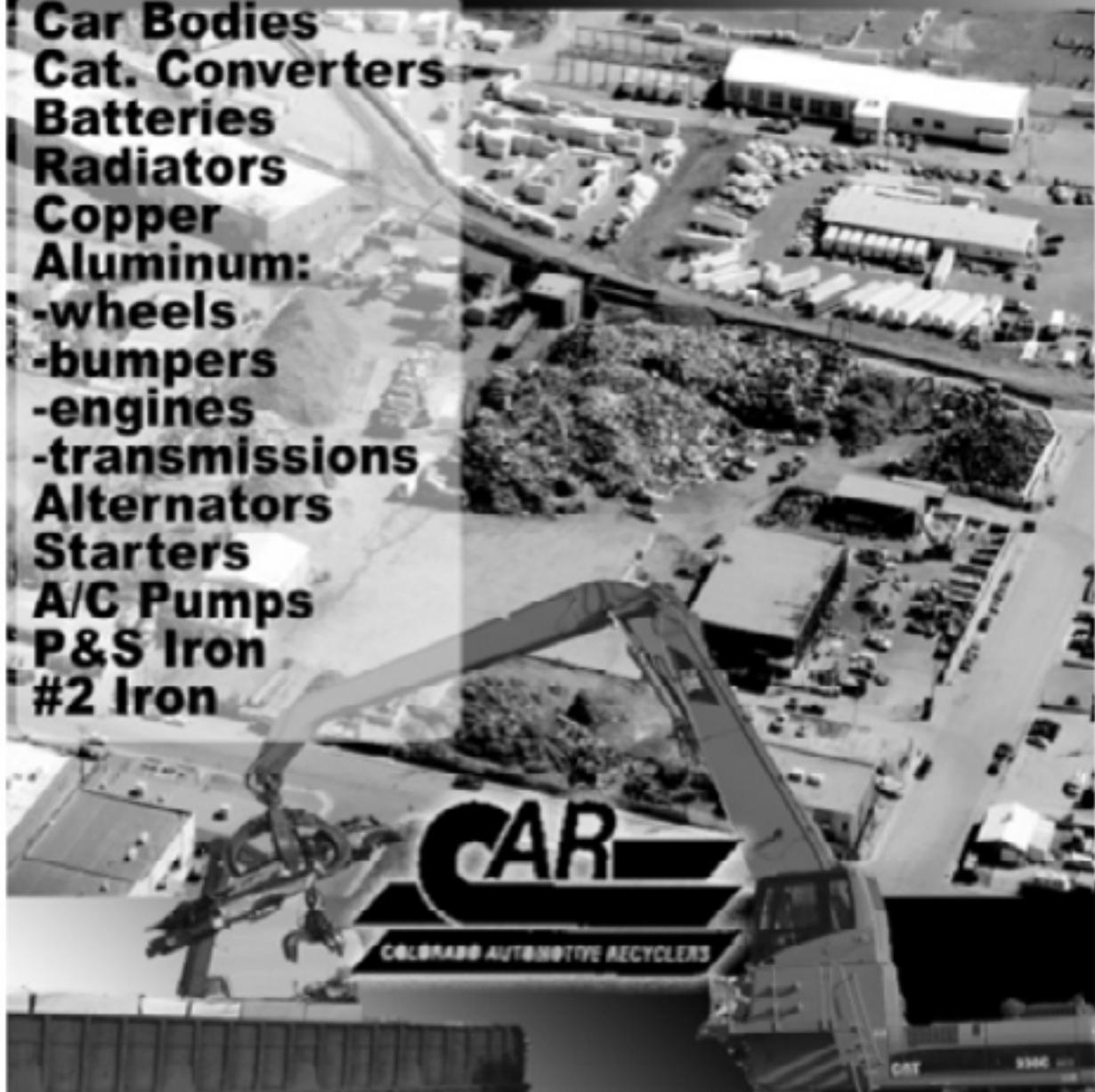
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## Spring Session Legislative Report Cont'd

passing both House and Senate Transportation Committees (by an 11-0 and 5-1 vote), and both floors of each bodies (by an over whelming nearly two thirds majority). Our coalition included CADA (Colorado Auto Dealers Association), CIADA (Colorado Independent Auto Dealers Association), Colorado State Patrol, LKQ Corp, Colorado Old Car Hobbyist, consumer groups, and others. Opposition was the insurance industry, IAA, and Copart. We also had excellent press coverage in print and television media.

HB 1299 summary:

1. Eliminates six model year exemption in Colorado salvage law.
2. Exempts only classic, collector, street rod plated vehicles from salvage law, adding a 32-year exemption.
3. Does not change owner's ability to keep vehicle on clear title after vehicle is declared a total loss.
4. Allows owner to keep vehicle on clear title if the damage is cosmetic in nature as salvage definition states cost to repair to roadworthiness condition.

Clearly HB 1299, when signed, will eliminate all extremely damaged total loss vehicles from being sold on a clear title, no matter what year manufactured (except the classic vehicles over 32 years old).

One of the Senators advised that he

voted against the Bill since he did not believe we should force people to have a salvage title. The following response was sent:

*"Thank you for letting me know about your vote. While I disagree with you concerning the low income people being able to purchase vehicles, I also disagree with your conclusions.*

*Number one, if a vehicle is declared salvage, it can still be repaired and, after going through the inspection process, can be put back on the road and sold. This will, in fact, lower the price of the vehicle to the low income consumer, since the initial cost of the vehicle to the rebuilder will be less and the price asked should also correspond. Today buyers of the damaged vehicle pay a premium due to the fact that it is sold on a clear title and they can then sell it to a low income person without disclosing the vehicle history, asking an inflated price.*

*Second, don't low income people have the right of full disclosure on the title of the history of any vehicle no matter what the year? Why should this low income segment have to now purchase their second or first most expensive asset and not be informed of its history?*

*Third, many of these damaged vehicles currently are rebuilt and not subject to any type of inspection before they are put back on the road. Would you want a member of your family purchasing a vehicle without any type of inspection for road worthiness or correct repairs being made, besides being involved in stolen parts or VIN*

*switch? Would anyone want to be in that circumstance no matter what income level they might be at?*

*I appreciate your consideration of HB 1299, but I must respectfully disagree with your conclusion."*

The Senator wrote back that he was now sorry for his vote and appreciated the information!

A great deal of thanks and appreciation needs to be given to RJ Hicks and company for his exceptionally hard work on getting both of these Bills through the Legislature. RJ's influence and knowledge of the political system is exceptional and a key to our success on the legislative and regulatory front. Every member owes him a great deal of gratitude and respect. Thank you RJ! We also need to thank all the members who lobbied, emailed, contacted their elected officials, and attended hearings and meetings. We now must continue our efforts on to the Governor's office to make sure he realizes the importance of HB 1100 and HB 1299 for all Colorado all citizens.

In conclusion every vehicle purchaser has the right to have full disclosure on the title if it was involved in a total loss settlement, and have a permanent, clear designation for flood and non-repairable vehicles. If these two Bills are not signed by the Governor, Colorado will continue to be a title washing state!

## AR-TV's Features ARA's Updated CAR Program

The most recent installment of AR-TV goes behind the scenes to show ARA members the new look of ARA's Certified Automotive Recycler (CAR) Program and outlines the changes made to ARA's precedent setting quality and compliance assurance systems. The segment notes that ARA's CAR committee has been hard at work to offer a redesign of the CAR program to better meet the needs of professional automotive recyclers. The new design, based on an interactive point-based system is outlined using both audio and visual prompts and it is highlighted that it is user friendly and getting rave reviews. Plus, the top 10 reasons why automotive recycling businesses are benefiting from their CAR certification are listed. It's a must-see episode

for all ARA members, so tune in now and learn all about the updated program.

ARA strongly urges all of its members to take this first step up ARA's certification ladder. Once a member is CAR certified then the member can climb the next rung and pursue ARA's Gold Seal program which ensures excellence in customer satisfaction through improved customer service, quality parts with accurate descriptions, reliable on-time deliveries and written product warranties. See [here](#) for information on the Gold Seal program.

## Lessons Learned

By Ginny Whelan

According to the U.S. Commerce Department, American car owners spend nearly \$38 billion each year to repair their automobiles. They expect those repairs to be completed quickly, and that means fast availability of replacement parts.

Automotive recyclers want a larger piece of that pie. It's been said that one of the keys to success in the automotive recycling industry lies in correct and accurate inventory. There's indisputable value in getting it right the first time and avoiding mistakes, and missing seemingly tiny details can add up to big dollars by the end of the year. The impact of how important the inventory process is remains top of mind for many owners. Most believe that it takes time to make a truly good inventory specialist, and often turn to outside training to make sure inventory specialists are up to speed.

The majority of owners indicated to us in an ARAU poll that their facility employed one inventory specialist. A much smaller number, around 20 percent, have two or more. The majority of shops provide training for inventory specialists beyond what they learned during their initial training. Very close to 55 percent of respondents indicated that some additional training is provided, with the vast majority of that training taking place outside the facility or the ARAU. However, a substantial minority, around 45 percent, do not provide any additional training.

Next, we asked owners to tell us what inventory specialists miss most often. This is possibly the most interesting question. Parts with no interchange number are commonly overlooked on the initial inventory, as are electronics (24 percent).

Roughly 10 percent of respondents declined to answer this question. However, roughly the same percentage chose "other," and their responses are illuminating. We all learn at different speeds and using different methods, but it always takes time and practice to become proficient at a new skill. With something as complex as inventory, it's not surprising that 69 percent of our respondents believe that it takes two years or more to become a "good" inventory specialist. One owner indicated that it is not necessarily something specific that inventory specialists miss, but rather may not notice and take into account details.

Another pointed out inventory specialists may often miss defining part condition when performing the initial testing and utilizing ARA parts grading standards. A full 50 percent of owners who chose "other" indicated that the most commonly missed item in the initial inventory was simply old or unrelated damage.

Let's take a tour of the current courses available on the ARA University to be a certified inventory specialist.

### Parts Grading

This module provides an in-depth understanding of the part grade and damage code standards and how to define them for specific parts.

- Introduction
- Understanding Parts Descriptions
- Parts Coding

- ARA Part Grading: Body Parts

- Mechanical Parts Grading

### Introduction to Inventory

This introduction to the modules included in this training is intended to provide an overview and an expression of the important role of accurately inventorying vehicles and the impact to all when mistakes occur. It includes:

- Impact on inventory
- Accuracy and detail requirements
- Defining what to inventory
- Conducting a walk around
- Basics of inventorying body parts
- Estimating damage on sheet metal
- Estimating damage on plastics
- Describing glass
- Interior condition
- Basics of inventorying mechanical parts
- Engine testing and condition
- Transmission testing and condition
- Cooling system condition
- Condition of braking parts
- Condition of suspension parts
- Loose part inventory using interchange

### Inventory Part Descriptions

This module discusses how to describe a part using objective and common terms in limited space, using terminology that is clear and concise to a variety of readers, including the general public with limited knowledge of the lingo. It also covers good and bad abbreviations.

- The difference between objective and subjective terms
- ARA standards as objective descriptors
- Examples of bad terminology and why it is bad
- Defining the most important attributes of a part
- Avoiding terms already available via other data (like the interchange, vehicle description, damage codes)
- Defining description based on the intended audience

ARA University shifts inventory management into overdrive in 2014. Visit [www.arauniversity.org](http://www.arauniversity.org) and enroll now!

Automotive Recycling | September-October 2013



**Do you need salvage bids on auto, truck and machinery salvage here in Colorado?**

**Are you a little tired of making 3, 4, 5, or more phone calls to describe the salvage and location and not always getting the bids your client needs?**

QRP of Wisconsin has *Salvage Solutions* for you right here, right now. With the images you already have of your inspection and a five minute time investment you're on your way to securing bids, in most cases in less than 24 hours. Bids are delivered directly to your computer and there's no fee and no obligation to accept the high bid.

We have over 2 dozen professional auto and truck recyclers from right here in Colorado ready to view your salvage listings and place blind bids on those listings. These statewide recyclers are augmented by professional recyclers in surrounding states as well as all across the upper Mid-west insuring that your listing is displayed to over 60 professional recyclers in all.

Your clients, who are asking you to get salvage bids, will be impressed. How can we be so sure? Because that's what insurers tell us. All of the Colorado recyclers below, and more, will be notified when new salvage is available for bids, never leaving your clients to wonder if you contacted enough potential buyers. With QRP's *Salvage Solutions* program, you can show your client how you marketed their salvage; show them the actual bids received directly from the recyclers.

**Salvage Solutions Program Benefits...**

- Free self-registration for sellers
- No seller fees
- Blind bid program
- No obligation to accept bids
- Much less time on the phone for you

Colorado based recyclers who currently participate in QRP's Salvage Solutions program:

<p>4X4 Used Parts, Inc. ....Fort Collins          A-K Truck Parts.....Denver          AA Auto Parts.....Denver          Active Truck Parts .....Hudson          Adopt A Part .....Denver          Arapahoe Auto Salvage .....Englewood          B &amp; J Auto Parts .....Erie          Badwrench Automotive.....Lakewood          Blakes Small Car Salvage.....Erie          Boot Hill Auto Sales .....Denver          Brush Auto Salvage .....Brush          Central Foreign Auto Parts .....Denver          Chevy Truck Parts .....Denver          Classic Cruisers.....Salida          Colorado Auto Parts.....Denver</p>	<p>Creative Auto Recyclers.....Carbondale          EDA Import Auto Recycling ..... Denver          Elliotts Auto Parts, LLC..... Dacono          Fair Auto &amp; Truck Parts ..... Englewood          Foreign Used Auto Parts ..... Denver          H&amp;H Loveland Auto Parts..... Loveland          Harris Used Truck Parts ..... Colorado Springs          Jeep Unlimited..... Erie          Riverside Truck &amp; Auto ..... Greeley          Scotts Auto Inc..... Fort Collins          Stadium Auto Parts..... Denver          Trade Center Auto Recycling ..... Grand Junction</p> <p>PLUS...Over 40 more recyclers from 9 additional states.</p>
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"The QRP vehicles I buy make 2 to 3 times what I paid for them and are really easy to deal with. If you are in the auto recycling business and don't use QRP you are missing out!"

Johnny Teti, Boothill

# ARA CORNER

## **ARA Urges Auto Manufacturers to be Better Economic, Environmental and Safety Partners by Providing Important Automotive Parts Data**

WASHINGTON, DC - At the recent 14th International Automotive Recyclers Congress in Brussels, Belgium, Automotive Recyclers Association (ARA) CEO Michael E. Wilson urged the automotive manufacturing community to provide professional automotive recyclers with access to crucial original equipment manufacturers (OEM) parts data. In his March 20th presentation to the Congress, Wilson called on the automotive manufacturers in attendance "to become better economic, environmental and safety partners by releasing OEM build sheet data to the professional automotive industry's inventory management entities, just as they do for insurance companies and the collision repair industry." Regrettably, he noted that "auto manufacturers have placed major restrictions on the dissemination of this data so that it cannot be integrated into professional automotive recyclers' inventory management systems. Wilson described the domino effect that this lack

of data has on consumers. "Without this important data about the parts that OEMs originally manufactured, professional automotive recyclers are not able to seamlessly integrate their OEM parts inventory into estimating and collision repair platforms and consumers will have fewer choices when making important decisions about the repair of their vehicles." The current focus on automotive recalls highlights Wilson's emphasis on the necessity of vehicle manufacturers making parts information available to the industry. Several media outlets are reporting this week that General Motors may have committed "a cardinal sin" with regards to the Chevrolet Cobalt and Saturn Ion when it re-engineered the vehicles' faulty ignition switch, but did not create a new part number. This unusual deviation from the industry's standard practices hampered identifying the safety issue for several years. Wilson says this example highlights why detailed part information must be made available to professional automotive recyclers. "The industry must be provided with safety information that can be automatically synchronized with recycled parts inventory so that important recall and service bulletin information is seamlessly

integrated into the inventory management systems utilized by the automotive recycling industry." Important data including original equipment guides (OEG) lists and regular production option (RPO) codes, which detail the particular equipment packages and option combinations for a particular vehicle, is critical to the professional automotive recycling community. "Without access to this information it is difficult to map specific part numbers to the build sheet of a vehicle and because of these restrictions by the OEMs, consumers are often deprived of the ability to purchase cost-effective OEM recycled parts," said Wilson. "Given the supply of recycled parts, restricting access to data is just bad economic and environmental policy", Wilson stated. He asked attendees of the Congress to consider that from the day a vehicle is driven off a new car dealership's lot for the very first time -- that vehicle is a "used" vehicle; likewise every part on the vehicle is then "used". Whether an accident happens in the first 25 miles or 25,000 to 50,000 miles later, the undamaged OEM parts and components on those vehicles have significant economic and environmental value. Consumers have

a right to the economic and environmental benefits of these OEM parts and the barriers and obstacles to their reutilization must be eliminated. Wilson concluded his remarks by challenging his global audience to join in the effort to obtain parts data from manufacturers and to encourage the OEMs to partner with professional automotive recyclers who promote the reuse of the parts that the OEMs initially brought to the marketplace. Since 1943, the Automotive Recyclers Association (ARA) represents an industry dedicated to the efficient removal and reuse of "green" automotive parts, and the proper recycling of inoperable motor vehicles. ARA represents the interests of over 4,500 auto recycling facilities in the United States and fourteen other countries around the world. With programs such as the Certified Automotive Recycler Program (CAR), Green Recycled Parts, and other partnerships, ARA members continue to provide consumers with quality, low-cost alternatives for vehicle replacement parts, while preserving our environment for a "greener" tomorrow. To learn more about the Association, visit ARA's Home Page at [www.a-r-a.org](http://www.a-r-a.org) or call (571) 208-0428.