



# ATRI News

March/April 2011



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## The ATRI NEWS

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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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Articles may be edited for length and format.

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## President's Perspective

Joseph Watson, ATRI President

In January 2011 I was one of three Illinois Auto Recyclers, along with our Executive Director, who met with Illinois Secretary of State (SOS) officials to discuss the problem of unlicensed individuals and companies who regularly purchase End of Life Vehicles (ELVs) for the purpose of disposal. This issue represents a severe economic cost to the legal auto recycler in the State of Illinois as well as across the nation. As of this writing, across the state, we have people who advertise that they purchase junk vehicles with or without a title, this is illegal. Take a couple hours and review the Illinois vehicle code. (Google: Illinois Vehicle Code) This issue directly affects the ability for licensed auto recyclers to pur-

chase salvage and junk vehicle, this problem impacts your profitability.

Why would the State of Illinois care? Considering the money they are losing from the rouge businesses not applying for the correct titles, they are losing quite a bit of money. I have always been told to 'follow the money' when a problem occurs and since the titles are not being converted properly the State is losing these well needed funds. Once the State figures out that by requiring the vehicles to be funneled through the auto recycler they can receive the junk title application fee they will see these lost funds in their coffers. Given the tone if the meeting I attended, the SOS appeared concerned.

I anticipate that they will look to the recyclers to direct them in the proper direction for enforcement of the current laws on the books, and thus increase our ability to do what we do best, process vehicles in a proper environmental way and dispose of the salvage/junk vehicle.

The European Union (EU) is very environmentally concerned. End of Life Vehicles are considered containers of hazardous waste. The fluids, lead batteries, tires, oil filters, refrigerant, washer fluid, mercury and coolant must be removed and disposed of properly. Each vehicle has an average

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# Auto & Truck Recyclers of Illinois Association News

March/April 2011

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amount of these components in them and after considering the number of vehicles processed, there is an average established that must be accounted for and disposed of properly. The process in which vehicles are disposed of in Europe is the direction I expect the US will, at some point, follow.

Let me use the UK as an example of the effect of EU environmental regulation on the auto recycling industry and spin this for a possibility for a future Illinois. All vehicles registered are charged an annual road tax of; let's use the number, \$200. If the vehicle is to be plated, insured and expected to be driven it is taxed. If the vehicle is used only half the year it is taxed \$100. Annually the tax is administered and if the vehicle is disposed of, the prorated tax is refunded. The vehicle owner is responsible to submit a disposal form issued by the SOS, along with a licensed recycler's UDL number and IEPA number. The recycler processes the vehicle, pays the fee to change the vehicle to junk, issues the seller a certificate of disposal, which in turn removes the vehicle from the SOS registry of vehicles, the vehicle is considered destroyed beyond repair never to be able to be re-titled again. When the vehicle is actually crushed and sent to the scrap processor, the title is declared void and the vehicle is removed from the books as disposed.


What is our benefit? Anyone disposing of a vehicle must follow the guidelines or be charged the annual road tax; it would create a market for the licensed recycler that currently is not in place. Rouge towing operators would no longer be able to dispose of the vehicle directly to the scrap processor. Citizens selling to entities unlicensed would risk that the vehicle is not removed from the SOS database and thus they would continue to be taxed. Public outrage at the tow operator improperly disposing of vehicles would result in prosecution and fines against the towing companies and would increase the need for either larger recycling companies or additional companies to process the scrap/junk vehicles. The price for scrap/junk vehicle would decrease. Read that once again.

The price for scrap/junk vehicle would decrease.

What would be our costs? We as an industry would need to put in place the proper measure to remove and dispose of the 'hazardous waste' recovered from the vehicles we process. We would see an increase cost of reporting of vehicles and paperwork for disposal of the vehicles because of the requirements. We would need to provide funds, personal contacts with legislators, and convince the general public that the environmental impact of not doing these changes would drastically harm society.

Who would oppose these changes? Towing companies would decry that we are directly impacting their ability to make profits. Scrap processor would probably oppose us because they will assume incorrectly that we are denying them the ability to acquire scrap, we would ultimately need to send our finished good to them anyway. Legislators may oppose us because we would be limiting the general public's ability to dispose of vehicles as they see fit, but we are simply processing the vehicles properly and protecting them in the long run.


The future is fast approaching, the environmental regulations will be upon us and we as an industry are the only ones who can properly process and dispose of vehicles in an economic manner. The only questions I have are: Are we ready to accept this challenge? Are we ready to fight for what is our legal right to dispose of vehicles? How soon will the future come?




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## Executive's Viewpoint

Michelle Lechner, Executive Director

For months now, I have been getting phone call after phone call from people complaining about the ongoing issue of unregulated buyers, and individuals out there buying and selling salvage without a license. I believe we need to make some noise. Remember me telling all of you there is strength in numbers? Well, we have them and it's time to act. I have been hearing about this problem for a long time, from both Illinois and Indiana, and it has GOT TO STOP!!! Where should we begin? Let's see, I am sure IEPA would not be very happy with these individuals, who we know are not licensed, who are not reporting to MNVTIS, who are not collecting mercury switches, and for all we know, don't even have titles or any kind of inventory list for the parts they are selling and buying. I am interested in your thoughts, so feel free to call, email me, or contact me to discuss our options. Remember the article, "Get Legit or Quit"? I want any member reading this, who is aware of individuals who are not legit, to let me know. This kind of activity that seems to be an ongoing problem nationwide needs to end! It is this kind of illegal behavior that gives recyclers a bad name. If we all band together maybe we can make a difference. I can tell you that IEPA, Secretary of State, and the State Police are on our side. I will also tell you ATRI is looking into it, and we will take the necessary steps we need to stop this problem. Besides you, all of the stake holders are aware of the problem and are watching. Maybe it will take heavy fines and citations to correct. I will keep you as informed as I can, but I need your help. I need to know who they are, so please don't hesitate to pick up the phone and call me at: 877/880-2874 or email me at [illautorecyclers@aol.com](mailto:illautorecyclers@aol.com). Thank you to those of you

who have provided me with this type of information.

I was very proud to see four of our members in the Locator's Upfront Most Influential People. All of the articles are in this newsletter so please read them. I have also listed all of the IL Green Car Members, that list seems to be growing and growing. If you would like more information on the program please let me know. When I look back over the years to see how far ATRI has come, it is exciting to see an association continue to grow as this one has done. We are so hopeful that more and more of you will come on board with us. Realize, ATRI has not increased their dues in the past 15 years. It's a "mere pittance" to be a member, so come on board!

ATRI is planning a membership meeting for the weekend of May 20th, however I don't have all the details together, but I imagine education, golf and an all around great time to meet and greet new people is what will be on the agenda. Also, mark your calendars for the CMARC Convention and Trade Show that is September 23 & 24, 2011 in Springfield, IL. See the add in this newsletter and watch your mail for more information.

In closing, I want to thank those members who have sent their dues in already. Its only February and we have almost 100% renewal. If you are one of those who has not sent them in please do so soon.

I hope my letter finds you all well, and busy in the new year of 2011.

Keep Recycling,  
Michelle Lechner



## Member Profile A&A Midwest

A&A Midwest has been has been family owned and operated since 1949, and at its present location for 50 years. The company has approximately 105 employees.

In 2008, A&A Midwest expanded its automotive recycling capacity by opening a new facility in Blue Island, Ill. A&A Midwest specializes in processing end of life vehicles to export the engine, drive train, and certain other components. They also have container loading for shipment by ocean freight. A&A Midwest is situated on two acres with a 38,000 sq. ft. building where they process about 175 vehicles per month. Bill feels the company's customer service, fast turnaround, and exactly filling customer needs is what makes A&A Midwest a success.

Bill went on to explain that A&A Midwest recently added a car crusher and fluid recovery system. He said their goal is to stay highly efficient while working from a small footprint. Bill says what he likes most about his business is making deals, meeting people and doing business with them.

A&A Midwest has been an ATRI member for 20 plus years. Bill says ATRI has helped A&A Midwest through lobbying efforts and information on compliance issues. When asked what ATRI could do to help his company be more successful, Bill said, "continue to be our government representative and spokesperson."

In addition to automotive recycling, A&A Midwest is a full-line supplier of engines, transmissions, crankshafts and cylinder head cores from its 120,000 sq. ft. Chicago core facility.

A&A Midwest's parent company, AAeq Manu-



facturers and Recyclers, operates a full-service scrap recycling facility in Las Vegas, Nev., where they dismantle vehicles and provide engine and transmissions cores to rebuilders.

Bill graduated from the University of Iowa in 1986 with a B.B.A. degree in finance. After completing his studies, he worked at the Chicago Board of Trade (CBOT) and Chicago Mercantile Exchange (CME) as a clerk. He later traded on the CME, before joining the family business in 1989 in Chicago. He literally started at the bottom at A&A Midwest, learning all phases of the automotive engine and transmission cores business from his father, Aaron. He became the company's warehouse manager in 1990 and later took over the entire Chicago operations.

Bill jointly operates the company with his brother, Scott, president and CEO, who heads the company's headquarters in North Las Vegas. He is married, and active in the lives of his three children. In addition, he devotes time to his hobbies of golf, skiing, and cars.

### WELCOME TO ATRI

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## 5 Steps For Growth in 2011 in the Recycling Industry

By Marc Emmer, Optimize Inc.

Many business owners and staff members have been conditioned to accept meager business results after two years of stagnation. It may be time to approach 2011 and the shifting business cycle with a new paradigm. For some of us, it is time to charge the hill.

Here are 5 steps that will enable growth next year and beyond in the Recycling industry:

1. ***Eliminate self limiting beliefs, and set higher expectations***

In 1980, a raggedy group of US players did the unthinkable; they beat the big bad Soviets, and won Olympic gold. They didn't win on talent, the Soviets were clearly a superior hockey team. The only reason they won was because they thought they could.

Business owners and staff have faced a crisis of confidence. The economy has soured moods and expectations. In the wake of an extreme economic downturn, our employees are paying attention to how we have shown up. If you budget for marginal revenue gains, you will get modest results. It is the responsibility of

the entrepreneur to reframe the discussion, and reestablish the value proposition and motivate people to move the business forward.

There are always naysayers, the negative people who see the worst in things and drag your organization down. Be wary of salespeople who settle for excuses for why they can't sell your product or service. For those people who are unable to drink the Kool Aid, and who do not share your vision, it is time to wish them the best of luck in their next position, wherever that might be.

The business owner or staff member must come to the office every day with a positive state of mind, and passion for growing the business. I am not advocating for reckless investment, I am suggesting that we set the bar higher and expect achievement. Make certain that your incentives plan is in alignment with your corporate growth objectives.

The entrepreneur also has the right to demand a profit. I work with many double digit EBITDA businesses (as a percentage of sales), and the sweat equity of the business owner should be worth something. If your business is break even or losing money, it is incumbent upon you to make changes.

2. ***Seek out new opportunities***

It is well accepted that the best place to grow your business is in segments that are directly adjacent to the ones you already occupy. Growing in adjacent segments requires less R&D investment, and provides the least risk in



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achieving market leadership.

The marketer should always look for ways to exploit the organization's core competency in a new market. Honda's core competency is efficient engines, and when the company expanded, its brand was quickly recognized and accepted in the marine, jet engine, power equipment and motorcycle markets. These markets were natural extensions of what the company did best. When Pepsi bought Aquafina and entered the water market, they were able to leverage their existing distribution channel to build sales.

As a general rule, an organization should seek to achieve some scale (30% market share or more) before entering new markets. However, every company is different, and often business owners are weary of client concentration or industry concentration risk, which is a critical decision point for potential buyers of a business in the future.

However, such gambits can be very costly, and the entrepreneur needs to do his (or her) homework. It is important to understand a new market in depth. In Jim Collins' latest book *"How the Mighty Fall"*, he describes how many of the "Good to Great" companies had an "undisciplined pursuit of more" and ultimately failed. Growth into new markets requires a business plan, capital and patience. As John Wooden used to say, "be quick, but don't be in a hurry."

### 3. **Maintain price integrity through consultative selling**

Your managerial courage is under attack. Do you have the will to defend your brand's pricing integrity? **If you do not value your own products and services, no one else will.** Those who are unwavering in the improvement of their products will be in a position to charge prices that will earn a profit.

Examples abound of brands that have been able to defend their position. In the Apple stores,

most prices aren't even posted, because Apple has made such a powerful emotional connection with people, price is an afterthought. The average Apple computer sells for about double that of the average PC, even in a hyper-competitive marketplace.

In response to such thinking, I often hear, we are not Apple, we are a small company. Hogwash! Pricing is about attitude and value, not about size. In our firm, we have 3 employees, but regularly charge rates similar to those of attorneys and CPA's because of the quality of the services we provide, but also because we are highly consultative in our approach.

The marketplace has a heightened awareness of pricing (that is a polite way of saying we have become "frugal"). Salesman have been conditioned to discount. It is their drug, and the business owner must show leadership in commanding a minimal margin threshold. Every business owner should be very active in the trade, at conferences, industry events and especially on sales calls.

Consultative selling is about listening and this is a time to listen carefully to customers whose budgets have been cut and headcounts have been slashed. They are looking to outsource work, services, or even just administration of details that they no longer have bandwidth to manage.

### 4. **Provide exceptional experiences**

McDonald's founder Ray Kroc once said "we are not in the hamburger business; we are in the show business". Like Netflix movement to digital downloads, the marketer must perpetually; prod, question and reinvent the value of the services provided and enrich the customer experience. Clearly experiential brands such as Cirque du Soleil command a price premium, and the marketer should continuously seek out methods for creating emotional value for the buyer.



More and more, emerging technologies seem to capture the imagination of customers or lead to greater efficiency that drives advantage. I recently bought a Lexus hybrid, offering 35 miles to the gallon. Toyota has been deeply troubled of late, but eventually its hybrid technology (offered in the Toyota brand, Prius) will be a dominating technology, which is currently unmatched by other automakers. Don't only think about disruptive innovation, but also think about disruptive experiences.

### 5. **Invest in retention**

The number one rule of customer relationship management is to invest more heavily in retaining customers you already have than in acquiring new ones. Providing deep discounts to new customers is misguided. Customers who switch on price have little loyalty. Such investment is better directed towards customers who have proven their worth (usually measured in lifetime value), and who pay full price, pay on time and are easy to work with.

This is particularly important in times of rampant discounting as acquisition costs can be higher. In lieu of cutting pricing, marketers should seek out opportunities to treat preferred customers like VIPs. Consider expanding your service bundle for these clients and extending them perks such as faster cycle times or preferred customer service phone lines.

In my travels, I regularly stay at Hyatt and Marriot hotels in instances when clients control my itinerary. They are very good brands, and if asked, I would say I am satisfied. But I am loyal to Hilton. I will travel 15 miles or more to stay at a Hilton property because as a Gold VIP, I am treated like....gold.

All businesses should regularly measure customer loyalty (a higher standard than satisfaction). Asking customers about their experiences is a self-fulfilling prophecy, it reinforces for the client that you care deeply about their business and you want to learn more about how you can improve.

According to Dana Borowka, CEO of Lighthouse Consulting Services, LLC ([www.lighthouseconsulting.com](http://www.lighthouseconsulting.com)) and author of *Cracking the Personality Code* ([www.crackingthepersonalitycode.com](http://www.crackingthepersonalitycode.com)) hiring the right people is key to future growth. If you would like additional information on hiring, please visit:

<http://lighthouseconsulting.org/Articles/KOTHireRightFirstTime/signupform.php>

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*Marc Emmer is an internationally recognized speaker and thought leader on strategy and value creation and is the author of the book and blog "Intended Consequences". Marc is also sought after by CEOs as a strategic planning facilitator. Learn more about Marc at [www.optimizeinc.net](http://www.optimizeinc.net). He can be reached at [marc@optimizeinc.net](mailto:marc@optimizeinc.net)*

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*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:

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- 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.

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Bionic Auto Parts and Sales, Inc.  
C & J Auto Parts, Inc.  
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*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.*

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## Local Auto Recyclers Named in 25 Most Influential

### Sean Krause Named Top Innovator

Sean Krause, owner of Speedway Auto Parts, Ltd., in Joliet, Ill., has been named one of the top “25 Most Influential Auto Recyclers of 2010” by Locator UpFront. Krause has been named as the top “Innovator” in the automotive recycling industry. Every year Locator UpFront selects 25 of the most influential automotive recyclers from across the country.

“The Locator recognizes that this industry is built on the enthusiasm and dedication of entrepreneurs who have put their heart and soul into their businesses,” explained Charis Lloyd, Locator executive vice president / C.O.O. “We want to acknowledge the accomplishments that they have made. This issue provides just a small glimpse at the esteemed men and women who have made an impact on our industry during this past year.”

Locator UpFront, published quarterly by John Holmes Publishing, Whiting, Iowa, serves the automotive recycling industry by showcasing industry leaders, their businesses and ideas. It is distributed to 7,500 auto recyclers nationwide per issue.

Krause was chosen among the best in the business to earn a spot on this list.

### Jay Brosten & Larry Brosten Named Top Environmentalists

Jay Brosten and Larry Brosten, owners of Auto Parts City, Inc., Gurnee, Ill., have been named one of the top “25 Most Influential Auto Recyclers of 2010” by Locator UpFront. The Brostens have been named as the top “Environmentalists” in the automotive recycling industry. Every year Locator UpFront selects 25 of the most influential automotive recyclers from across the country.

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Watson has been chosen among the best in the business to earn a spot on this list.

## **Kelly Roepke Named Top Woman**

Kelly Roepke, president of Y-Yard Auto & Truck, Inc., Effingham, Ill. has been named one of the top "25 Most Influential Auto Recyclers of 2010" by Locator UpFront. Roepke has been named as the most influential "Woman" in the automotive recycling industry. Every year Locator UpFront selects 25 of the most influential automotive recyclers from across the country.

"The Locator recognizes that this industry is built on the enthusiasm and dedication of entrepreneurs who have put their heart and soul into their businesses," explained Charis Lloyd, Locator executive vice president/C.O.O. "We want to acknowledge the accomplishments that they have made. This issue provides just a small glimpse at the esteemed men and women who have made an impact on our industry during this past year."

Locator UpFront, published quarterly by John Holmes Publishing, Whiting, Iowa, serves the automotive recycling industry by showcasing industry leaders, their businesses and ideas. It is distributed to 7,500 auto recyclers nationwide per issue.

Roepke was chosen among the best in the business to earn a spot on this list.

*To see the complete issue, go to [www.partslocator.com/UPWI2011.pdf](http://www.partslocator.com/UPWI2011.pdf). Reprinted with the Permission of The Locator.*



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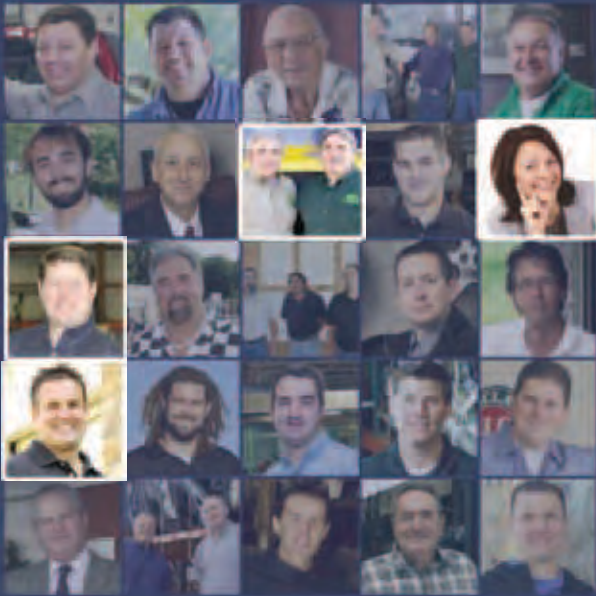
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## INNOVATOR

**Sean Krause**  
**Speedway Auto Parts, Ltd., Illinois**

The cold winter months in Joliet, Ill. make it difficult to draw customers out to pull auto parts. Sean Krause, owner of Speedway Auto Parts, Ltd. (SpeedwayAP.com), found a way to make the experience a bit more comfortable for do-it-yourselfers.

Sean and his father Paul Krause received the go-ahead from the Joliet City Council to turn an existing 60,000-square-foot building into an indoor self-service facility. It is tentatively scheduled to open in January 2011.

Mel Hunke, QRP Midwest (QRPMW.com) general manager, said Sean is a leader in state and national auto recycling organizations, contributing to the development of industry legislation.

Hunke added, "Sean isn't flashy. [He's] down to earth and the recycling industry is better for it." ☐

BY SHANE ERSLAND • PHOTO: PHOTOPROSLINC.COM



## WOMAN

**Kelly Roepke**  
**Y-Yard Auto & Truck, Inc., Illinois**

Even when the daily responsibilities at her auto recycling facility are tacked to, Y-Yard Auto & Truck, Inc. (Y-Yard.com) Effingham, Ill., president Kelly Roepke's leadership skills are in demand elsewhere.

Ginny Whelan, ARA University, said Roepke was instrumental in helping to gain credibility for the newly established Ladies of ARA (LARA).

"When we were first forming, we just drank coffee and talked, but now we're a recognizable force," she said. "[Roepke's] experience and educational level bring a lot of credentials to it."

LARA member Linda Pittman, Dulaney Auto & Truck Parts (DulaneyTX.com) in Amarillo, Texas, said, "From her tireless work for the ARA Educational Foundation, to the help she gives LARA, and now as an ARA regional director, she shares her dedication with us all." ☐

As Seen In Locator UpFront Winter Issue:

# Kelly Roepke

2010 Most Influential Woman

As Seen In Locator UpFront Winter Issue:

# Sean Krause

2010 Most Influential Innovator



## ENVIRONMENTALISTS

### Jay Brosten & Larry Brosten Auto Parts City, Inc., Illinois

It took 20 years to become a reality, but Auto Parts City, Inc. in Gurnee, Ill. was worth the wait. Brothers Larry Brosten and Jay Brosten opened their 21st century auto recycling facility in 2010. The complex is heated with recycled oil, operates with natural lighting, uses sophisticated drainage systems, employs an electrical crusher and functions with low-flow plumbing.

"In our business we've seldom seen any operator more concerned about the environment than Jay and Larry Brosten," said George Metos, S3 Software Solutions LLC ([S3SoftwareSolutions.com](http://S3SoftwareSolutions.com)). "They are as forward thinking as any operator we've seen."

The Green Business League named Auto Parts City ([APCity.com](http://APCity.com)) its Green Business of the Year on Earth Day, April 22, 2010. ☑

BY ERIN SANDAGE • PHOTO: CRAIG HATHAWAY

## MOTIVATOR

### Joseph Watson ABC Auto Parts, Illinois

Whether he is rallying auto recyclers to get involved in ATRI ([IllinoisAutoRecyclers.com](http://IllinoisAutoRecyclers.com)) or pumping them up for the 2010 CMARC, Joseph Watson does it with energy and a positive attitude.

"He is outgoing, motivated and informed," said Dave Anderson, co-owner of I-55 Auto Salvage in Channahon, Ill. ([I55AutoSalvage.com](http://I55AutoSalvage.com)).

Watson, operations manager for ABC Auto Parts in Riverdale, Ill. ([ABCAP.com](http://ABCAP.com)), used his bi-monthly ATRI "President's Perspective" column to motivate.

"Joe knows how to think outside the box," said Mike Swift, owner, Trail's End Auto & Truck Salvage, Inc. ([TrailsEndAuto.com](http://TrailsEndAuto.com)) in Des Moines, Iowa. "He is open to all ideas that will better the business and will pass on information to help all auto recyclers." ☑

BY ERIN SANDAGE • PHOTO: ARTLYNN PHOTOGRAPHY

As Seen In Locator UpFront Winter Issue:

## Jay & Larry Brosten

2010 Most Influential Environmentalists

As Seen In Locator UpFront Winter Issue:

## Joseph Watson

2010 Most Influential Motivator



## ATRI Field Trips!!!

## What's New With You?

I recently attended the first ATRI Field Trip to I-55 Auto Parts in Channahon, IL. It was an experience that I am really glad I took advantage of, and got a lot from. I arrived with my notebook, camera and plenty of questions that I wanted to ask not only the owners but the staff too.

While walking the yard, and seeing how their operation was run, I was able to take pictures of not only how they store their parts, but how they were able to accomplish this. I was able to capture so many ideas that may help me to become more efficient at my yard. While taking pictures, I was able to ask many questions about their day to day operations. I learned how they communicate through instant messenger to other yards, to how they clean their headlights.

I was able to hear from other yard owners/managers that were also there, on how they may do the same thing, or how they found a different way that works better for them. I learned so much from attending my first field trip not only from the tour, but also from the many new friendships I developed with other yards that also attended. I have already implemented many of the idea's that I took from the information I learned that day, and from the pictures I was so glad I took. I look forward to the next Field Trip which will be held at ABC Auto Parts, in Riverdale, IL. I highly recommend you take advantage of these field trips when offered, I know I am glad I did.

Next Field Trip: date:

ABC Auto Parts in Riverdale, IL

March 18, AT 3:00PM

For more information please call: Rob – Mack's Auto Recycling - 800-252-9148

or Michelle – ATRI Office - 877-880-2874



Rob McCartney of Mack's Auto Recycling and his wife Mandy welcomed their first son Colton Robert on December 31st at 3:57am. He weighed in at 7.6 pounds and 19 inches long.

### **WELCOME TO ATRI**

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## In Memory of Alfred A. "Red" Gallay

### Alfred A. "Red" Gallay

Alfred A. "Red" Gallay, 90, died at 8:15 a.m., Thursday, Dec. 9, 2010, at Jerseyville Nursing and Rehabilitation Center.

He was born on Sept. 20, 1920 in Alton, one of six children born to Sam and Rose Gallay.

He and the former Alberta Heideman were married in 1949 and she survives.

Also surviving are their three children, Sam Gallay of Jerseyville, Rochelle Gallay of Alton, and Eric, and his wife, Carmen Gallay, of Jerseyville; and one granddaughter, Maci.

Alfred was preceded in death by his parents; and five sisters, Delores Gallay, Peggy Springman, Harriet Maloney, Bernice Schwartz and Mildred Sharps.

Alfred served in the U.S. Army during World War II, and was a member of the American Legion, VFW, a Shriner from the Ainad Temple and a member of the Masonic Temple in Wood River. He founded Wood River Auto Parts in Cottage Hills in 1950 and operated the business for sixty years, and continued to stay active in the business from his home as health allowed.

Visitation will be from 4 to 8 p.m. Friday, Dec. 10, at the Crawford Funeral Home in Jerseyville, where funeral services will be conducted at 10 a.m. Saturday, Dec. 11. The Rev. Kenneth Barnhart will officiate.

Burial will take place in the Oak Grove Cemetery in Jerseyville with the Jerseyville American Legion Post 492 conducting military graveside rites.

*Memorials may be given to the Shriners Hospital in St. Louis.*

## In Memory of James J. Club

### James J. Club

Club, James J., 62, Friday, January, 7, 2011 fortified with the Sacraments of Holy Mother Church. Beloved husband of Judy Club (nee Hoette); dear father and father-in-law of Amy (Dave) Barzoff, Joe (Katie) and Andy (Beth) Club; dear Pop of Hayden, Alexandra, Molly, Carlie, Colin and Kaitlyn; son-in-law of Betsy Hoette; cousin of Kirk Swaringin; our dear nephew, brother-in-law, uncle, godfather, cousin and friend. Jim was a proud Marine Corp Vietnam veteran, member of 4th Degree Knights of Columbus, Bishop Wurm Assembly, 3rd Degree, St. Angela Merici Council and retired from SBC after 34 years of service. Jim loved spending time at his property 'Club 54' in Shelbina, hunting, farming and relaxing on his porch. Procession from Hutchens Mortuary & Cremation Center, 675 Graham Rd., Tuesday, January, 11, 2011 at 9:15 a.m. to Sacred Heart Catholic Church, 751 N. Jefferson St. for a 10:00 a.m. Mass. Interment with honors at Sacred Heart Cemetery. Visitation 3-9 p.m. Monday. Memorials to the Marine Corp Heritage Foundation, 3800 Fettle Park Drive, # 104, Dumfries, VA 22025.

*Memorials may be given to the Marine Corp Heritage Foundation*

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## Waubonsee Community College Offering Recyclers Coursework and Certificate



Waubonsee Community College, Sugar Grove, Illinois, will offer a two-course certificate in automotive recycling this summer. Coursework was designed in consultation with Sean Krause of Speedway Auto Parts and the Auto and Truck Recyclers of Illinois Association.

The two courses included in the Automotive Recycling Certificate of Achievement are AUT 211 - Automotive Recycling Basics and AUT 212 - Environmental Standards for Automotive Recycling. Both will be offered on Saturday mornings from 8 a.m. - 12:15 p.m.

This certificate is ideal for a person desiring entry into the field or for the current employee seeking pro-

fessional development. Automotive Recycling Basics introduces the student to the automotive recycling industry, dismantling best practices and techniques, safety requirements, quality control, and parts grading. Environmental Standards for Auto Recycling includes topics such as safe removal of mercury switches, storm water sampling, and the Illinois Green Certified Automotive Recycler standards.

Registration for summer courses begins March 7, 2011. For more information on the automotive recycling program, please call (630) 466-2319 or visit [www.waubonsee.edu](http://www.waubonsee.edu).

### ASSOCIATE MEMBERS

Please patronize all our Associate Members who generously support ATRI throughout the year.

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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.

***ATRI Legislative Committee*** oversees legislative issues pertaining to Illinois auto recyclers. Through the Committee, ATRI engages in lobbying efforts and has established relationships with government agencies including the Secretary of State of Illinois.

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

ATRI 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.

### ***ATRI 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.

***ATRI 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

### Application for Membership Please print or type

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County \_\_\_\_\_

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(CHECK ALL THAT APPLY)

- |   |                                      |  |
|---|--------------------------------------|--|
| <input type="checkbox"/> Recycler             | <input type="checkbox"/> New Parts   | <input type="checkbox"/> Body Shop       |
| <input type="checkbox"/> Automotive Mechanics | <input type="checkbox"/> Towing      | <input type="checkbox"/> Import Vehicles |
| <input type="checkbox"/> Domestic Vehicles    | <input type="checkbox"/> Light Truck |  |
| <input type="checkbox"/> Other _____          |                                      |  |

### Investment

- |   |          |
|---|----------|
| <input type="checkbox"/> 1-4 Employees .....  | \$250    |
| <input type="checkbox"/> 5-9 Employees .....  | \$375    |
| <input type="checkbox"/> 10 + Employees ..... | \$500    |
| <input type="checkbox"/> Associate. ....      | \$250    |
| Amount Remitted .....                         | \$ _____ |



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## Finally - A Win for Industry Federal Court Ruling May Restrict Third-Party Lawsuits

By David Kendziorski  
Illinois Green CAR Program Manager

The industrial storm water permit is the most important government regulation facing the auto recycling industry nationwide – including here in Illinois. The storm water permit requires recyclers to prepare and implement a storm water pollution prevention plan (SWPPP), and meet other reporting requirements. Regulated industries, and recyclers in particular, face

two major risks: enforcement action by the Illinois Environmental Protection Agency (IEPA) if they fail to comply with the permit; and a third-party lawsuit filed by a citizen environmental group. Such lawsuits are allowed under the federal Clean Water Act (CWA). My experience is that enforcement actions initiated by a regulator are usually at least partially justified. Short-

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Lincoln, IL  
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Terry Charron, Branch Manager  
Auctions: Wednesdays, 9:00am



## Auto & Truck Recyclers of Illinois Industry News

March/April 2011

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staffed regulatory agencies do not have the time or resources to pursue a lengthy enforcement process unless the violations are fairly obvious. But the lawsuits that have been filed against recyclers are typically unfair and frivolous. Such lawsuits often target industries that either have deep financial pockets or those that are vulnerable and cannot afford a legal defense. In either case, the lawsuits usually result in quick settlements (which I prefer to call extortion), and then the citizen groups move on to another victim.

The US Congress' intent for including the citizen lawsuit provision in the CWA was to bring violators into compliance in a timely manner, and to provide a punitive deterrent to potential polluters. Over the past 20 years, the federal courts have allowed citizen groups to abuse the lawsuit provision. Lawsuits were filed, and won, based on vague allegations of "polluted runoff", missing paperwork, and cases where storm water sampling data exceeded "benchmarks" (which are not supposed to be enforceable permit limits) or in-stream water quality standards. Facing the threat of large legal costs and an uncertain court ruling, most industries settled the lawsuit, typically for tens to hundreds of thousands of dollars. US Circuit Courts, particularly the 9th Circuit in San Francisco, and the 3rd District in Philadelphia, made it easy for citizen groups to file, and win, such lawsuits.

A recent ruling in the 4th Circuit Appellate Court in Richmond, Virginia may begin to turn the tide in favor of industry. In a January 5, 2011 ruling in *Friends of the Earth et.al. vs. Gaston Copper Recycling Corporation*, the court found that the plaintiffs failed to include specific details of the violations, and therefore the defendants did not have adequate opportunity to correct the alleged violations prior to the lawsuit. The 4th Circuit ruling differs from previous federal court findings by placing the burden of listing specific permit violations on the plaintiff. The 4th Circuit is considerably more stringent than the other federal courts in dictating the level of detail that plaintiffs must include in their citizen suits. The ruling stated that, "Notice given by a citizen plaintiff under the (CWA) must provide the

alleged violator with enough information to attempt to correct the violation and avert the citizen suit".

While this may sound like simply a legal interpretation, the ruling will have practical implications. Plaintiffs would be required to file a new notice of intent every time they became aware of a new violation during the course of the litigation. They would then need to wait an additional 60 days before filing the suit, along with a time-consuming discovery process, and allow the alleged violator to correct the problem. The process could overwhelm the courts and make it much more expensive to file citizen suits. This ruling could delay citizen litigation to the extent that it could make such suits untenable.

What happens next? When there is a conflict between circuit court rulings, the US Supreme Court could step in and settle the matter. Or the Supreme Court could step aside and let the appellate courts battle it out.

In the meantime, environmental citizen groups are lobbying to revise storm water permits to make it easier to identify and pursue violators, and unfortunately, US EPA is supporting their cause. The standard environmental group mantra is that storm water permits should include provisions such as storm water sampling, numeric benchmarks, effluent limitations for certain industries, "adaptive management" (that would require increasingly aggressive storm water controls when benchmarks are exceeded), and strict reporting requirements. These elements are all included in the most recent (2008) version of the federal multi-sector permit that was developed by US EPA. More and more states are considering some version of the multi-sector permit. There are better solutions available, such as the government/industry partnership permit program that is being considered for the Michigan recycling industry, and a similar program that has been in place in Wisconsin for the past 12 years. Rather than target industries, such partnership permit programs can be a win-win for industry and the state.



# Policy Clarification Regarding Tow Operators/ Towing Companies Reporting Requirements

for The National Motor Vehicle Title Information System (NMVTIS)

Under the Anti Car Theft Acts

Date Issued: January 27, 2011

This policy clarification is a response to questions from tow operators, towing companies, and similar business entities, and their representatives, regarding application of certain provisions of the Anti Car Theft Acts and NMVTIS regulations.

Pursuant to the Anti Car Theft Act of 1992 (Public Law 102-519), the Anti-Car Theft Improvements Act of 1996 (Public Law 104-152) (collectively "the Anti Car Theft Acts"), a junk yard is defined as "an individual or entity engaged in the business of acquiring or owning junk automobiles for— 1) Resale in their entirety or as spare parts; or 2) Rebuilding, restoration, or crushing." A salvage yard is defined as "an individual or entity engaged in the business of acquiring or owning salvage automobiles for— 1) Resale in their entirety or as spare parts; or 2) Rebuilding, restoration, or crushing." The NMVTIS implementing regulations (28 CFR part 25, published January 30, 2009, 74 FR 5740) make clear that these definitions are understood to include businesses such as vehicle remarketers and vehicle recyclers, including scrap vehicle shredders and scrap metal processors as well as "pull- or pick-apart yards," salvage pools, salvage auctions, and other types of auctions handling salvage or junk vehicles (including vehicles declared by any insurance company to be a "total loss" regardless of any damage assessment).

An entity engaged in the business of acquiring or owning junk or salvage automobiles is one that is engaged in the business of owning, possessing, handling, directing, or controlling such automobiles. See 28 C.F.R. 25.52. Thus, if an entity is so engaged, for the purpose of reselling the junk or salvage automobiles

(in their entirety or as spare parts), or for the purpose of rebuilding, restoring, or crushing the junk or salvage automobiles, then such entity is a **junk yard or salvage yard** for purposes of the Anti Car Theft Acts and the NMVTIS regulations. A junk or salvage yard that handles five or more junk or salvage vehicles per year is required to provide monthly reports to NMVTIS consistent with the Anti Car Theft Acts and NMVTIS regulations.

The NMVTIS regulations define a junk automobile as follows: "an automobile that— 1) Is incapable of operating on public streets, roads, and highways; and 2) Has no value except as a source of parts or scrap." 28 C.F.R. 25.52. The NMVTIS regulations define a salvage automobile as follows: "an automobile that is damaged by collision, fire, flood, accident, trespass, or other event, to the extent that its fair salvage value plus the cost of repairing the automobile for legal operation on public streets, roads, and highways would be more than the fair market value of the automobile immediately before the event that caused the damage. Salvage automobiles include automobiles determined to be a total loss under the law of the applicable jurisdiction or designated as a total loss by an insurer under the terms of its policies, regardless of whether or not the ownership of the vehicle is transferred to the insurance carrier." 28 C.F.R. 25.52 (Please see ATTACHMENT A for additional information to determine if an automobile meets the NMVTIS salvage automobile definition). Vehicles determined to meet the above definitions of junk or salvage automobiles, including vehicles with non-salvage titles, must be reported to NMVTIS. The NMVTIS regulations state





that reporting entities must report all **junk or salvage automobiles** they obtain, including vehicles from or on behalf of insurance carriers, which can be reasonably assumed are total loss vehicles. Such entities, however, are not required to report any automobile that is determined not to meet the NMVTIS definition of junk or salvage after a good-faith physical and value appraisal is conducted by qualified, independent appraisal personnel. 28 C.F.R. 25.56(g).

Tow operators and towing companies (and similar businesses) that meet these statutory and regulatory requirements must provide monthly reports to NMVTIS. That other entities, earlier or later in the automobile-dismantling supply chain, may also have reporting obligations provide no basis to exempt tow operators or towing companies from also reporting.

**The monthly reporting to NMVTIS must contain:**

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

The Anti Car Theft Acts and the NMVTIS implementing regulations do not require towing companies to report automobiles that: 1) do not meet the NMVTIS definition for **junk or salvage automobiles** or 2) were only transported or stored by the towing company. *The NMVTIS reporting obligation for a towing company occurs when the towing company sells, rebuilds, restores, or crushes five or more **junk or salvage automobiles** per year.* The Department of Justice recognizes that there are circumstances in which it is not immediately apparent whether the owner of an automobile

will re-claim a towed automobile. Therefore, when considering the junk or salvage automobiles that were obtained in a particular month and when reporting the date "the automobile was obtained," the towing company should report the date, under the law of the applicable jurisdiction, that the towing company obtained the right to determine the disposition (i.e., sell (for parts or in whole), rebuild, restore, or crush) of the automobile (e.g., the date the towing company obtained a salvage certificate or certificate of destruction under the law of the applicable jurisdiction; the date the towing company purchased the vehicle from a private party either for a monetary amount or in lieu of towing and storage costs and the towing company seeks to sell, rebuild, restore, or crush the automobile).

Failure to report to NMVTIS as required is punishable by a civil penalty of \$1,000 **per violation**. Accordingly, for example, a failure to report 100 junk or salvage automobiles could result in a civil penalty of up to \$100,000. NMVTIS Reporting Entities are responsible for ensuring all required information has been reported to NMVTIS accurately and within the timelines required.

The accuracy of the data reported to NMVTIS is essential to the intent and purpose of the System. Law enforcement agencies, state titling agencies, and consumers rely on the accuracy of NMVTIS data. An incorrect report may significantly diminish the resale value of an automobile, subjecting the reporting entity to legal liability.

**Entities that acquire junk and**

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# Auto & Truck Recyclers of Illinois Industry News

**salvage automobiles, in addition to other automobiles, are strongly encouraged to use caution and take all necessary measures to ensure that ONLY automobiles meeting the NMVTIS definition of junk or salvage automobiles are reported to the System.**

The Department of Justice and the NMVTIS operator, the American Association of Motor Vehicle Administrators (AAMVA), partnered with the private sector to provide multiple reporting methods to meet the business needs of reporting entities. Currently, there are four reporting services available, offering individual

VIN and batch reporting options. Three service providers offer a **no-cost** per-transaction program. More detailed information on these reporting options may be found at: [www.vehiclehistory.gov/nmvtis\\_auto.html](http://www.vehiclehistory.gov/nmvtis_auto.html).

The Department of Justice respectfully requests that if any individual or organization disseminates this policy clarification to members and interested parties, then this entire policy clarification document be provided.

For more information on this clarification or NMVTIS, please e-mail [nmvtis@usdoj.gov](mailto:nmvtis@usdoj.gov) or visit [www.vehiclehistory.gov](http://www.vehiclehistory.gov).

## Attachment A

### Salvage Automobile Determination Sample Worksheet

#### NMVTIS Salvage Automobile Formula:

Fair Salvage Value + Cost of Repairing the Automobile for Legal Operation > Fair Market Value Immediately Before Damage

- A. Fair *Salvage* Value of Automobile (current condition): \$ \_\_\_\_\_
- B. Cost of Repairing the Automobile for Legal Operation: \$ \_\_\_\_\_
- C. Total of Line "A" and Line "B": \$ \_\_\_\_\_
- D. Fair Market Value of Automobile Immediately Before Damage: \$ \_\_\_\_\_

**If the value on line "C" is greater than the value on line "D", then the vehicle meets the definition of "Salvage Automobile" and must be reported to NMVTIS as such.**



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**If a vehicle has been declared a "total loss" by any insurance company or would be considered as such under the law of the applicable jurisdiction, then the above formula and assessment are not necessary, the vehicle meets the definition of "Salvage Automobile" and must be reported to NMVTIS as such.**



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