Warsaw Exhibition & Symposium an Enormous Success

by APRA President, Bill Gager

The first ever remanufacturing Exhibition held in Central Europe by APRA was a tremendous success. Fifty companies participated in this exhibition which drew over 300 people. Those exhibiting companies included many core suppliers, component manufacturers and equipment manufacturers mostly from Europe, USA and Canada.

Of the estimated 300+ attendees at the exhibition over 60 percent came from Central and Eastern Europe and Russia. Some informal interviews with a number of these attendees indicated their real pleasure with what they saw from the exhibitors, the seven hours of steady activity on the show floor and the ease of travel to Warsaw for most. Many of the visitors also indicated that when we have the next exhibition in two years, attendance will be much higher because many more people will have heard about the

A View From Both Sides of the Industry

A Profile of Mohammad Samii & Sammy’s Auto-Electric Service, Inc.
by Gary McCoy

Mohammad Samii is one of those rare individuals who is hard to neatly fit into a category. He is the owner of Sammy’s Auto-Electric Service, Inc. in Champaign, Illinois. It is not only an electrical rebuild business, but also serves as an auto electric repair shop. And he is APRA’s electrical division trainer and coordinator of electrical training. In this role, he performs regular clinics for the association and for other national groups.

Samii says one of the reasons why organizations are interested in his teaching is because he brings experience as a rebuilder and also from the point of view of a technician.

“We know exactly what a technician goes through, what kind of problem he will see, because we do the same thing too,” explained Samii. “So I have a view from both sides of the industry. That’s why I’ve combined my experience from rebuilding here and my experience on the shop floor and projected that into my training sessions.”

Up In The Air

Life for Samii started far from the United States in his native Iran. After graduating from high school, he was one of only 26 individuals chosen out of 1,200 who applied for a spot in the Iranian Air Force.

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continue on page 26

INDUSTRY CALENDAR

May 5-6, 2008
APRA ELECTRONICS & MECHATRONICS CLINIC
Sheraton Newark Airport Hotel • Newark, NJ

May 16-18, 2008
APRA ELECTRICAL CLINIC
Crowne Plaza Hotel at the Crossings
Warwick, Rhode Island

May 20-21, 2008
GAAS SYMPOSIUM
Hyatt Regency O’Hare, Chicago, IL

June 19-21, 2008
AUTOMECHANIKA CANADA
Toronto, Canada

June 26-27, 2008
HEAVY DUTY BRAKE CLINIC
Charleston, SC

July 9-11, 2008
PAACE/Automechanika
Centro Banamex, Mexico City, Mexico

November 1-3, 2008
INTERNATIONAL BIG R SHOW
Riviera Hotel and Casino • Las Vegas, Nevada

November 4-7, 2008
AAPEX/SEMA SHOWS • Las Vegas, Nevada
May 2008

FROM THE PRESIDENT by Bill Gager

Time for Action
On page 13 of this month’s GLOBAL CONNECTION, you’ll see a sample letter that you may put on your company letterhead. Include your company name and the number of employees and send to your representative today. You may access your Congressmans address where you live and work by visiting www.house.gov.

You may also send your letter via email for faster input to your Representative. Please have all your employees participate in this effort.

We hope that if there is another “Economic Stimulus Bill” enacted that this remanufacturing tax credit legislation will be included.

And please, remember to send APRA Headquarters copies of your letters by fax to 703-968-2878.

Toward a Better Tomorrow
I firmly believe that we are standing at the edge of unleashing what could be the most powerful source of positive change that our remanufacturing industry has ever seen. The power of all of our members and their employees worldwide working for the common good and promoting our industry as one of the main solutions to some of the world’s problems is just beginning to fall in place.

After all, remanufacturers do all these things:
• Conserve natural resources such as steel, copper, aluminum, and other metals
• Reduce energy usage
• Reduce air pollution
• Reduce greenhouse gas emissions
• Keep products out of landfills
• Create many jobs from high-skilled to low-skilled
• Pay taxes in their communities

It is time that each member of this remanufacturing community promote these ideals to their clients, the public officials in their community, and the media.

It is time for our remanufacturing community to jump in to the middle of this huge environmental transformation that is starting to shake the global economy. What is good for the environment is good for your bottom line.

NAFTA Rules of Origin
You’ll notice on page 9 of this month’s issue an announcement that the Canadian Customs Office has made an important decision affecting the remanufacturing industry. They will now consider the processes listed under the NAFTA definition of “production,” to include disassembly.

We congratulate the many APRA members on both sides of the border who worked hard to affect a change in the original wording. And, I want to single-out my thanks to Ali Tucker, a Canadian, that we have worked with for many years, who made many phone calls to Canadian officials to keep this issue in the forefront of discussion by the Canadian Border Service.

It is nice to see ONE bureaucratic stumbling block to our industry go away. There are a few more NAFTA issues we will continue to address in the coming months.

It’s nice to move forward once in a while.

Stimulus Act Encourages New Equipment Purchases
Economic stimulus isn’t just for consumers. Taxpayers will start getting their checks in a few weeks, but businesses can do better by writing off much of the costs of new equipment purchases made this year. “If you’re thinking about making a large expenditure, 2008 is a good year to do it,” says CPA Michael Cecere, with Massachusetts based accounting firm Gray, Gray & Gray.

Don’t miss out on this great opportunity to upgrade your equipment, become more efficient, and save money.

Thanks, Sammi!
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He will also be conducting a couple of seminars for APRA at the upcoming Automechanika Canada Show in Toronto on June 19-21.

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A recent study from Brandintell, a provider of market intelligence in Toronto, Canada found that consumers care about green issues when they align with their own economic interests. When it relates to the automotive industry, Brandintell’s study showed the majority of consumer discussion focused on fuel and fuel economy as well as alternative technologies, such as hybrid vehicles.

“Our research suggests that consumers are voicing concerns about green issues almost exclusively in the context of their personal economics – green is good, but it’s most potent when it aligns with the consumer’s wallet,” said Alan Dean, vice president of research at Brandintell. “Consumers are also quick to see which auto manufacturers have credibility creating green vehicles and which manufacturers put in ‘just enough effort’ to appear green. Additionally, consumers have moved beyond the surface issues and are engaged in complex discussions about the lifetime environmental footprint of new technologies.”

This seems like a great opening for remanufacturing’s contributions to the environment.

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I’d like to call your attention to a new book just published by APRA’s Fernand Weiland, who serves as Chairman of APRA’s Electronic & Mechatronic Division.

His first book on this subject hopefully will not be his last. Details on ordering are on page 27 of this month’s GLOBAL CONNECTION. The book is an excellent read for those wanting to understand these new reman opportunities.

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Bill Gager, APRA President

The APRA Global Connection
Technical, Management and Association News from the Automotive Parts Remanufacturers Association

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Send All News & Articles To: APRA, Attn: Kirsten Kase, 4215 Lafayette Center Drive, Suite 3, Chantilly, VA 20151-1243 / kase@buyreman.com

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From the Presid en t

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Bill Gager, APRA President
APRA European Symposium & Exhibition

Thought I would send you a few thoughts on the Apra Symposium in Warsaw.

It amazes me the speed of travel and how one afternoon I am in my office in Miami and the next day I am in the APRA symposium in Warsaw talking to a few hundred people who had all travelled for this APRA event. The interesting common denominator was the upbeat flavor of the communication between fellow members and remanufacturers who attended. I know of remanufacturers hooking together from different countries to cut down rebuilding costs also the demand for higher quality parts, the swapping of valuable information between members, and of course the great food and exchange of stories in the lounges.

I heard from so many people that the show was worth every Euro and more for the information, contacts and new customers they met, not to mention seeing a different part of the world, all this and getting more new education thrown in. The only question I could not answer was where those good looking talented translators come from.

Keep up the good work this was a GREAT show, and it was great that so many people said thanks and want to know when the next one is.

Thank you,
Peter Bain, Rand Premium Electronics
Miami, Florida

Dear Fernand and all fellow APRA European board members,

I would like to thank you for your warm words, though I was not able to attend the meeting in Warsaw. I wish you all continued success in the “reman world activities” and thank you for the opportunity to get to know and work with you over the last couple of years.

Best of luck and success.

Sincerely,
Mirek Vladimir Vesely
European HR Manager
TRW Automotive Aftermarket
Příklad, Czech Republic

Dear Fernand,

Congratulations with the Warsaw event and symposium that you have put together! The feedback I got from both visitors and exhibitors was positive. I personally think that the event covered the right mix of business and networking.

Kindest regards,
Fernand Molenschot, Sr. Product Manager Automotive
RAI Exhibitions
Amsterdam, Netherlands

Dear Fernand and Bill,

I want to make my compliments to you about the APRA show/conference in Warsaw, Poland. It was well organized and very interesting for us. A good quality and diversity (segments and countries) of exhibitors and a good amount of visitors.

I want to thank you both for the opportunity to present the reman-award during the reception.

Kind regards,
Luuk Aleva
Manager RAI Publishing House
Publisher ReMaTecNews
RAI Langford B.V.
Amsterdam, The Netherlands

Carbon Credits
On Earth Day 2008 APRA Chairman, Peter Bain, wrote the following letter on behalf of APRA to California Governor, Arnold Schwarzenegger

It was interesting to read about your involvement in making our planet “greener” and your interest in carbon credits.

I am contacting you as the Chairman of the Automotive Parts Remanufacturers Association (APRA). APRA is a non-profit trade association whose members rebuild/ remanufacture automotive and truck parts for passenger cars, trucks, off-road, marine, equipment and industrial uses. A properly remanufactured automotive part is the functional equivalent of a new part and is virtually indistinguishable from a new part.

APRA is currently in the process of developing a software program for our industry that will help in the establishment of a carbon credit program. We feel that carbon credits, by providing economic incentives for achieving emissions reductions, is one of the ways that free market environmentalism can help all of us realize reduced greenhouse gas emissions.

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LETTERS
The intent of this article is to provide an overview of HID. It might also prepare the way for the entrepreneurial readers, who want to diversify their electrical rebuilding business. I believe HID represents an attractive niche for the technically savvy to exploit in the future.

HID is an abbreviation for “High Intensity Discharge” lighting. It is a fascinating product I had the opportunity to work on and introduce on GM vehicles. My involvement with this product was as the Director of Program Management for Hughes Power Products, a joint venture between General Motors and Hughes Aircraft. I was responsible for ensuring the product met the technical, program, and financial requirements.

When I first saw the product in 1992, I fell in love with it. HID represented a major improvement in headlamp technology. It would be to the headlamp industry what the solid state regulator was to the alternator industry.

You have, no doubt, seen the light these systems put out. It is characteristically different than the standard halogen light which is predominately yellow in its spectral content. HID gives off a more bluish tint. If you are driving behind these lights, it is as though you have two extremely bright fluorescent headlights guiding you down the road.

This lighting system is completely different from the standard halogen bulbs. It is more like mercury vapor stadium lights or gymnasium lights. HID has marked advantages over halogen and some disadvantage as well.

One distinct advantage is HID is much more efficient than the halogen system. It puts out about twice the light using half the energy. Also, the usable lifetime of HID is longer than halogen.

In addition, the “quality” of light that HID emits is superior to that of halogen bulbs. The frequency of the light is more centered in the range of the maximum sensitivity of the human eye. When this light hits the phosphors used in the road sign paint, the letters and symbols stand out much more than with halogen. Also, HID gives a wider field of view for the driver than does halogen.

HID does not use a filament. Rather the source of the light is the “arc tube.” The reaction chamber of the arc tube is about the size of a pea with two external terminals on either side. Inside the glass capsule are two electrodes separated by a small distance. In the bottom of the capsule are metal halide salts. Packed inside the arc tube is xenon gas under high pressure. Xenon is used because it heats up quickly. Connected to the two external terminals are wires that go to the “ballast” which is a sophisticated power supply.

The ballast has two distinct functions: ignition and power regulation. When the light switch is turned on, the ballast applies a high voltage (35 volts) to the terminals. This is a sufficient potential to arc the gap between the two internal electrodes. Pulses are applied until the salts inside the arc tube begin to vaporize and become electrically conductive. Then the ballast applies an alternating voltage to the electrodes, further energizing the salts in the arc tube. Note: some systems use DC, but this article will confine the discussion to AC ballasts.

This electrical energy is sufficient to change the physical state of the salts. They transition from a solid to a gas plasma which conducts current. When this state change occurs, the arc tube emits an extremely bright light. The frequency of the light is determined by the composition of the salts inside the tube.

Most power supplies develop a regulated voltage or a regulated current. The HID ballast must regulate to a constant power which is the product of voltage and current. This is much trickier than a constant voltage or constant current supply. It requires an algorithm that can multiply and measure current and voltage. One of the big advantages of HID over halogen is durability. Heat and vibration cause halogen bulbs to burn out. Enough current is drawn through the filament to make it glow white hot. In this state, the filament is fragile and prone to breakage if exposed to high forces. Also when the filament burn at such a high temperature, it boils atoms from the filament. With time, so much of the filament is removed that it eventually opens.

Previous articles have discussed the exponential effect of “higher than rated” voltages on the lifetime of the halogen bulb. If the regulator has a temperature compensation curve that increases the voltage at the cold extremes, it will reduce the operating life of the halogen bulbs. Because the HID power supply is regulated, these input voltage excursions do not impact system lifetime.

Although the HID arc tube does not have a filament, there is a related wear out mechanism. But it is much further out in time than a typical halogen bulb. As stated before, high voltage pulses are used at turn-on to arc the gap. Each pulse displaces a miniscule amount of metal from the electrodes. This is a similar process that erodes the electrodes on a spark plug. So with turn-on cycles, the arc tube degrades.

Now let’s look at some of the disadvantages of HID. The operating voltage is in the order of 80-100 volts, so there is clearly a safety issue with HID (human shock). There is another interesting safety issue...
related to HID.

If for some reason the plasma arc becomes extinguished, the ballast will automatically revert to the ignition mode to restart to headlamp. Suppose there is an accident that breaks the arc tube. If there is fuel in the vicinity of the tube, the high voltage electrical pulses can ignite the fumes. This same problem does not occur with the standard 12 volt halogen bulb.

Perhaps the biggest obstacle HID had to hurdle was the high system cost when compared to halogen. The regulated voltage for the halogen bulb is already provided for by the alternator. So no additional regulated supply is needed. Because of the complexity of the ballast (ignition and high voltage power regulation), it is relatively expensive. Also, a separate ballast is required for both head lamps. One other factor affecting cost is that the arc tube can only put out one beam (i.e., no high and low beam). HID is low beam only.

Summing it up, HID has technical advantages that will cause its use in automotive applications to increase. That will create opportunities for the aftermarket. To illustrate this point, when the engine control computers were developed and introduced on vehicles, a new niche was born. That is repair and remanufacturing of ECM’s, PCM’s, BCM’s, etc. Many people jumped on this opportunity and made a lot of money. Because of the expense of the system, I believe HID represents a similar niche. Clearly a ballast can be repaired cheaper than manufacturing the whole unit.

Experienced rebuilders know the primary failure modes of alternators and have learned how to repair/replace them. There will be components of the HID system that wear out faster than others and can be replaced and the system can be placed back in service. Experience will show the rebuilder which components to look for.

By applying and augmenting their technical skills, the savvy rebuilders will be able to expand into the HID realm. Over the years we have all seen rebuilders come and go. One of the primary reasons for their failure is poor quality and/or reliability. If you do decide to get into the HID rebuilding business, make sure you plan for the long term by building your business on a foundation of quality. Diverse Enterprises is responsible for technical consulting, development of electrical test equipment, etc. Specific problem solving is done by APRA METRICS™ - Problem Solving by the Numbers. You can reach Bill Bowman at bowman.we@att.net.
Changing automotive technology and the move into the hi-tech arena has made the need for training a necessity in the automotive service world. Involved technicians who need to stay on the top of their game have found that training is mandatory, no longer an “if I have the time” option. This means that the serious technician will own the latest scan tools and use the most current technical resources to diagnose complex drivability and repair issues.

Electrical rebuilding is indeed one of those fields that active rebuilders and auto electric technicians need to stay current and one of the easiest ways to do this is to attend regular training sessions, such as upcoming APRA Electrical Clinic in Rhode Island (see page 16). But it is not only up to rebuilders to take advantage of these training opportunities—business owners also have to encourage and support employee training by sending key employees to such functions.

There has been an assumption in the automotive field as well as electrical rebuilding businesses that well-trained employees might look for greener pastures and seek jobs with other (and better paying) firms. This may be a valid point on the surface, but quoting Jeff Sweat and Bill Sauer (president and founder of Identifix) who pointed this out in their monthly newsletter “The Sweat & Sauer Report,” that is just like saying our employees retention policy is; “We never have to worry about our employees leaving because they are so ill trained that no one wants to hire them!”

So if you are a rebuilder, supplier, or business owner, you should participate in the upcoming clinic, bring your key employees, exchange ideas, and see what others are doing to survive in this tight market. After all, that is the way we gain experience!

Why So Much?
A 1998 Ford Crown Victoria (Interceptor) that used to be a police car was sold to the current owner after it had been phased out of service, still retaining a few of the police items such as the search light and a couple other minor things. The owner was having problems with the vehicle’s lighting, particularly an inoperative headlight, which basically had made the vehicle useless. He informed us that the bulbs and wiring to the headlight had been checked, and seemed to be fine.

The first order of business was to check and see if any of the additional wiring, relays, and circuits relating to the vehicle’s previous service history was still on the vehicle. None was found, which was a good start! A check at the headlight switch revealed we were not getting any power out from it, so we needed a headlight switch. Before ordering one we bypassed the switch only to find out that even bypassing the switch still didn’t make the lights work. That is to say we could power up the Lighting Control Module (LCM) but still no headlight. When the LCM was also bypassed, it was then that the headlights started working. All other inputs to the LCM, such as power and ground, were checked and found intact.

No Fuse
So the conclusion was we needed a headlight switch and a LCM at a cost of about $200 and $488 respectively. Add the diagnostic and labor fee, and the final cost would have been close to $1,000, which is a considerable amount of money for a car purchased at a city auction.

The good thing was the hazard and turn signals were still working, and the part of the module that controls those parts was intact. So, after talking to the customer, it was decided that we would add a separate switch for the headlight, install a power relay, and bypass the LCM for the headlight to work. This way the price was kept affordable for him and also reason-able for us, considering the required parts and labor discussed with the first option.

The point is that new designs and technologies have changed the automotive service business to a point that the cost of a repair on even simple circuits is getting to be unreasonable and out of financial reach for most people. I am not sure I understand this design philosophy, but as a service technician I certainly have a hard time trying to explain to my customer why a headlight might cost $1,000 to fix!

We had a 2002 PT cruiser that was brought in for certain inoperative accessories such as interior lights, radio memory, lighter and such. After questioning how and when they noticed the problem, the owner admitted she had received a jump start, and ever since, she noticed certain items were not working.

A look under the hood of the car showed why she needed a jump. The vehicle was classified as one of those “No Maintainance” vehicles. That means the only thing the car had ever received was gas, perhaps oil…and nothing else! We found the battery cables so corroded and rusted that they were completely hidden under a pile of white salt and corrosion, and could not have possibly made any decent connection.

Figure 1- Ford’s Headlight Switch and LCM

Figure 2- PT Cruiser’s Battery Terminals

A further look under the hood wasn’t necessary to find out what the problem was with the accessories… the car was showing it to me as soon as I turned the key! The odometer in the cluster for a brief second flashed a “No Fuse” message (Figure 3). Problem solved! The IOD fuse was blown and considering the battery condition and the fact there was no easy way to distinguish the positive from negative cable, then an improper jump start was most likely the culprit. An estimate for a new battery and complete battery compartment service was prepared and given, but in this case it fell on deaf ears.

Figure 3- PT Cruiser’s Cluster Message

Newer vehicles start so easily and run so well for so long that some owners com-pletely neglect the required maintenance. As long as the car starts and runs, then any required service takes a back seat unless a check engine light comes on, vehicle fails the emission test, or stops running. Then priorities change—and quickly!

A side note, the IOD fuse (Ignition Off Draw) is a fuse kept in a specially shaped holder that is easy to pull. Car dealers that
have many of these types of vehicles sitting on the lot. Normally remove these fuses to prevent battery drain. The newer systems warn the driver if this fuse is missing, as you saw in this case.

**Olds Aurora and Remote Sensing**

We had a call for a 8277 alternator followed by two more calls, one for another 8277 and one for a 8278. These calls prompted me to look into Aurora's charging system to see if there are any differences between the two alternators.

Early versions of the Oldsmobile Aurora (1995-99) used a CS-144 alternator which had either an 1116412 or 19009712 for the early and late versions. They were equipped with a 4.0L engine and also used a thermistor attached to the battery’s positive cable to work with the alternator. The system had its own problems and was highly written up on the I-A TN forums where many technicians—mostly unfamiliar with thermistor operation—complained about low or high charging rates and wrongly dismissed the use of aftermarket alternators.

From 2001, they started using an AD-244 (8277) alternator in this application. Later on with the introduction of a 3.5L engine on the same vehicle, another AD-244 alternator (8278, Fig. 4) was introduced. The two alternators are not interchangeable, however, they share a special regulator known with various part number such as 10453675, 10458197, etc., and what identifies them is a 3672 number stamped on the OE regulator. Fortunately Taditel™ also has this regulator under the T-3673 part number which has made stocking the right regulator much easier.

A regulator that has a 15.13V set point is still considered a remote sense. It needs a +B to its “S” terminal that comes from the 10-amp DIM fuse, located under the rear seat junction block that also feeds the Dash Integration Module, as well as the alternator’s “S” terminal. The importance of this +B is if it is missing, the regulator will indicate a fault, which when picked up by PCM, will ride over the entire vehicle communication system via GM’s Class-II Data Bus, which in turn lights the alternator warning light as well as other messages in the vehicle’s message center. This feature does not exist on other regulators such as T-4622 where a missing +B signal will switch the regulator to an internal sensing mode with no fault indication.

This regulator has a slightly different slope on its TCC (Temperature Compensation Curve) that makes it suitable with a remote sense application such as the above mentioned Aurora. While bench testing these alternators you might notice their voltage setting is slightly higher than what you are used to seeing from a typical AD-244 alternator.

This is one of those subjects I plan to discuss in some detail at the upcoming APRA Electrical Clinic, along with other regulator activation strategies by PCM on GM, Ford and Chrysler applications, in addition to a pictorial presentation for rebuilding some of the newer alternators and starters. With the clinic’s date approaching fast (May, 16-17), I am looking forward to seeing many of you soon at this event. Until then, keep up the good work.

Mohammad Samii can be reached at 217-398-3864, or via email to samii@buyreman.com.

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**Perma-Coil® Thread Repair Kits**

Perma-Coil® helically coiled inserts are made of stainless steel wire rolled to a carefully controlled thread form. Perma-Coil inserts adjust to a tapped hole, becoming a functional thread with strength exceeding the original. Perma-Coil inserts and repair kits are designed to repair stripped threads in aluminum, aluminum alloys, steel and cast iron.

Get the best selection of Perma-Coil Thread Repair Kits and Inserts at J&N. Quality you can count on. Call J&N or visit our website today!

www.jnelectric.com

From OEM to Aftermarket, J&N has the best overall selection of quality units, parts and accessories.

**Driveline Products**

Allow builders to cut off worn or damaged end yokes beyond the weld area and provide a means to make up for the lost tubing length when attaching a new end yoke. By using these bushings the new welds will be performed on virgin material and will be unaffected by the previous weld. The use of these bushing/extensions on one or both ends of the driveshaft can also provide a means to add length to a shaft if required.

Available in these applications:
- 3.0” diameter for use with.083” tube
- 3.5” diameter for use with.083” tube
- 4.0” diameter for use with.083” tube
- 5.0” diameter for use with.083” tube
- 3.0”. diameter for use with.125” tube
- 3.5”. diameter for use with.125” tube
- 4.0”. diameter for use with.125” tube
- 5.0”. diameter for use with.125” tube
- 3.0” diameter for use with.065” tube
- 3.5” diameter for use with.065” tube
- 4.0” diameter for use with.065” tube
- 5.0” diameter for use with.065” tube

Ask for details about our full line of Aluminum Components.
What Happened?
by Tom Talley, Talley Auto Electric, Inc.

For years you have been occupied with the daily routine of just operating a business—meeting payroll, keeping customers, suppliers and employees happy. Set in your routine, you continue to do things as you always have. Then one day you take time to look up from the workbench, and it hits you with the force of a 40MT dropped on your big toe that something is missing!

If you have been in the rebuilding business for 15, 20 or 30 years that scenario may sound hauntingly familiar to you.

So what happened? Where has all the business gone? Where are your customers? If you have been able to grow or maintain status quo during these times, whether it be by your own diligence, pure luck, or blessings from God, congratulations. If not, you can relate to what I’m about to say.

In our search for the answer to “what happened?” it didn’t take long to determine that it wasn’t just a customer here or there that was among the missing. It was an entire segment of customers—auto repair shops—and it only took a few phone calls to find out where they have been hiding (as if we didn’t already know).

To make it official I made those phone calls and just as I thought, most of the missing are hiding in the shiny box, lifetime warranty, free delivery, endless inventory, clutches of the auto parts stores, and are pretty content and happy to be there. Others have opted for OE suppliers. Only a few continue to be loyal to local rebuilders.

Can we get back in the game? Can we compete? I don’t have that answer, but believe that I have the responsibility to my business to make an attempt. Many of you reading this may still have a good share of auto repair shop business. Others may have already gotten back in the game. If so, congratulations. My question is, how did you do it?

First I think we have to take an unbiased look at our product. We must see it through the eyes of the buyer. We know how well it’s built, how thoroughly it’s been tested, and have complete confidence that it will perform as designed. We welcome close scrutiny and inspection by anyone. But regardless of our confidence in our product, that confidence will not transfer to the repair shop owner unless we are given an opportunity to prove it.

Does your product appear to what the parts stores have to offer? Does it really perform as designed? In order to get that opportunity to prove to the new generation of auto repair mechanic that it does, would offering new units in the shiny boxes get us back in the game? Would it give us a chance to prove that when it comes to auto electric parts, rebuilders have much more to offer than the parts stores? Would it be a chance to show that “out of stock” does not have to mean “out of luck,” or a chance to show that “NLA,” or “too new to be available” are terms that, for the most part, do not exist in the rebuilders’ world. Would it be a chance to prove that rebuilds can compete with new.

Does your product compete in appearance to what the parts stores have to offer? Does it really perform as designed? In order to get that opportunity to prove to the new generation of auto repair mechanic that it does, would offering new units in the shiny boxes get us back in the game? Would it give us a chance to prove that when it comes to auto electric parts, rebuilders have much more to offer than the parts stores? Would it be a chance to show that “out of stock” does not have to mean “out of luck,” or a chance to show that “NLA,” or “too new to be available” are terms that, for the most part, do not exist in the rebuilders’ world. Would it be a chance to prove that rebuilds can compete with new.

Transition is not easy, but perhaps the time has come that the rebuilder must become not just a REBUILDER, but a SUPPLIER, whether rebuilt or new? More units are sold nowadays than ever before and most are installed by the local garage. These garages have to buy from someone. Can that person again be the local Rebuilder/Supplier?

I welcome any thoughts you might have on the subject of new units being a part of your inventory.

Tom Talley is the owner and president of the Talley’s Auto Electric, Inc., in Arlington, Texas. He can be reached via email at ttal86@sbcglobal.net.
Automechanika Canada’s Seminar Program to Highlight the Industry’s Future

Automechanika Canada, the only trade show in Canada dedicated to all facets of the automotive aftermarket, will offer seminars designed to help aftermarket professionals succeed in these changing times. The program will run throughout the three-day trade show, June 19-21, at the International Centre in Toronto, Ontario, Canada.

Highlighting the program are a keynote address by Bob Greenwood, an award-winning automotive aftermarket industry expert; seven industry seminars; and nine educational courses.

Additionally, the Automotive Parts Remanufacturers Association (APRA) and the Ontario Tire Dealers Association (OTDA), two of the show’s industry partners, will contribute to the seminar program, and OTDA will sponsor the exclusive Tire & Wheel Pavilion within Automechanika Canada. In addition to adding relevant content to the seminar program, their partnerships with Automechanika Canada will bring valued attendees and exhibitors to the show floor.

The following sessions are being announced:

- **Keynote Session:** Defining 10 Objectives That Will Secure a Positive Aftermarket Future - Speaker Bob Greenwood, president and CEO of the Automotive Aftermarket E-Learning Centre Ltd. (AAEC) and E.K. Williams & Co. (Ontario) Ltd. (EKW), will share his more than 32 years of experience in business management within the automotive aftermarket industry and address his vision for the automotive aftermarket’s future with a strategic five-year plan that establishes 10 important objectives.

- **Then, Now and the Need for Change – This is Not Your Father’s Garage! and Start Me Up in the 21st Century – Today’s Successful Garage - Established in 1984, Eccles Auto Service has been built on a commitment to providing exceptional automotive service. Bruce Eccles, the shop’s owner and driving force behind the shop’s award-winning reputation, will present two seminars focused on the business of a successful garage. Drawing on his experience, Eccles will address industry changes and issues, suggest new opportunities and promotions, and share how a customer-centered approach is at the foundation of a successful shop.

- **Advanced Charging and Starting Systems - Changes in newer charging and starting systems, and the challenges and opportunities they create, are the topic of the APRA’s Mohammad Samii’s seminar. The session’s objective is to enable well-trained technicians to easily diagnose, repair and profit from knowing how these newer systems work and interface, and how the PCM activates, controls and monitors such systems. In this seminar, details of the newer systems will be explained and information and case studies will be presented to help technicians with diagnostics and repair.

- **Hybrid Service...Getting Started, Hybrid Case Studies and Management Skills for Men and Women** Craig Van Batenburg, of the Automotive Technical Support Services, will facilitate two classes specific to Ford diagnosis and repair. The fundamentals required for successfully diagnosing Ford electronic transmission controls highlight the first class. This course focuses on the electronic control systems of Ford’s 6.0L Powerstroke Diesel is the focus of Cleary’s second class. This course centers on the procedures involved in diagnosing the various no-start, hard-starting and performance concerns with this engine.

- **Marketing! It’s More Than Just Advertising and Effective Selling Without Sacrificing Customer Service - Business Training International’s Kelly Bennett will address two of the industry’s greatest challenges in these workshops designed to assist participants in developing actionable plans. By analyzing the skills required to develop and execute a marketing strategy, and assess sales and customer service effectiveness, Bennett guides participants to improved skills and lasting and profitable impact.

- **Your Future is in the Relationship – Developing Your New Profit Opportunity - The seminar program’s keynote speaker, Bob Greenwood, president and CEO of the Automotive Aftermarket E-Learning Centre Ltd. (AAEC) and E.K. Williams & Co. (Ontario) Ltd. (EKW), will lead a class addressing how jobbers can deliver value to their shop customers by understanding sales capability, technician efficiency and labor profitability.

- **6.0 Powerstroke Diesel Diagnostics** - Mike Cleary, of Business Training International’s Kelly Bennett will address two of the industry’s greatest challenges in these workshops designed to assist participants in developing actionable plans. By analyzing the skills required to develop and execute a marketing strategy, and assess sales and customer service effectiveness, Bennett guides participants to improved skills and lasting and profitable impact.

- **Ford Electronic Transmission Diagnostics and Ford 6.0 Powerstroke Diesel Diagnostics** - Mike Cleary, of Automotive Technical Support Services, will facilitate two classes specific to Ford diagnosis and repair. The fundamentals required for successfully diagnosing Ford electronic transmission controls highlight the first class. This course focuses on the electronic control systems of Ford’s 6.0L Powerstroke Diesel is the focus of Cleary’s second class. This course centers on the procedures involved in diagnosing the various no-start, hard-starting and performance concerns with this engine.

For more information and a full schedule of the seminar and educational opportunities, visit www.AutomechanikaCanada.com.

Automechanika Canada is produced and owned jointly by Messe Frankfurt, Inc. and Business Information Group.
### 13 NEW MEMBERS

- Direcciones Hidraulicas Minaca  
  Fernando Chavez Villagran / Chihuahua, Mexico
- E Chem, Inc.  
  Ajit Shahani / Tustin, CA
- Eagle Auto  
  Steven DiRaffaele / Taunton, MA
- Euro Klima  
  Maciej Kulesza / Warsaw, Poland / Sponsored by Bill Gager
- GECORE GmbH  
  Franz Zboinski / Marl, Germany / Sponsored by Bill Gager
- Global Air, Inc.  
  Abraham Levy / Miami Gardens, FL
- Newco Autoline GmbH  
  Holger Fraustein / Weyhe, Germany
- Pasco, Inc.  
  David Brown / Salisbury, MD / Sponsored by Marlene Konkinas
- Power Rebuilders  
  Chris Walker / Ontario, Canada / Sponsored by Bill Gager
- R.C. Truck Sales, Inc.  
  Richard Clayton E. / Bridgewater, MA
- Ropp’s Automotive Electric, Inc.  
  Kenny Ropp / New Smyrna Beach, FL
- SC Contis Car Parts SRL  
  Ehrlich Werner / Arad, Romania
- Superior Transmission Parts  
  Dennis Erickson Jr. / Tallahassee, FL

### Membership Application

**Automotive Parts Remanufacturers Association**

**US & Canada**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Address</th>
<th>Telephone</th>
<th>Fax</th>
<th>Email</th>
<th>Name / Title</th>
<th>Signature</th>
<th>Website</th>
</tr>
</thead>
</table>

Please complete the ANNUAL DUES & LISTING sections for your company type below.

This is how your company will be identified for all APRA purposes (i.e. publications, clinics, conventions).

Other membership types include Warehouse & Educational Institution Member. Call APRA for information.

#### REMANUFACTURER

<table>
<thead>
<tr>
<th>No. of Employees</th>
<th>Annual Dues</th>
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<tr>
<td>1-2</td>
<td>$215</td>
</tr>
<tr>
<td>3-6</td>
<td>$280</td>
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<tr>
<td>7-12</td>
<td>$360</td>
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<tr>
<td>13-30</td>
<td>$550</td>
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<tr>
<td>101-400</td>
<td>$1,225</td>
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<tr>
<td>401 or more</td>
<td>$1,900</td>
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**Our Annual Dues**

#### SUPPLIER

<table>
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<tr>
<th>Check one</th>
<th>Core Supplier</th>
<th>Manufacturer Supplier</th>
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<table>
<thead>
<tr>
<th>Annual Sales</th>
<th>Annual Dues</th>
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<tbody>
<tr>
<td>Less than $2 M</td>
<td>$730</td>
</tr>
<tr>
<td>$2 M - $4 M</td>
<td>$940</td>
</tr>
<tr>
<td>$4 M - $8 M</td>
<td>$1,285</td>
</tr>
<tr>
<td>$8 M - $20 M</td>
<td>$1,900</td>
</tr>
<tr>
<td>Over $20 M</td>
<td>$3,900</td>
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</table>

**List manufacturers you REPRESENT:**

#### MFR. REPRESENTATIVE

This membership does not apply to company sales personnel. You must be an authorized rep. of 2 or more manufacturers engaged in the automotive aftermarket.

<table>
<thead>
<tr>
<th>Annual Dues</th>
<th>$280</th>
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**List manufacturers you REPRESENT:**

#### ALL NEW MEMBERS

<table>
<thead>
<tr>
<th>Check your product specialties</th>
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<tbody>
<tr>
<td>A/C</td>
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<tr>
<td>Brake</td>
</tr>
<tr>
<td>H.D. Brake</td>
</tr>
<tr>
<td>Clutch</td>
</tr>
<tr>
<td>CV &amp; Racks</td>
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<tr>
<td>Electrical</td>
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<tr>
<td>Electronic &amp; Mechatronic</td>
</tr>
<tr>
<td>Volume Transmission</td>
</tr>
<tr>
<td>H.D. Transmission</td>
</tr>
</tbody>
</table>

**NOTE:** Pay full ANNUAL DUES regardless of time of year you apply. Your dues will be pro-rated by quarters in your second year of membership.

- Contributions or gifts to APRA are not tax-deductible as charitable contributions. However, they may be tax-deductible as ordinary and necessary business expenses.

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**More Congressional Support for “Right to Repair”**

45 Sponsors Support H.R. 2694

Because vehicles are becoming increasingly sophisticated with virtually every system either monitored or controlled by computers, servicing these vehicle systems to keep them in safe working condition requires ready access to complete and accurate information from the car companies. The Motor Vehicle Owners’ Right to Repair Act (HR 2694) was introduced in Congress to ensure that car owners and their trusted repair shops have the same access to safety alerts and repair information as the franchised new car dealer network.

“The growing momentum of support for the Right to Repair Act demonstrates the commitment by many members of Congress to ensuring that their constituents, and not the large car companies, retain the choice of where to have their vehicle serviced and repaired,” said Kathleen Schmatz, president and CEO of the Automotive Aftermarket Industry Association (AAIA).

A complete list of co-sponsors and a copy of the Motor Vehicle Owners’ Right to Repair Act (HR 2694) can be found by visiting www.righttorepair.org.

**About Right to Repair:**

The Right to Repair Act, which was introduced by Rep. Edolphus Towns (D-NY), would require car companies to make the same service information and tools capabilities available to independent repair shops that they provide to their franchised dealer networks. The legislation further provides car companies with strong protections for their trade secrets unless that information is provided to franchised new car dealers. The bill clarifies the responsibilities of the Federal Trade Commission in enforcing the bill’s requirements.

**Stimulus Act Encourages New Equipment Purchases**

Economic stimulus isn’t just for consumers. Taxpayers will start getting their checks in a few weeks, but businesses can do better by writing off much of the costs of new-equipment purchases made this year. “If you’re thinking about making a large expenditure, 2008 is a good year to do it,” says CPA Michael Cecere, with Massachusetts-based accounting firm Gray, Gray & Gray. **Source: Modern Materials Handling (4/15/08)**
Canadian NAFTA Disassembly/Remanufacturing Customs Notice

The Canada Border Services Agency recently issued a Customs Notice entitled, “NAFTA Rules of Origin - Disassembly as a Mode of Production That may Confer Origin.”

The purpose of the notice is to advise all parties involved in importing commercial shipments into Canada that effective immediately, the Canada Border Services Agency (CBSA) will consider the processes listed under the NAFTA definition of “production,” to include disassembly.

The term “production” as defined in Part I, section 2 of the NAFTA Rules of Origin Regulations [SOR/94-14] means “growing, mining, harvesting, fishing, trapping, hunting, manufacturing, processing or assembling a good.” CBSA considers this definition of “production” to be “illustrative and not exhaustive” and to include the process of disassembling a good to recover materials or articles.

Disassembly is considered to be a production process in the context of an operation that results in one or more articles being taken or separated from a good. Upon recovery and with or without further production, these various articles may be classified under tariff provisions different than the classification of the original good from which the articles were recovered or disassembled. A component recovered through the disassembly of a good in a NAFTA country may be considered as originating when imported into Canada, provided that the recovered component satisfies the applicable rule of origin and all other applicable requirements of the NAFTA Rules of Origin Regulations.

Disassembly, as provided in paragraph (1) of this Notice, will not be considered production in the case of components that are recovered from new goods. For purposes of this paragraph, a “new good” means a good that is in the same condition as it was when it was manufactured.

As with all importations, entries accounted for under the UST, MT or MUST tariff treatment as originating goods by virtue of having been disassembled in the NAFTA territory remain subject to full verification by CBSA up to four years from the time of accounting.

All parties involved in the importation of commercial goods into Canada are reminded that in accordance with the Imported Goods Records Regulations [SOR/86-1011], every person who is required by subsection 40(1) of the Customs Act to keep records in respect of commercial imports should be directed to:

- Any questions respecting disassembly as a mode of importation.
- Goods must keep all records that relate to the importation.
- The bill would allow small businesses to band together and spread risk over a large number of participants in order to obtain lower premiums. According to the sponsors, the bill would also encourage small businesses to provide their employees with health insurance by giving the businesses a tax credit of up to $1,000 per employee (or $2,000 for family coverage) if they pay 60 percent of their employees health care premiums.
- “Contrary to popular belief, most people who don’t have insurance are not out of work,” Durbin said. “In fact, they work full time in small businesses that cannot afford health insurance for their workers. Small business owners across America are trying to do their part to help provide their employees with health insurance, but they are struggling with annual double-digit premium increases.”
- The SHOP bill would also provide the self-insured with a $1,800 tax credit (or $3,600 for family coverage) to purchase insurance. To address the concerns of state insurance commissioners, the bill allows state to opt-out of the pools and allows the individual commissioners to continue to regulate their state’s health plans. To protect businesses with older workers, the bill would make it illegal for insurers to base ratings on health status or claims.

“None of us is smarter than all of us!”

- Sam Walton, founder of Wal-Mart

Just another reason why you should join your trade association.

Turn to page 10 for an application

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Senators Introduce Small Business Health Care Bill

A bipartisan group of Senators introduced a bill on April 2nd that would allow for the creation of small business pools for health insurance, and create incentives for businesses to provide their employees with health insurance. The “Small Business Health Operations Program,” or SHOP, was introduced in the Senate by Sens. Richard Durbin (D-IL), Blanche Lincoln (D-AR), Olympia Snowe (R-ME), and Norm Coleman (R-MN).

The bill would allow small businesses to band together and spread risk over a large number of participants in order to obtain lower premiums. According to the sponsors, the bill would also encourage small businesses to provide their employees with health insurance by giving the businesses a tax credit of up to $1,000 per employee (or $2,000 for family coverage) if they pay 60 percent of their employees health care premiums.

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Remanufacturing’s New Challenges
On and Offshore Competition Heats up the Reman Market

According to new research, the increasing number of prime replacement age vehicles, combined with technological improvement and increasing cost of raw materials and labor, will drive revenues of the total aftermarket for remanufactured engines and transmissions.

Analysis from Frost & Sullivan reveals that the market earned revenues of US$8.38 billion in 2006 and estimates this to reach US$11.12 billion in 2013.

What’s more, scrappage rates, due to vehicles wearing out, have decreased because of improved vehicle quality. The combined effect of increasing sales and decreasing scrappage rates has led to more vehicles in the prime engine replacement age of four to nine years, which will drive the remanufactured engine and transmission aftermarket. “Business is very good, and continuing to grow,” says Eric Liebovitz, director of sales, for Fenwick Automotive. “It’s an interesting time to be talking about this issue; right now, the parts that are really driving the remanufactured market steering parts, rack and pinion assemblies, cylinder heads and CV drive shafts.”

The Salvage Challenge

In some markets, increased competition from the salvage industry is curtailling demand for remanufactured engines and transmissions. The salvage market provides used engines and transmissions at lower prices; however, this is emerging as a threat to remanufacturers, since it is witnessing consolidation and organization. “Salvagers/recyclers have unified computer systems so as to be more organized in the finding and distribution of used parts including engines and transmissions to jobbers, installers, and the independent mechanics,” notes Frost & Sullivan Research Analyst Magdalena Borkowski. “These salvage unit vendors offer a facility to the end users where they can order a used part online and get it shipped within two to three days at much cheaper rates.”

The combined effect of increasing sales and decreasing scrappage rates has led to more vehicles in the prime engine replacement age, which will drive the remanufactured engine and transmission aftermarket.

The challenge of obtaining cores for older model engines and transmissions may heighten; OE remanufacturers, in collaboration with automakers, have a core collection program which automakers ensure the return of all cores, and this could make it difficult for aftermarket remanufacturers to obtain those cores in the future.

“Vehicles that may not last much longer and are in immediate need of parts, turn to salvage yards that have used transmissions in stock,” says Ghosh. “However, remanufactured units carry longer warranties, although they may not be available at every distributor site when a vehicle owner approaches for replacement.”

However, the very nature of the salvage market provides remanufacturers with key differentiators, given the often difficult OE spec game. With technological developments, it is difficult for used engine and transmission suppliers to warranty their engines and transmissions without correct quality information on those units. This provides opportunities to remanufactured engine and transmission suppliers to fight competition from the salvage (used) market.

While remanufactured engines represent a mature market that is expected to decline eventually, the remanufactured transmissions market is likely to see revenue growth due to an expected increase in the number of replacement-age vehicles in use and the decreasing supply of qualified labor to repair transmissions.

Offshore Market Challenges

Quite distinct form the possible scrappage challenge, the remanufactured business in Canada also faces a significant threat from offshore manufacturers who can make brand new parts, at an unprecedentedly low cost. “China is undoubtedly our biggest challenge, as they are building new parts especially in price sensitive lines,” says Liebovitz. The idea of new parts flooding the market from low cost countries is certainly not a new one, and remanufacturers have been monitoring their own business impacts for years, but as Liebovitz also notes, the nature of that competition is starting to shift. While it used to be that the competition with overseas manufacturers was based entirely on price, it would now seem that quality is an emerging battleground. “The product coming from China is getting better, and people would be lying if they said there has been no improvement,” he says. With that understood, he also went on to note that this particular market challenge is one that is likely to remain in constant flux. “There are good manufacturers and bad ones, and so there is a real mixture of competition from the overseas new parts manufacturers, and even those operations are seeing their costs start to rise as China expands its infrastructure and deals with rising energy costs,” he says.

What’s more, as vehicles get longer in the tooth, there is a simultaneous double knock on the remanufactured business, as cores become ever more difficult to source, and overseas companies become ever more able to mass produce and commoditize those parts.

In order to combat the recent challenges faced by low-cost imports, Liebovitz insists that remanufacturers need to stick to their key messages and core competencies. “The great thing about remanufactured, is that is absolutely fit form and function,” he says.

In terms of the pure dollars and cents, Liebovitz also cites the overall reman advantage. “I think the reman business will remain very strong,” he says. “If you look at all of the vehicles on the road, and in particular the ’05s, ’06s and ’07s, that’s our business right there. If you look at the cost to tool-up for a brand new identity, it’s extremely expensive. For example the price for tooling-up for a new Escalade that you’re not likely to see any sales for is just way too high; that’s where remanufacturing has the advantage, because we don’t have to do any of that tooling,” he says.

The continuous introduction of new engine and transmission models by both foreign and domestic automakers results in a proliferation of parts. This implies an increase in the number of parts that remanufacturers need to develop, stock, and warehouse before shipment. Given the very nature of the remanufactured business, some parts simply no longer lend themselves well to the remanufacturing process. “Some older parts have become easier and more profitable for importers to manufacture as new, and the cores for those parts have become too tough to find,” says Liebovitz. However, given the price point of many older, common parts, remanufacturers don’t seem concerned, given that low-cost importers have all commoditized those part segments. In short, remanufacturers say they are more than happy to leave the commoditized part segments to the new-breed of importer, and stick with their more profitable segments. With that kind of high value core product line-up, remanufacturers appear poised to continue their success far at least the foreseeable future.

This article originally appeared in the December 2007 issue of Jobber News Magazine. It is reprinted here with permission.
Small Firms Hit Hardest by Rising Energy Costs, Manufacturing and Commercial Sectors Top the List

Small firms are hardest hit by rising energy costs, according to a study released today by the Office of Advocacy of the U.S. Small Business Administration. The small manufacturing and small commercial sectors top the list of burdened industries, on an energy cost per value of industry shipments and an energy cost per sales basis. “This report shows that, on a disaggregated basis, energy prices can affect different industrial sectors in different ways,” said Dr. Chad Moutray, Chief Economist for the Office of Advocacy. “Previously, most research in this area had focused on the macro level. With this report, the spotlight turns to individual industrial sectors and the small firms within them.”

The report finds that for 10 of 17 manufacturing sectors for which data were available, small firms spent considerably more for energy than large firms did, on a per value of industry shipments basis. For food manufacturers, leather and allied products manufacturers, and computer and electronic products manufacturers, the costs per dollar of output were more than double those of their larger counterparts.

The author also finds that in 26 of 31 commercial industries studied, small firms have higher energy expenditures on a cost per dollar of sales basis. The median commercial sector industry has a small entity energy cost per sales ratio that is 2.7 times the ratio for large entities.

The report, Characterization and Analysis of Small Business Energy Costs, written by E.H. Pechan & Associates with funding from the Office of Advocacy, uses available data to analyze the impact of changing energy prices on various sectors of the economy.

For more information, a complete copy of the report and tables of analyzed industry sectors, visit the Office of Advocacy website at www.sba.gov/advo.

The Office of Advocacy, the “small business watchdog” of the federal government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats, and it funds research into small business issues.

The Office of Advocacy of the U.S. Small Business Administration (SBA) is an independent voice for small business within the federal government. The presidentially appointed Chief Counsel for Advocacy advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policy makers. For more information, visit www.sba.gov/advo, or call (202) 205-6533.

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Federal Remanufacturing Tax Credit Legislation

Last month we reported that U.S. Rep. Phil English (R-Pa.) sponsored legislation on the federal level that would create a tax credit to incentivize domestic remanufacturing. The hope is that this new initiative will use the tax code to promote increased, environmentally-friendly production for remanufacturers.

H.R. 5659 will establish a tax credit equal to twenty percent of the amount of a taxpayer’s expenditures on certain equipment purchases. A twenty percent tax credit for the investment in equipment used exclusively in remanufacturing operations will accelerate capital investment in remanufacturing and provide significant environmental and labor benefits.

APRA fully supports this legislation and we request that you write a letter to your Representative to encourage them to sign on as a co-sponsor of this important legislation. We have included a sample letter and ask that you personalize it and mail it to your Congressman today. Concise, well thought out personal letters are one of the most effective ways Americans have of influencing lawmakers.

Co-sponsors of H.R. 5659 as of 4/22/08:
- Rep Chabot, Steve (OH-1)
- Rep Paul, Ron (TX-14)
- Rep Sensenbrenner, F. James, Jr. (WI-5)
- Rep Sessions, Pete (TX-32)
- Rep Walsh, James T. (NY-25)
- Rep Wilson, Joe (SC-2)

Remanufacturing, the ultimate form of recycling.

SAMPLE LETTER TO YOUR REPRESENTATIVE

The Honorable (full name)
(Room #) (Name) House Office Building
United States House of Representatives
Washington, DC 20515

Dear Representative (last name):

I am writing to express my support of H.R. 5659, which was introduced by Rep. Phil English (R-PA) on March 31, 2008. This bill will amend the Internal Revenue Code of 1986 to allow a credit against income tax for recycling or remanufacturing equipment.

As a member of the automotive parts remanufacturing industry, my company (company name), employs (number of employees) in your district. A properly remanufactured automotive or truck part is the functional equivalent of a new part and is virtually indistinguishable from a new part. In fact, the Federal Trade Commission (FTC) required that such parts be labeled as “rebuilt” so they are not mistakenly accepted as new.

Remanufacturing extends product life and provides these environmentally friendly benefits:

1) Saves energy
2) Saves natural resources
3) Keeps products out of landfills
4) Reduces air pollution
5) Reduces greenhouse gas emissions

As people grow more and more concerned about the environment, they are turning to environmentally friendly products. Remanufacturing—the ultimate form of recycling—provides a green alternative, while also providing a lower cost option for replacement automotive and truck parts.

For all of these reasons I strongly urge you to sign on as a co-sponsor of H.R. 5659. This tax credit will help U.S. remanufacturers compete on a more even playing field with overseas suppliers of automotive and truck parts and will enhance the contributions of the remanufacturing industry to the U.S. economy and to protecting the environment.

Thank you for your support.

Sincerely,

Your Name
Business
Address

To find out who your U.S. Representative is, please go to http://www.house.gov/ and put your zip code +4 in the upper left hand corner of the homepage. If your Representative is already a co-sponsor (see box below) then please thank them for their efforts on behalf of remanufacturing.
2008 Electronics & Mechatronics Clinic
May 5-6, 2008 • The Sheraton Newark Airport Hotel
128 Frontage Road, Newark, New Jersey

MONDAY, MAY 5, 2008
5:00 p.m. - 6:00 p.m.
Board of Governors Meeting

6:00 p.m.
APRA Registration

6:30 - 7:30 p.m.
“Welcome to Newark” Cocktail Reception

TUESDAY, MAY 6, 2008
8:00 am
APRA Registration

8:30 am
Welcome & Introductions
Fernand Weiland, Chairman, Electronics & Mechatronics Division

9:00 am
Core Broker Presentation
Marshall Knopf, President of Knopf Automotive, LLC.

9:30 am
Remanufacturing Heavy Duty Electronics
Russ Schinzing, Detroit Diesel

10:00 am
Hybrid Powertrain
Jeffrey S. Stukenborg, Delphi Product & Service Solutions

10:30 am
Coffee Break

11:00 am
Remanufacturing Instrument Clusters
Tom Churchill, Model Electronics

11:30 am
Presentation & Demonstration: Electronic Test Systems
Pete Fodor, PTM

12:15 pm
Component Supplier Presentation
Dan Manning, General Manager, TTI, Inc.

12:45 pm
Group Luncheon

1:45 p.m.
Group departs the Sheraton Newark Airport Hotel to tour Model Electronics, a remanufacturer of instrument clusters in Ramsey, New Jersey.

Since 1976, Model Electronics has grown to become one of the largest premier service centers for OEM and aftermarket customers. Some of our customers include: GM, Ford, Delphi, Visteon, Nissan, Infiniti, Isuzu and BMW. Some services offered by Model Electronics include remanufacturing, testing, validation, assembly, distribution and call center processing. They are remanufacturing automotive instruments and displays, car radios and videos and navigation systems.

4:00 p.m.
Conclusion of Tour

5:30 p.m.
Approximate arrival time at The Newark Airport.

DON’T BOOK DEPARTING FLIGHTS PRIOR TO 7:00 P.M.

What You Need to Do Now:
1) Fill out the registration form and fax back to APRA at 703-968-2878.

2) Call the Sheraton Newark Airport Hotel at 1-800-325-3535 and ask for “reservations.” Tell them you are with the APRA Electronics & Mechatronics meeting to get the special, discounted room rate of $135 U.S. single/double. Hurry, cut-off is April 10th.

Any Questions? Call APRA at 703-968-2772.

APRA Member Registration Fee:
$285 (U.S.) per person in advance, $310 (U.S.) at the door
Fee includes Monday’s Cocktail Reception and Dinner, Tuesday’s Meeting, Meeting Materials and coffee break, Tuesday’s Lunch and Tuesday’s Plant Tour and Transportation

Non-Member Registration Fee:
$535 (U.S.) per person in advance, $560 (U.S.) at the door
Fee includes Monday’s Cocktail Reception and Dinner, Tuesday’s Meeting, Meeting Materials and coffee break, Tuesday’s Lunch and Tuesday’s Plant Tour and Transportation

Registration Cancellation Policies: Registration cancellations received prior to April 28, 2008 entitle registrant to a full refund of APRA registration fee. Registration cancellations after that date will be subject to a 20% processing charge.NO REFUNDS will be made unless written request is received by May 18, 2008. Refunds take up to 4 weeks to process.

Hotel Reservations and Cancellations: The Sheraton Newark Airport Hotel is offering APRA Electronics and Mechatronics Clinic attendees a special rate of $135 U.S. single/double. Call the hotel directly at 1-800-325-3535 and ask for “Reservations.” Tell them you are with the APRA Electronics and Mechatronics Clinic to get this special discounted rate. Hotel reservations and cancellations must be made directly with the hotel. Hotel cut-off is April 10, 2008.

Return to APRA 1) Fax: 703-968-2878 or 2) Mail: 4215 Lafayette Center Drive, Suite 3, Chantilly, VA 20151-1243
Expand Parts Reach Online Through Research, Communication
by Famous Rhodes, Director, Parts & Accessories, eBay Motors

If you’ve considered selling parts and accessories online and don’t know where to start, think about doing some groundwork first to test the waters. If you sell parts and accessories online and want to know whether another product you’re planning on selling can offer the margins you need, or generate enough consumer demand, look at the history of those parts and the sale prices can provide a vast amount of data.

Through research, marketing and communication, auto parts sellers can create a robust online business that complements an offline company’s revenue source. As the Internet continues to evolve, parts and accessories sellers should explore sites and services that make selling products online easier. Sites such as eBay Motors can elevate a company’s search engine optimization, which means a company will appear higher in the rankings of search results when a potential buyer looks for a particular part or automotive accessory.

More than 11 million unique visitors – and potential buyers – visit eBay Motors each month and it is consistently ranked the No. 1 automotive site on the Web by Nielsen/NetRatings. Online marketplaces also invest heavily in paid search, often referred to as search engine marketing. This form of online advertising ensures that a large variety of potential customers are directed to relevant listings of automotive parts and accessories they are seeking when performing a search.

To develop a successful eBay business, sellers need to understand the nuances of the online marketplace: supply and demand, how listing enhancements can increase success, timing, pricing, communication and more. Marketing products online comes down to thorough merchandising with complete details in images, words and service. Once online, knowing when and how to communicate with buyers is essential.

A Little Homework Goes a Long Way
To see what the average price any particular product sells for and to discover what some of those 11 million visitors have purchased, eBay Marketplace Research offers sales performance data for specific products and categories. At any point in time, more than one million listings in the parts and accessories category are active. The research tool helps sellers optimize listing practices and identify inventory potential based on what has worked well in the past.

eBay Marketplace Research offers subscribers with transparency into the eBay marketplace in order to gauge the sales performance of specific products and categories. It includes parts and accessory data with access of up to 90 days of historical eBay listings to help answer questions such as: How many products are typically available? At what rate do they sell? What is the average price of the item?

Research allows sellers to see past sales performance of parts and accessories in order to assess the demand for that product. By learning about the demand and average sales prices for specific products, sellers can identify what products would produce the most profits. In addition, the sell-through rate, which is the number of items sold vs. the number available on the site, can offer increased insight into best listing practices.

To become an educated online seller, find out what the competition is selling and how they are doing it, and if they are successful. Sellers can research other sellers through the eBay Marketplace Research tool and investigate the potential of eBay sites in other markets and other countries.

The average selling price and sell-through rate of multiple listings of the same product can often point to listing traits that produce more successful results. Listing characteristics include listing features used, auction start and end times and the listing format, among others. Identifying previously successful listings can help sellers determine what time, day and category to list a similar item and what format and features are most appropriate.

In addition, the “top searches” area lists the most common keyword or category search terms. Including these common keywords within listing titles can elevate the exposure of listings to a broader range of buyers. Sellers can research various historical data in the parts and accessories category in the United States, Germany and Australia.

eBay Marketplace Research is available in three levels: a fast pass, which offers a two-day subscription of 60 days of historical data; basic, which is a monthly subscription with 60 days of historical data; and pro, which offers 90 days of historical data and advanced filters.

Within the pro tier, advanced filters enable subscribers to view listing results based on a specific seller or within a specific country site. This can aid sellers with benchmarking their sales performance with that of the market and cross border trade to determine the sales performance of products by country.

Merchandising is Essential to Online Marketing
The key to successful merchandising online is to provide as many details as possible. Research indicates that buyers are more apt to buy online when they have been given all the information they feel they require. Clear photos, disclosing even the smallest defects, and displaying the full list of compatible vehicles for parts and accessories can help make potential customers gain confidence when purchasing.

One principle that applies to all sales online and offline is to know your customer. The key to boosting sales and getting real value from selling online is offering the right selection at the right prices and utilizing available sales tools.

There are a few subtle differences, however, between in-store and virtual customers, and knowing these can help dramatically improve your online sales returns. Online customers are looking for competitive pricing. Not only is it important to price competitively but being willing to negotiate. Online sellers can create auction-style listings or offer buyers a choice with “Buy It Now” at a fixed price.

Web traffic varies day to day. In the United States for example, evenings and weekends have lower traffic compared with working hours. To get started online, set up a few test sales and see which listings receive the best prices.

Determining what to sell and when to sell it can help create a flourishing online parts and accessories business. The most active sellers know the effort needed to manage listings online pays for itself time and again in increased profits.

Online buyers expect similar attention, service and responsiveness that they would receive in a store. Dedicating staff to monitor and respond online can put customers at ease and increase sales. Dedicated staff can establish relationships with potential buyers and close the deal without disrupting existing in-store operations.

Responding to questions from potential buyers promptly, whether through e-mail or phone, is another way to increase loyalty and sales. Always pay attention to the feedback your customers are giving you to help provide even better service in the future. If you are using an eBay Motors account, be sure to monitor your official feedback. Positive feedback is especially important, as it establishes

continued on page 22
2008 Electrical Clinic
May 16-18, 2008 / The Crowne Plaza Hotel at the Crossings
801 Greenwich Avenue, Warwick (Providence), Rhode Island
FRIDAY, MAY 16, 2008
8:00 a.m. – 9:00 a.m.
Registration in Hotel’s Lobby
9:00 a.m.
Bus departs for plant tours of Cole Hersee, Rebuilders Automotive Supply and Boston Auto Electric
Noon
“Dutch Treat” lunch en route
4:30 p.m.
Return to the Crowne Plaza Hotel
5:00 p.m. – 6:00 p.m.
APRA Electrical Board of Governors Meeting
6:00 p.m. – 7:00 p.m.
“Welcome to Providence” Reception
Open to Everyone – Cash bar
SATURDAY, MAY 17, 2008
7:30 a.m. – 5:00 p.m.
Registration
7:30 a.m. – 8:15 a.m.
Supplier Set-Up for the MINI “ELECTRICAL EXPO”
• All APRA & ERA Supplier Members are invited to have a table at only $90. The Plant Tour Only (Note: The plant tour is included in a “FULL” registration): $40 (U.S.) per person in advance; $50 (U.S.) at the door.
NON-MEMBER “Saturday Only” Registration Fee: $135 (U.S.) per person in advance; $145 (U.S.) at the door.
APRA/EPA Member “Expo” Table: $90 (U.S.) per table
Limited number of tables available: First come, first served: All company personnel must register – either “Full” Registration or “Saturday Only” Registration. Literature and small parts only – these are not exhibit booths. No electricity available! You must hand carry your display and set up in less than 30 minutes.
PLANT TOUR ONLY (Note: The plant tour is included in a “FULL” registration): $40 (U.S.) per person in advance; $50 (U.S.) at the door.
OPTINAL EVENT: Sunday “Joe Davis” Workshop (W): APRA/EPA Member Price: $100 (U.S.) per person Non-Member Price: $125 (U.S.) per person
APRA/EPA MEMBER “Full” Registration Fee (BEST VALUE!): $140 (U.S.) in advance; $150 (U.S.) at the door. Included Friday’s Plant Tours and Transportation, Friday Reception (open to everyone – cash bar), all Saturday Workshops, Saturday Lunch, coffee breaks, all meeting materials, and admittance to Saturday’s “MINI EXPO.”
NON-MEMBER “Full” Registration Fee: $165 (U.S.) per person in advance; $175 per person at the door.
APRA/EPA MEMBER “Saturday Only” Registration Fee: $110 (U.S.) in advance; $120 (U.S.) at the door. Includes Saturday’s workshops, admittance to Saturday’s “MINI EXPO,” coffee breaks & lunch. Does not include Friday’s Plant Tours. Badges will be available for pick-up Saturday morning.
NON-MEMBER “Saturday Only” Registration Fee: $135 (U.S.) per person in advance; $145 (U.S.) at the door.
APRA/EPA Supplier Member “Expo” Table: $90 (U.S.) per table
Limited number of tables available: First come, first served. All company personnel must register – either “Full” Registration or “Saturday Only” Registration. Literature and small parts only – these are not exhibit booths. No electricity available! You must hand carry your display and set up in less than 30 minutes.
PLANT TOUR ONLY (Note: The plant tour is included in a “FULL” registration): $40 (U.S.) per person in advance; $50 (U.S.) at the door.
Optional EVENT: Sunday “Joe Davis” Workshop (W): APRA/EPA Member Price: $100 (U.S.) per person Non-Member Price: $125 (U.S.) per person
Attendees
Circle Registration Type
Name: ___________________________ Email: ___________________________
Company: ___________________________
Address: ___________________________
City: ___________________________ Zip/Postal Code: ___________________________
Country: ___________________________ Phone: ___________________________
Fax: ___________________________
Additional attendees from same company
Circle Registration Type
Name: ___________________________ Email: ___________________________
Company: ___________________________
Address: ___________________________
City: ___________________________ Zip/Postal Code: ___________________________
Country: ___________________________ Phone: ___________________________
Fax: ___________________________
Payment
APRA/EPA Member Non-Member Total
FULL Registration $140 x number of people $165 x number of people
SATURDAY ONLY Registration $110 x number of people $135 x number of people
Supplier Table $90 per table Not available to non-members
Plant Tour Only $40 x number of people $40 x number of people
Joe Davis Workshop (W) $100 x number of people $125 x number of people
GRAND TOTAL $_________________________
Paid by: ☐ Check (Make checks payable to APRA in U.S. funds.)
Charge my: ☐ Visa ☐ MasterCard ☐ American Express
Card No. ______________ Exp. Date ____________
Print Cardholder’s Name ___________________________ Signature ___________________________
Registration cancellations must be received by APRA no later than 5/08 to qualify for a full refund. Cancellations after that date will be subject to a 20% processing fee. No refunds will be made unless written request is received by 5/23/08. Refunds take up to 4 weeks to process. Hotel Reservations: The Crowne Plaza Hotel at the Crossings is offering attendees a discounted room rate of only $139 single/double. To reserve your room, call the hotel reservation Desk at 1-801-732-6000 and mention you are attending APRA’s Electrical Clinic to receive the discounted room rate. Reservations MUST BE NO LATER THAN 5/23/08. Hotel cancellations must be made directly with the Crowne Plaza Hotel. Return to APRA 1) Fax: 703-968-2878 or 2) Mail: 4215 Lafayette Center Drive, Suite 3, Chantilly, VA. 20151-1243
May 2008
APRA GLOBAL CONNECTION
The Crowne Plaza Hotel at the Crossings • 801 Greenwich Avenue, Warwick (Providence), Rhode Island
3:00 p.m. – 4:30 p.m.
SESSION V: Mohammad Samii, Samii’s Auto Electric Service
3:00 p.m. – 4:30 p.m.
Panel Discussion/Q & A
4:30 p.m. – 5:00 p.m.
Closing Remarks, Dennis Jacinto, Lester Catalog
5:00 p.m.
SUNDAY, MAY 18, 2008
8:00 a.m.
Registration for Optional Workshop
8:30 a.m. – 5:30 a.m.
New Starting & Charging Systems and Tips on Rebuilding - Joe Davis Workshop This information-packed class will help you and your employees stay abreast of the latest changes in alternators and starters. You’ll pick up valuable tips on rebuilding them that will save you time and money.
Hotel Accommodations: The Crowne Plaza Hotel at the Crossings is offering Electrical Clinic attendees a special, discounted room rate of only $139 single/double. To reserve your room, call the Crowne Plaza’s Reservation Desk at 1-801-732-6000 and mention you are attending APRA’s Electrical Clinic to receive the special rate. Hotel cancellations must be made directly with the Crowne Plaza Hotel.
HURRY, the hotel cut-off date is April 21st.
Fires Spread Quickly and Burn Hot . . . Courtesy of Flammable Liquids

The headlines read, “Local Business Destroyed by Fire” or “Gasoline Fumes Ignite Three-Alarm Blaze.” It is a common occurrence at businesses and homes throughout the country, especially during the winter months.

It is important to remember that open containers of gasoline, paint thinner and other solvents give off vapors that travel along floors and walls searching for an ignition source. Doors are closed and windows are sealed when it’s cold outside. Less fresh air moving through a building increases the quantity of flammable vapors and, consequently, the likelihood that they will combine with an ignition source. In most businesses, there is no shortage of ignition sources: pilot lights on water heaters and furnaces, welding equipment, discarded cigarettes, static electricity, sparks generated while grinding and the hot filament inside a light bulb that is exposed when broke.

The following guidelines may help you prevent fires at your business:

**Gasoline**

Proper handling and storage of gasoline is essential. Gasoline has a flashpoint of -45°F, and a mere 1.4 percent of gasoline vapors in the air (by volume) constitutes an explosive mixture. This is clearly a dangerous material that must be treated with respect.

- Never use gasoline as a solvent. There are many other less flammable alternatives.
- Store gasoline outside the building whenever possible.
- If it must be stored inside, keep gasoline in FM or UL approved receptacles.
- Always transfer gasoline out of tanks prior to removing them from the vehicle.
- Gasoline transfer operations should be conducted outside.
- Transfer the gasoline using an approved gas caddy or equivalent, never into open containers.
- Clean up all spills as quickly as possible.
- Avoid using incandescent utility fluorescent lights are safer.

**Paints and thinners**

Paint thinner has many of the same properties as gasoline and must be considered equally as dangerous. Many paint and body shops have up to five or six 55-gallon drums of fresh and waste thinner inside their building. Under these circumstances, there is little hope of controlling or extinguishing a fire once it starts. Fire prevention fundamentals include:

- Store all unopened drums or containers outside the main building to separate the flammable liquids from valuable assets: spray booths, vehicles, tools and equipment.
- Use a small, properly equipped and detached building for storing all flammables.
- In conjunction with outside storage, limit quantities of flammable liquids in the work area to one day’s supply, and store them inside approved flammable liquid storage cabinets.
- If flammables must be stored inside your primary facility, build a flammable liquid storage room or install a prefabricated room.
- Inside storage rooms must be equipped with explosion-proof electrical equipment, a 24-hour mechanical ventilation system, a self-closing door, and a fire-suppression system.
- Attach ground wires to open drums to eliminate electrical potential between the drum and ground.

Otherwise, there is a potential for generating electrical sparks.

- Provide bonding straps for connecting the drum and the container into which the thinner is being transferred in order to eliminate electrical potential between the two.
- Do not leave open containers of thinner sitting on tables in the paint mixing area. This common practice dramatically increases the potential for a fire.
- Storage and dispensing areas must be posted as “No Smoking” areas.
- Brake cleaner dispensed from 55 gallon drums has become common-place in automotive repair garages. This substance is as dangerous as gasoline or thinner and should be stored and dispensed as described above.

**Solvents and degreasers**

Although most highly flammable solvents have been replaced by “safety solvents,” some are still dangerous as gasoline or thinner and should be addressed in your fire prevention efforts. Parts washers are common in the automotive industry, as are brake cleaners, carburetor cleaners, etc.

- Ask suppliers to provide alternative materials.

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**What if an insurer really understood your business?**

At Zurich (formerly Universal Underwriters Group), we have extensive experience insuring businesses like yours. Our account executives understand remanufacturers and the unique exposures you face. To help you manage these risks, we offer specialized products and services designed to meet your needs. In the event of a covered loss, our claims professionals have the knowledge to help you get back in business as soon as possible. Because of our experience, specialization and commitment, our customers can feel better protected.

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- Fleet Auto • Umbrella • Pollution Liability • Workers’ Compensation • Life • Group Health

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**Bosch Exec Predicts Vehicle Safety Will Be the Future Focus for Automotive Electronics**

According to the National Highway Traffic Safety Administration (NHTSA), vehicle-related fatalities have remained constant for nearly a decade, totaling approximately 40,000 deaths per year. Advancements in vehicle safety, designed to help reduce that alarming statistic, hinge on the research and development of advanced electronic technologies.

According to Jason Forcier, president North America, automotive electronics, Robert Bosch LLC, vehicle safety will be the top focus in automotive electronics technology in the future.

“Our premise is simple—vehicle safety is the next frontier for automotive electronics,” said Forcier. “Active safety technologies like forward collision warning, predictive braking and lane departure warning are helping to improve a driver’s safety by completely avoiding or decreasing the severity of crashes.”

On Tuesday, April 15, Forcier participated on an “Electronics: Expectations and Opportunities” panel at the 2008 SAE World Congress, where he discussed this topic as well as industry expectations of advanced electronics. In addition to Forcier’s discussion at the 2008 SAE World Congress, Bosch hosted “AUTOSAR at Bosch,” on Monday, April 14, at the Marriott Detroit Renaissance Center hotel, discussing how the Automotive Open System Architecture (AUTOSAR) will be introduced in Bosch products.

Bosch says its automotive electronics division is committed to raising the bar on vehicle safety through linking various safety innovations. The company’s Vehicle Motion & Safety (VMS) is one example of this effort. VMS creates a network including all systems and components relevant to vehicle motion, which often are already available in the vehicle. The resulting functions will have the ability to inform, alert and support the driver as the situation requires, or even to intervene independently in emergencies. This will further optimize driving safety, comfort and agility, according to Bosch.

“In addition to innovation, collaboration is essential for advancing safety,” said Forcier. “The industry—automakers and suppliers—as well as legislators, regulators and consumer advocacy groups must work in unison to achieve technology neutral legislation and a common understanding among consumers of the benefits of these safety technologies.”

Source: aftermarketnews.com

**Remy International Announces Full Year 2007 Results**

Remy International has released its Annual Report for 2007. Highlights of the company’s consolidated financial results for 2007 include revenues of $1,129 million, EBITDA of $331.1 million and capital expenditures of $15.5 million. Gross profit less SG&A for 2007 was $30.6 million, compared to $(0.3) million for 2006. These results exclude the M&M Knopf Auto Parts business that was divested in 2007 and recorded as discontinued operations. In 2007, the company also completed the sale of its diesel business, which had been classified as discontinued operations in 2006.

The company emerged from Prepackaged Reorganization on Dec. 6, 2007, and adopted fresh-start reporting in accordance with The American Institute of Certified Public Accountants; Statement of Position 90-7. Accordingly, the company said its consolidated financial statements on or after Nov. 30, 2007 (emergence effective date) are basically those of a different enterprise and are not comparable to its pre-emergence consolidated financial statements.

“Our original equipment (OE) operations benefited from improved pricing with key customers,” said John Weber, president and chief executive officer of Remy International, Inc. “In addition, the transfer of our Heavy Duty Reman operations in conjunction with the sale of Franklin Power assets to Caterpillar, resulted in significant cost reductions. Remy’s 2007 increased focus on price realization in its various markets also delivered more consistent results in the light duty and heavy duty aftermarket. New product introductions and performance stability in our Aftermarket Business, offset faster and deeper than expected declines in the Heavy Duty market due to changes in 2006 EPA standards. Our critical global savings plan projects achieved the expected level of cost savings for 2007. We are pleased with these results delivered in the midst of a quick but disruptive Prepackaged Reorganization proceeding.”

**Midland Manufacturing Opens Skokie Reman Plant**

Tank-car valve and equipment supplier Midland Manufacturing will unveil a new valve remanufacturing facility May 1 in Skokie, Ill. The company plans to hold a grand opening ceremony at the plant. A division of OPW Fluid Transfer Group, Midland recently created a valve remanufacturing program to enable customers to re-qualify their Midland tank-car valves and restore them to like-new condition.

**Melling Engine Parts, Dura-Bond Receive Award from Jasper Engines & Transmissions**

Melling Engine Parts and Dura-Bond, a division of Melling Tool Co., were recently recognized as Preferred Partners of Jasper Engines & Transmissions in 2007. The two companies were presented awards for their partnership during the Jasper Engines & Transmissions 21st Annual Preferred Partners Banquet on March 19.

Jasper’s Preferred Partner Award is presented annually to recognize the company’s Partners in Success. Recipients are nominated by an individual within the purchasing, quality, manufacturing or payables divisions of the Jasper organization and are judged on quality, service, fill-rate, response time to a problem and billing/credit procedures, among other criteria. Approval from all of the above mentioned divisions is required for selection as a Preferred Partner.

“It is an honor to be a Preferred Partner to Jasper for the last three years and to know that our focus on product quality, product innovation, technical support and customer service are recognized,” said Mark Melling, CEO of Melling Tool Co.

**Nobuaki Katoh to be Elected DENSO President in June**

DENSO Corporation today announced plans to elect Nobuaki Katoh as new president and CEO after the annual shareholders meeting in June. Current President and CEO Koichi Fukaya will be promoted to vice chairman and Akihiko Saito will remain as chairman.

“I am both honored and determined to lead DENSO to further success as we manage the many challenges in today’s rapidly changing global business environment,” Katoh said. “I am dedicated to strengthen- ing DENSO’s global network to meet the needs of the expanding automotive industry and our customers worldwide.

“I also believe an essential part of my job as president will be to increase our focus on corporate social responsibility, such as ensuring company transparency and addressing global environmental issues.”

Katoh joined DENSO in 1971, after earning a bachelor’s degree in Business and Commerce from Keio University in Tokyo.

After serving as general manager of the Air-Conditioning Planning and the General Planning departments, Katoh was named one of DENSO’s managing officers in June 2004. He became president of DENSO’s
European headquarters in June 2005.

In June 2007, Katoh was promoted to senior managing director responsible for DENSO’s Corporate Center and Thermal Systems Business Group. His responsibilities included planning and implementation of corporate management strategies.

Fukaya has served as DENSO’s president and CEO since June 2003. During his presidency, DENSO expanded its facilities globally, including Japan, China, Europe and North America.

“It has been my honor and pleasure to serve as DENSO’s president for the past five years,” said Koichi Fukaya, current president and CEO of DENSO Corporation.

“Katoh has extensive experience and knowledge of corporate planning, product group management and international leadership, and these are the skills I believe are needed to lead DENSO in further business expansion around the world.”

Remy President Addresses Five Challenges in HD Market

Remy, Inc. President Jay Pittas addressed five key challenges to today’s heavy duty market at the recent Mid America Truck Show in an address to the Heavy Duty Representatives Association (HDRA) Annual Meeting.

The five challenges that Pittas outlined were:

1. Paying for Changing Technology – Financing heavy duty technology changes and recovering technology costs on a timely basis has been recently highlighted by the credit crunch. “Vehicle assemblers more often look to the supplier community to help solve new design problems. The challenge for the supplier is to partner with customers and still produce an ROI that is acceptable to stakeholders,” said Pittas.

2. Electrification of Vehicles – In response to demands for higher fuel economy, vehicle manufacturers are increasing the electrification of vehicles. “To get these high output alternators into high volume production and meet manufacturers’ expectations for cost and durability is the challenge,” said Pittas.

   “We think traditional alternator designs can fill this demand up to about 300 amps or so. By the time we get to higher power demands, more than likely we will get into hybrid and other technology solutions to fill this demand,” concluded Pittas.

3. Expanding Technician Shortage – As technology continues to evolve, the need for more qualified technicians to work on the new products and diagnose fresh technologies at all steps in the supply chain (fleets, dealer and independent distributor) is critical.

   “The burden of field training will rely on the supplier… to have service schools, traditional print and web based training packages. We must additionally offer training through vocational schools,” said Pittas.

4. Qualified After-Sales Support – This is just as important as the technician shortage. “Manufacturers must provide their aftermarket customers with tools to help solve complicated problems with the right product to its customers,” said Pittas.

5. Globalization – ‘Good old days’ were simpler; with US truck manufacturers supplied by US components. Now it is global truck producers with globally sourced components. Global economy demands global engineering and technology response, especially in fast moving areas of product development like:

   • Emissions
   • Powertrain
   • Braking
   • Electrical Platforms and System Architecture

Pittas concluded by saying, “Remy has faced all of these challenges and has responded in various levels of success. The key is going to be moving forward, to have continuous improvement and improved business process and planning. ‘Thrive – not just survive’ – needs to become the mantra going forward for suppliers to today’s heavy duty market-place.”

The remanufacturing industry helps the environment in a number of different ways:

   • Energy Conservation
   • Raw Material Conservation
   • Landfill Space Conserved
   • Air Pollution Reduced

Imagine the added benefits to society if EVERYTHING we buy could be remanufactured. Also imagine products were originally manufactured with the sole purpose of being rebuilt and not thrown away…

KwikFinder’s Lighting the Way

NEW PIC & Application Guides
CD, DVD & Web Applications
Custom Data Interchanges
Branded Parts Catalogs/Guides
KwikFinder Web Integration
E-Commerce Websites
Website Strategy & Design

Lester in R.I.
APRA Electrical Clinic
May 16-18, 2008

Lester Catalog Company, Inc.
9850 Hillview Road | PO Box 1268 | Newcastle, CA 95658
Ph: 530.823.0963 | Fax: 530.823.2150 | Email: info@lestercatalog.com | Website: www.LesterCatalog.com

Publishers of KwikFinder Software™
& custom auto electric aftermarket guides
Warsaw Expo
continued from page 1

The European Board gathered for a meeting prior to the opening of the exhibits on April 14th. Attending the Board meeting were (left to right) Bill Gager, Thomas Egelstig, Michal Adamiec, Peter Larson, Jaroslaw Goro, Ejgil Harbo, Rolf Steinhilper, Fernand Weiland, Harold Benninger and Alain Leroy.

As you can imagine, most of the attendees found out about the Exhibition through the internet, emails from other rebuilders and suppliers, the Global Connection newspaper, as well as word-of-mouth advertising. It is not possible to just go somewhere and find a list of rebuilders and potential customers in this part of the world. But it is a beginning and the Exhibition will just grow from here.

The remanufacturing industry in Central and Eastern Europe and Russia is rapidly growing across all product lines—engines, transmissions, electrical, steering, electronics, brakes, clutches and air conditioning.

Exhibitors I interviewed were very pleased with the turnout, in fact they were amazed at the turnout! I think all of us went into this exhibition on a “wing and a prayer” and were pleased with the results. The exhibitors commented to me about the many new faces and potential customers they met and how this exhibit will help them open up new markets for their products.

We will look back in ten years and be amazed at the way the market grew and the exhibition grew. All those members of APRA’s European Division and in particular, Fernand Weiland, deserve a great deal of credit for having the vision to pursue this new effort.

The Symposium
Over 130 people signed up for this year’s European Symposium in Warsaw which was held the day after the Exhibition. We offered both Polish and Russian translation since the Symposium presentations were all held in English. With all the headsets and the translation booth it felt like we were all at the United Nations!

The presentations covered a variety of product lines from diesel fuel injections, transmissions, electronics, engines and cleaning technology. Some of the presentations will be highlighted in future issues of the Global Connection so that those not in attendance can get a flavor of what took place.

The aisles were crowded with visitors to the booths all day long. The estimated crowd was over 300 people.

Remanufacturing Logos Do Not Need to be Removed

Editor’s Note: This is a reprint of an article that ran in the September 2007 Global Connection.

In its December 14, 2006 judgment (see below), the German Supreme Court (BGH) has decided that the remanufacturer who remanufactures an original part does not have to remove the original logo as long as he marks the component clearly with his own logo.

For many years APRA has proposed such a process, but has also proposed to add the words “remanufactured by.” Even if the judgment does not specify these additional two words, there are cases where it will be helpful to do so.

Title of the judgment:
ZR 11/04; Verkündet am: 14.12.2006
Bundesgerichtshof

To read the judgement in its entirety (in German) please go online to http://www.recht-in.de/urteile/urteilzeigen.php?u_id=135199

*Note: For more information about this, please look to page 5 of the October 2007 issue of ReMaTec News magazine.

For information about the activities of the European APRA Division please visit: www.apra-europe.org

Over 130 people attended the European Symposium in Warsaw, Poland on April 15th. The crowd listens intently to one of the speakers.

ReMaTec News, the international news magazine for the automotive remanufacturing industry worldwide, has named Johan van Gerven (left), Owner and Managing Director of MRT Engines, The Netherlands and MRT Poland, Remanufacturer of the Year 2008!
Before and After: Comparing Energy Bills

Making a decision to install a used-oil recycling furnace is like drilling and stroking oil. As an example; one company’s decision who switched in 1998. They paid to have 11,000 gallons of used motor oil removed from their facility each year. Today, with four furnaces in place, they remove just a 55 gallon drum of used-oil yearly. And, more impressively, they abandoned their old boiler system and have had flat energy bills for the past ten years while using energy from the recycled oil to heat their 40,000 square foot service center and showroom.

“We recycle almost 10,000 gallons of used-oils each year with our used-oil units,” reported the manager. “The energy savings are significant. However, the most important aspect is that we’ve eliminated our liability for transporting the used-oils to a disposal site and we’re doing something positive for the environment.”

Another example; in 2006, a company was spending $4,000 yearly in gas heating costs. Since adding their used-oil furnace, they reduced gas usage by 87 percent. The Lafayette, Indiana seven-bay auto center has just added a second furnace and expects even greater energy savings in the future.

A “before and after success story” for recycling used-oils with used-fuel units comes from a company in Logan, Ohio. They reported that the two furnaces purchased in December of 2007 recycled 6,000 gallons of used oils in just three months, saving the company more than $28,000 in diesel fuel. “These units will more than pay for themselves within the first year. Our company deals with a large amount of heavy equipment, drilling rigs and trucks. They produce an exceptional amount of used-oil during their maintenance. Now we’re transforming that used-oil into free heat for our 13,000-square foot shop operations.”

There are thousands of used-oil furnaces and boilers located throughout the world that burn approximately 120 million gallons of used-oils each year on-site, at the point of generation. This volume of used-oil would otherwise be transported on highway systems and pose a considerable risk to spills and/or contamination to the environment.

One of these manufacturer’s of used-oil heating equipment Clean Burn holds numerous industry certifications and works with the U.S. government, the Environmental Protection Agency and various associations to help coordinate the establishment of standards and regulations related to heat recovery and recycling efforts involving used motor oils. For more information on Clean Burn, visit www.cleanburn.com or call 1-800-331-0183.

The Legal Risks of Selling Online
What to Include in User Agreements

Even two years after the dot-bomb explosion, new Web sites spring up offering products and services from second-hand motorcycles to personal dating services. For more information on Clean Burn, visit www.cleanburn.com or call 1-800-331-0183.

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and ultimately a new customer.

Every store owner has come across the negotiator. This person haggles for the price of anything they deem to be negotiable. Although salespeople become proficient at working with customers who like to negotiate, it does take time and energy.

Keep in mind that bidders are competing against each other during an active listing for your part or accessory. These types of buyers expect quick responses to their questions about price, features and functions to feel more confident in their bids. If these buyers don’t receive an immediate response, more than likely they may move on to the next listing. The more accurately you answer each question, the more likely you will be able to turn window shoppers into buyers.

Always present your company in a professional manner. Your online presence is an extension of your store – it is critical to maintain a professional, trustworthy atmosphere in all your online listings. Be sure to incorporate the same logo, colors and graphic style in your listings that you use in your store signage and marketing materials.

A variety of customer types will view and purchase your parts and accessories. How you work with those potential customers and turn issues into offers will vary online and should be approached slightly different than in your face-to-face dealings.

Keep in mind that every inquiry on eBay Motors is a potential buyer and therefore is a relationship that needs time and care on your part to build that question or offer into an understanding and ultimately a satisfied buyer. A buyer with a question who receives a well thought out answer can turn into a repeat customer.

If the customer is taking the time to ask questions and to bid, then that person has an interest in the product and may become a buyer, if not with your product then somewhere else. The challenge is to provide comprehensive information and answer questions in a timely manner to build buyer trust online.

Answering questions and being open to negotiation will help build sales, develop a reputation as an online seller, and ultimately, enhance potential profits by encouraging more buyers to bid more confidently.

Following are examples of potential eBay Motors buyers and how a seller can turn each inquiry into an opportunity to receive questions from potential buyers and respond while the listing is active and after the sale when details of the transaction are finalized.

Sending an email to anyone who has bid on your listing is an easy process. Clicking on the “Bid History” link on your listing page will take you to the Bid History page, where you’ll find a list of all the potential buyers who’ve made a bid. You can then contact any of them by simply clicking on their user names.

In addition to verifying buyer interest and intent, customer contact also helps generate leads, add sales and can up-sell products such as complementary parts or accessories by encouraging more buyers to bid more confidently.

When someone bids on one of your listings, it’s a good idea to check the prospective buyer’s feedback rating and comments. If questions arise, the seller should contact the buyer to resolve any potential issues before the sale. Moreover, initiating contact can draw out any questions prior to the sale, allowing the seller to answer questions early in the sales process.

Whether just getting started, expanding your business online or if you are looking for ways to increase success or selection of products online, it’s a good idea to research similar parts and accessories, competitors and historical data to gain an accurate sense of the virtual marketplace.

It may seem like a vast universe, but search engines can narrow the playing field by displaying your listings prominently through search engine optimization and marketing, features that third-party marketplaces actively track and measure.

When creating listings for your online store, be sure to include, clear images and detailed descriptions with all payment options clearly displayed. Once established with online listings and sales, be sure to communicate frequently and regularly with potential buyers, which can increase sales and lead to a positive reputation for an Internet business.

A clearly designed plan and execution, coupled with research, can produce a successful online business for automotive parts and accessories sellers.
NEW PRODUCTS & SERVICES

AIRM Adds 1,300 Images to eCatalog

AIRM, supplier of new and remanufactured starters and alternators, recently added an additional 1,300 images to its eCatalog. The alternator and starter images are for automotive and non-automotive applications from 1952 to 2008. AIRM now has over 17,000 images in its eCatalog that correspond with application data, OEM numbers and supplier interchange numbers.

For more information on AIRM’s eCatalog, visit www.airmpowertrain.com or phone 800-366-3246.

New Rectifiers from Regitar

4 new rectifiers to service Denso “Hair Pin Stator” alternators on Chrysler products can be ordered at REGITAR-USA, call 334-244-1885 or 877-734-4827.

• For Lester 11063, 13868, 13870, 13871, 13912, 13913, REGITAR Part Number RN-29
• For Lester 13867, 13914, 13923, REGITAR Part Number RN-30
• For Lester 13901, REGITAR Part Number RN-31
• For Lester 11034, 13994, REGITAR Part Number RN-34

Duramax® Training

Team AVL, Automotive Video, Inc., a leader in DVD training, has released their newest diesel diagnostics for the Duramax 6.6L® engine. Instructor Tony Salas covers the differences between the LB7 and the LLY applications scan tool diagnostics of each subsystem, operation of the fuel system, variable nozzle and wastegate turbocharger systems and much more to help you be more profitable when working on these engines. For more information call Automotive Video at 800-718-7246, ext.233, or visit www.auto-video.com.

Fast-Track® Troubleshooter from Snap-on Now Covers Airbag and Body Systems with Experience-Based Information

With Software Bundle 8.2 from Snap-on Diagnostics, technicians can now use the Fast-Track® Troubleshooter feature on their Snap-on® MODIS™, SOLUS PRO™ or SOLUS™ handheld tools to access new airbag and body trouble codes.

“We are expanding our experienced-based information to include airbag and body computer support in the same Troubleshooter format that technicians have seen for years in engine, drivability, transmission and ABS,” says Chris Hockett, technical marketing specialist at Snap-on Diagnostics. “There has been an explosion of new trouble codes that body and airbag systems can store, and these new developments in Troubleshooter will help guide technicians through repairs after reading the codes that are set.” For more information, visit diagnostics.snapon.com.

GM Spark Plug Boot Completes Ignition Wire Set

A new General Motors spark plug boot that is used on all V8 engines since 1997 and V6’s from 1998, and completes the Ecco product line of after-market ignition wires for these applications is being introduced by ETCO, Incorporated of Warwick, RI.

The GM Spark Plug Boot from Ecco is made of silicone, rated for “mnm cable and exactly matches the original GM equipment. Suitable for all V8’s since 1997 and V6’s from 1998, it completes Ecco’s product line which includes a spark plug plug terminal, a terminal for the coil end, and boot for the coil end.

Supplied in standard black color, the GM Spark Plug Boot from Ecco could be molded in custom colors and in a high temperature rated silicone for high performance applications. Ecco Automotive has been manufacturing ignition components for over 25 years and is ISO/TS 16949:2002 certified.

Four Seasons Inc. Offers Latest Problem Solving Solution

As the leader in the automotive HVAC industry, Four Seasons Inc. offers technicians its latest problem solving solution:

Problem: “I just broke the pressure switch for my 03 GMC Van and with every other supplier, I have to replace the entire compressor. Is the switch available separately?”

Solution: Yes, Four Seasons now offers a separate replacement compressor switch, part number 20055, which is NOT available from the OE supplier. Switch, part number 20055. With this, you don’t need to replace the entire compressor.

On applications with a purple or orange switch, Four Seasons offers a replacement switch, part number 20055, which is NOT available from the OE supplier. This switch

continued on page 30

FLEET STARTERS

FORD 5.0L/5.8L WATTS
DENSO OSGR 11T 11.8KWM

#28000-8432

#42000-5120

#42000-2690

#42000-1811

#42000-4430

#42000-4440

#28000-3511

#28000-5463

#28000-5230

#42000-5310

#42000-1600

#28000-7371

MD INDIANAPOLIS

PRESTOLITE LEECE-NEVILLE VANNER POWERLINE COLE HERSEE DENSO ASSOCIATED ELECTRODYNE ECO-TECH C.E. NIEHOFF PENNTEX NIKKO HITACHI GOODALL REMY ISKRA MITSUBISHI

FLEET STARTERS

FDRO 5.0L/5.8L WATTS
DENSO OSGR 11T 11.8KWM

#28000-8432

#42000-5120

#42000-2690

#42000-1811

#42000-4430

#42000-4440

#28000-3511

#28000-5463

#28000-5230

#42000-5310

#42000-1600

#28000-7371

INTERNATIONAL 744E
DENSO OSGR 12V 11T 4.9KW

#28000-3511
2008 Heavy Duty Brake Clinic
June 26-27, 2008 • The Holiday Inn Charleston Airport & Convention Center • Charleston, South Carolina

APRA Member Registration Fee:
$175 (U.S.) per person; $185 (U.S.) at the door.
Fee includes Thursday meeting and meeting materials, Thursday cocktail reception and dinner, Friday breakfast and plant tour transportation.

Non-Member Registration Fee:
$215 (U.S.) per person; $225 (U.S.) at the door.
Fee includes Thursday meeting and meeting materials, Thursday cocktail reception and dinner, Friday breakfast and plant tour transportation.

Attendees
Name: ____________________________ Email: ____________________________
Company: ____________________________
Address: ____________________________
City: __________________ State/Province: __________ Zip/Postal Code: ________
Country: __________________ Phone: ______ Fax: ______

Additional attendees from same company:
Name: ____________________________ Email: ____________________________
Name: ____________________________ Email: ____________________________

Payment
In Advance At the Door Total
APRA Member Registration $175 x number of people $185 x number of people
APRA Non Member Registration $215 x number of people $225 x number of people

GRAND TOTAL

Paid by: ☐Check (Payable to APRA in U.S. funds) Charge my: ☐Visa ☐MasterCard ☐AmEx

Card Number: ____________________________ Security Code: ________ Exp. Date: ________

Print Cardholder’s Name ____________________________

Registration Cancellation Policies: Registration cancellations received prior to June 16th entitle registrant to a full refund of APRA registration fee. Registration cancellations after that date are subject to a 20% processing charge. NO REFUNDS will be made unless written request is received by July 8th. Refunds take up to 4 weeks.

Hotel Reservations and cancellations: Call the Holiday Inn Charleston Airport and Convention Center at 1-843-576-0300 and ask for reservations. Identify yourself as being with the APRA Group code –PRA, or ID Block 73984 to receive the special, discounted room rate of only $115 single/double.

Moving?
Let us know if there has been a change of information regarding your company. New address, new employees, new emails...
Send your changes to: Marlene Koskinas, APRA, 4215 Lafayette Center Drive, Suite 3, Chantilly, VA 20151-1243; Fax 703-968-2878 or email marlenek@buyreman.com

APRA Member Registration Fee: $175 (U.S.) per person; $185 (U.S.) at the door.
Fee includes Thursday meeting and meeting materials, Thursday cocktail reception and dinner, Friday breakfast and plant tour transportation.

Non-Member Registration Fee: $215 (U.S.) per person; $225 (U.S.) at the door.
Fee includes Thursday meeting and meeting materials, Thursday cocktail reception and dinner, Friday breakfast and plant tour transportation.

Don’t book flights prior to 1:45 p.m.

Hotel Reservations:
Call the Holiday Inn Charleston Airport and Convention Center Hotel at 1-843-576-0300 and ask for reservations. Identify yourself as being with the APRA Group code –PRA, or ID Block 73984 to receive the special, discounted room rate of only $115 single/double.
common complaints we hear, and usually include:

• Breakdowns during a new product launch are the most

The Science of Launching a New

by Tom Marx

How many times have you been blind-sided when a new product launch doesn't go the way you planned?

Doesn't it often seem that despite the attempts to organize the process, there are always a few contingencies you had not foreseen?

Breakdowns during a new product launch are the most common complaints we hear, and usually include:

• The marketing team didn't start early enough and now we have too much inventory.
• The marketing team started too early. Now we have all these backorders and our competitors are starting to offer a similar product.
• The sales team didn't really understand key attributes of the product, so sales have started off much slower than we expected.
• The packaging looks great, but it's late and it's missing some unique product features.
• One key customer looked at the product and said “Your product does the same thing as the xxx from XYZ Company, but is priced 20% higher.”
• We missed the deadline for the catalog, so it will be months before our customers know how they can place an order.
• There was all this confusion about who signs off on product attributes, who manages the launch and how pricing gets approved.

These issues can certainly happen in any company. But, there's no need to repeat them. What if you could initiate a process that makes product launches far more effective?

A Product Launch That Worked - The Apple® iPhone TM

Only on the market now for just over 45 days, many marketing gurus have already called Apple’s iPhone the best example ever of a well-orchestrated product launch. Think about it: over ⅔ of a million phones sold and activated in three days! Remember all the buzz and hype? Do you know ANYONE who wasn't wondering what the iPhone would REALLY do? Was there ANYONE not talking about it? Hey, it's a phone, almost as ubiquitous as a brake pad, an oil filter or a Starbucks outlet.

It was fascinating watching people stand in line for a day or more to be sure they could buy a $499 or $599 cell phone before the retailer ran out (which almost none of them did). Heck, if you waited a few hours in our neighborhood (San Francisco Bay Area, where technology RUNS our lives!), you could just walk up to the counter and walk away with the phone of your choice.

How did Apple do this? How can ANY company pull off this kind of seamless, highly exciting product launch, despite a number of well publicized glitches?

I learned from an associate I know at Apple that it all runs together -- and served multiple functions:

• It required interdepartmental collaboration from the inception.
  • By using a shared checklist, product management, sales, marketing, finance and customer service all had to share their input and stay on top of their roles.
• It helped focus marketing and other teams on deliverables and timelines.
  • Promises of “by when” and “by whom” required real-time communication and collaboration.
• Research came before action (remember Ready-Aim-Fire?).
  • Research needs to uncover competitive products, pricing and market timing so manufacturing would know the inventory required for the launch.
• The sales model was enhanced.
  • The sales team, sales reps, customer service and distributors need to be trained to ensure timely shipping, knowledgeable customer and technical support, and so on.
• Everyone knew where the process was at any given point in time.
  • Upper management and other stakeholders could access the same information in realtime, which meant when it came to revenue forecasting, there were few surprises.

This level of collaborative thinking is easier to implement than you might think. In fact, you do not have to be a multi-billion dollar enterprise like Apple to take advantage of the same kinds of collaborative technology. Software like Microsoft’s Project and online collaborative databases like salesforce.com are available for almost every size company.

We're good at setting up and even managing this kind of process and we'd be happy to help. But whatever you do, do it now. Prevent those costly catastrophes from occurring - before your next big launch!

Tom Marx, President and CEO of The Marx Group, is well known throughout the aftermarket for marketing insights and strategies. He authors TMG's monthly marketing newsletter, Catalyst. To have the newsletter delivered to your inbox please subscribe at www.themarxgrp.com/email_signup.html. (Your email address is confidential and will only be used for Catalyst.)
Mohammad Samii
continued from page 1

“...I gained a lot of experience with electrical, jet propulsion and hydraulics,” said Samii.

He served ten years as an officer before resigning his commission. He came to the
U.S. permanently in 1972 after getting married to Colleen.

Samii says getting into the automotive field was kind of an accident. “It was at
the time when electrical and electronics were basically moving into automotive
applications,” explained Samii. “The typical shop mechanic at the time did not have
any knowledge of electronics.”

He said his background from the aviation industry in electronics helped him
progress quickly as he worked for other
shops and managed other people's
businesses. He finally started his own

His company is now housed in a modern
6500 sq. ft. facility with eight bays that can accommodate larger vehicles. Sammy’s
Auto-Electric Service specializes in
charging/starting system diagnostic and
repair. The company provides complete
auto electric service such as the repair of
wiring, as well as replacement of switches,
control modules and dash components.
Sammy’s Auto-Electric Service has
computerized state-of-the-art alternator
and starter test benches that can analyze a
variety of component parameters and
issue performance reports. The company
also utilizes PC-based scope and scan
tools.

Helping Other Shops

Much of his business now is helping other
repair shops. He supplies locally to about
dozens shops. Samii said the shops don’t
necessarily buy his custom rebuilt units
because of the price, but due to the quality
his shop can provide. He says it’s all about
saving the shops the time.

“The other thing I provide is technical support, which for them is not that readily
and easily available if they bought their parts from other parts stores,” related
Samii. “That’s why they can give me one call and I can solve the problem. If it is
more difficult, the shop can drive or tow
the vehicle to me and we can take care of it
for them.”

With three employees, Samii describes his
operation as “small.” His wife, Colleen, is
also involved with the business, where
she is the Vice President and manages
accounting. He says Sammy’s Electric
helps others with electrical issues that
“the average shop is either not willing to
or qualified to do.” It is things other shops
do not do such as “steering columns, dash
gauges and wiring issues.”

Samii says one of the greatest challenges that
shops face today is in the area of
electronic programming. He says even the
simplest task, like repairing a power
window switch is much more complicated
than it used to be.

“All in a day’s work. Samii rebuilds a
solenoid on the bench.

...don’t mind if I can help someone,” he
says.

As an advisor to the rebuilder market,
Samii says more and more electrical
rebuiders are looking to niche markets
for more business. He points to one growing
niche market: small engines. Further he
says, “rebuiders are trying to get into
industrial, agricultural, and other markets
to diversify what they do beyond cars
and light trucks.”

Samii says he’s grateful for what Bill Gager
and APRA has been doing for the electrical
division of the association. “Electrical
has been going through a big downfall
during the last 5 to 10 years,” explained
Samii. “APRA has made a great effort in
keeping everything together and to
deliver what they do beyond cars and
light trucks.”

Samii says he’s “very gratified for what Bill Gager
and APRA has been doing for the electrical
division of the association.” He enjoys it for fun but has
curtailed his hobby somewhat due to the high
price of gas. In addition, he has occasionally been invited by the nearby
University of Illinois to come to campus with other pilots to run flight simulators
for the purpose of data analysis.

At 64, Samii still enjoys playing tennis and
plans to keep doing it as “long as my knees hold up.”

During the upcoming APRA Electrical
Clinic in Rhode Island (May 16-18),
Mohammad Samii will analyze PCM
schemes for activation of various alternators, RVC, and will examine
different causes for the lack of proper
charge light operations in certain
applications. The rebuilding process for some newer alternators will also
be shown in a pictorial presentation.

Turn to page 16 to register.
Market Trends
by Robert J. Garino, Director of Commodities, Institute of Scrap Recycling Industries

Aluminum
LME aluminum prices held within a relatively narrow band through most of 2007, ending the year with a three-month average of $1.21 a pound. In the first quarter of 2008, however, aluminum has shown surprising price strength, with LME values reaching multihmonth highs thanks to well-publicized power shortages that are affecting primary production in China, the world’s largest producer, and other areas—except the United States. Buoyed by fresh assumptions of potentially significant production losses this year, sentiment has clearly changed regarding aluminum’s upside price potential in the near term.

Copper
Copper prices also turned higher midway through the first quarter, with exchange prices at multihmonth highs based on declining LME inventories, rising cancelled warrants, expectations of stronger copper demand from China, fresh involvement from investment funds, and—similar to aluminum—the effect of reduced supplies of refined copper. Supply issues, which dominated the copper market last year, appear to be continuing to influence red metal prices on the global commodity exchanges through the first quarter at least.

Iron and Steel
The global steel market will remain overly influenced by China’s production, consumption, and exports of raw steel to the West. Though most analysts expect another record year for Chinese production and consumption, fast-rising prices for raw material inputs (particularly iron ore and coking coal), energy shortages, and the Chinese government’s desire to close inefficient producers may temper the supply and, hence, the global balance. The domestic steel market, meanwhile, continues to benefit from relative supply tightness, which has bolstered finished steel prices faster than ferrous scrap values and overshadowed modest end-use demand by steel consumers.

Lead
The latest data from the International Lead and Zinc Study Group (Lisbon, Portugal) confirm that the global lead market ended last year with consumption once again growing faster than production. The statistical shortfall for 2007 amounted to 70,000 mt, marking the fifth consecutive year of supply deficit. Going forward, analysts expect the fundamentals, renewed interest from investment funds, and outright market speculation to underpin LME prices. That said, forecasters see new lead production this year increasing faster than demand, gradually moving the global market balance toward surplus as the year progresses. Many believe, however, that lead remains especially vulnerable to supply disruptions.

Nickel and Stainless Steel
Nickel demand and stainless steel consumption have shown little inclination to trend noticeably higher, despite earlier assumptions that the stainless steel boom phase was ending and that nickel prices would trend higher compared with year-end 2007. Notably, U.S. imports of stainless steel fell 8 percent last year. LME nickel inventories have held steady at around 48,000 mt, while nickel prices have lagged last year’s cash average of $16.86 a pound. Nevertheless, most analysts anticipate a second-quarter firming trend as domestic mills look to meet new stainless sales and replenish existing product inventories.

Paper and Recovered Fiber
For producers of softwood pulp, the first quarter of 2008 was steady and firm, with the NBSK North American price at a 12-year high of $880 a mt. The near-term fundamental picture, however, is one of modest demand offset by market pulp inventories that are at a 2½-year high, as buyers and sellers look toward the seasonally stronger second quarter. Market participants see little letup in demand or prices for recovered paper, especially with robust export orders from China setting the pace and creating unprecedented price differentials between the domestic and global markets.

Zinc
Compared with lead’s positive market prospects in early 2008, zinc’s fortunes have turned negative, most recently reinforced by ILZSG data that the global zinc market ended last year with a modest surplus. LME inventories subsequently have trended conspicuously higher in the first quarter, and LME cash prices in the first two months traded well below zinc’s 2007 average of $1.47 a pound. The consensus among commodity analysts is for zinc to move toward a significantly greater supply surplus this year, offering little encouragement for higher second-half LME averages.


Remanufacturing Automotive Mechatronics & Electronics
by Fernand J. Weiland, Chairman of APRA's Electronics & Mechatronics Division

Edited this book to inform the remanufacturing community on the upcoming product changes and encourage them to embrace these new technologies. Sections of the book include:

• Selected and Applied Test and Diagnosis Methods for Remanufacturing Automotive Mechatronics and Electronics,” by Stefan Freiberger, University Bayreuth
• “Sustainable Development by Reusing Used Automotive Electronics,” by Fernand Weiland, FIW Consulting
• “Remanufacturing of Mechatronic and Electronic Modules for Transportation Vehicles – Challenges and Opportunities,” by Rex Vandenberg, Injektionstechnik Australia Pty Ltd
• “Research of Internet & Scientific Databases on Reusing and Inspection of Used Electronics” by Fernand Weiland, FIW Consulting
• “Remanufacturing Electronic Control Modules – Evolution in Progress,” by Joseph Kripli, Flight Systems Electronics Group

Leveraged Gifts, A Big Tax Break for the Entire Family

Want to win the estate tax game? Think gifts. Leveraged gifts.

Lifetime gifts to your family represent a major tax-planning strategy. Gifts are an easy way to move assets within the family unit, remove future income from your estate, and provide for future generations. In the discussion that follows, all gifts are made by Joe (married to Mary) to his children or grandchildren.

Gifts divide family income by taking advantage of the zero or low-tax bracket of one or more family members. This gifting strategy accomplishes two sure tax savings: (1) income tax – transfers income (produced by the asset gifted) from Joe’s high bracket to the low bracket of his children and/or grandchildren, and (2) estate tax – the asset is removed from Joe’s estate.

Current law still provides these advantages: (1) the $24,000 ($12,000 for Joe and $12,000 for Mary) annual exclusion per donee, and (2) gift splitting with Mary removes one-half of the gift from Joe’s estate and Mary’s estate as well.

I’m about to use box car-dollar numbers to show you the power of leveraged gifts. Adjust the numbers (raise or lower the amount of the gift) to your liking. If you have children or grandchildren, you’ll like what you are about to read.

Here’s an example of a classic leveraged gift. Joe and Mary (both 60 years old) would like to enrich their six grandchildren. Instead of making $24,000 gifts each year to each grandchild, here is what they do. Joe and Mary create a wealth creation trust (an irrevocable life insurance trust that receives insurance death benefits free of the income tax and estate tax). They find out that they can purchase a $1 million second-to-die policy (pays after the second death of Joe and Mary) for a premium cost of only $12,709 per year, with premiums stopping after 15 years.

So, Joe and Mary make a gift of $12,709 each year to each of their six (total gifts each year of $76,254; $12,709 X 6) grandchildren via a wealth creation trust to pay an annual premium for six separate $1 million second-to-die policies for a 15-year period (then the policies will self-carry). After Joe and Mary are gone, the grandchildren will have $6 million ($1 million each) tax-free at a maximum lifetime cost of only $1,143,810 ($76,254 X 15). Wow!

Wait, there’s more. Assume Joe is in a 50 percent estate tax bracket. They pay the $76,254 premiums for six separate $1 million second-to-die policies for a 15-year period (then the policies will self-carry). After Joe and Mary are gone, the grandchildren will have $6 million ($1 million each) tax-free at a maximum lifetime cost of only $1,143,810 ($76,254 X 15). Wow!

Shhh! Don’t tell the IRS.

What most people don’t know is that life insurance is – when properly purchased – the most tax-advantaged investment available under the entire tax law. If you have funds invested in a qualified plan (for example, an IRA, 401(k), profit-sharing plan or the like), or in traditional investments (CDs, stocks, bonds or the like), and if you (and/or your spouse) are insurable, it’s easy to turn thousands of dollars into millions of dollars. Want to learn how these time-tested strategies can work for you? Call me (Irvi) at 847-674-5295.

Succession Planning: The Right Way to Value Your Family Business

Stop! Do you own all – or part of – a closely-held business? Like it or not, some day you’ll have to value that business.

Stuff Happens! Things like gifts or a sale of the family business to the kids; death (requiring valuation for estate tax purposes); or divorce (where valuation becomes an expensive legal battle). Or, how about buying a business or selling your business to a nonfamily person. The wrong valuation can rob you and your family of hard-earned dollars. It can even cause your business to be sold to pay taxes.

Let’s say you want to value your business because the time has come to transfer your business to the kids. Why? You want to slow down, the kids are ready (and, of course, want to run the show) and the estate tax monster will enjoy a big payday if you get hit by a bus. All good reasons. Yet you are torn. Why?... You don’t want to give up control. Does all or any part of this paragraph apply to you or someone in your family?

If so, keep reading. You are about to be delighted at how easy it is to transfer your business to the next generation, save a ton of taxes and still stay in control for as long as you live.

About 90 percent of the calls we get (either from the business owner, one of the business kids or their CPA or lawyer) from readers of this column involve valuing the business for a sale/gift or other transfer to the younger generation. What you are about to read is routine (for us). We’ve done it hundreds of times. It always works. It’s easy to do. And best of all, the IRS is never a problem.

Let’s run through an outline of the five-step process of the best way to transfer your business to your kids. We call it the “Tax-free transfer strategy.”

Assume Joe owns 100% (it can be any percentage) of Success Co.:

• Step #1. Recapitalize Success Co. A “recapitalization” is a fancy name for turning your old voting common stock (Joe owned all 200 shares of Success Co.) into voting (say 100 shares) and nonvoting stock (say 10,000 shares).

• Step #2. Have Success Co. valued. I have written... continued on page 30
eight books on business valuation and have given dozens of lectures and seminars on the subject. If you shoot for the right valuation (not high or low), competent business valuation experts always seem to come very close to the same valuation for a profitable business. Admittedly, nonprofitable businesses are a challenge to value. Joe’s business is profitable and was valued at 5.1 times pretax earnings. (Whether you operate as a C corporation, S corporation or other entity does not change the value of the business). The appraiser’s report valued Success Co. at $6 million.

**Step #3. Take appropriate discounts.** Joe is transferring only the 10,000 nonvoting shares to his business kids. The tax law awards you three separate discounts: discount for lack of marketability, minority discount (since the nonvoting stock has no vote, it automatically gets this discount) and a third discount. Typically, the combined discounts amount to about 40%.

So, the value of Success Co.’s nonvoting stock is only $3 million for tax purposes ($5 million times 40% equals a $2 million discount).

**Step #4. Elect S corporation status if you are now a C corporation.**

**Step #5. Transfer the only nonvoting stock to the kids using an intentionally defective trust (IDT).** An IDT does two great tricks: First, it transfers all of Success Co.’s nonvoting stock to the kids tax-free. This is one big deal, saving about $800,000 in taxes for each $1 million of the stock price (in this case, real-dollar tax savings of $2.4 million). Second, because Joe keeps all of the 100 voting shares of Success Co., Joe retains absolute control for as long as he lives. There are many variations of the tax-free-transfer strategy to accommodate the endless number of various family and business circumstances that come up in real-life business succession situations.

Okay, so you want more information about the tax-free-transfer strategy. An easy way to start is by browsing my website: taxsecretsofthewealthy.com. Or if you are in a hurry, call me (Inca) at 847-674-5205. I promise.

**Remanufacturing Industry Association Strongly Supports Passage of “Right to Repair” Legislation**

APRA has declared its support of the Motor Vehicle Owners’ Right to Repair Act (HR 2694) and strongly urges Congress to pass the legislation in order to ensure that car owners and their trusted repair shops have the same access to safety alerts and repair information as the franchised new car dealer network.

“Automotive parts remanufacturers have a real need for proper technical information. The need to effectively diagnose trouble spots and offer remanufactured products that solve these problems for the consumer is important. Remanufactured products provide the consumer with price conscious options as well as environmentally friendly options since remanufacturing is the ultimate form of recycling,” stated APRA President William Gager.

“For remanufacturers to be hindered in their effort to offer quality products to the consumer is not only un-American but also anti-environment,” Gager added.

The legislative intent of the Right to Repair Act is to offer protections for motor vehicle owners by making it illegal for vehicle manufacturers to withhold information necessary to diagnose, service or repair motor vehicles. Right to Repair ensures that car owners can have their vehicle serviced at the repair shop of their choice, whether it’s their neighborhood repair shop or a franchised new car dealer.

“We encourage our members and all motorists to visit www.righttorepair.org to send a letter to each of their congressional representatives, urging them to support the Right to Repair Act (HR 2694),” stated Gager.

**About Right to Repair: The Right to Repair Act, which was introduced by Rep. Edolphus Towns (D-NY), would require car companies to make the same service information and tools capabilities available to independent repair shops that they provide to their franchised dealer networks. The legislation further allows a car company to protect any trade secret information unless that information is provided to its franchised dealers. The bill clarifies the responsibilities of the Federal Trade Commission in enforcing the bill’s requirements. For more information about the Right to Repair Act, visit www.righttorepair.org.**

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**What's New continued from page 23**

is a rare find in the aftermarket, so look no further than Four Seasons...your Problem Solving Provider!

For more information, contact a Four Seasons sales representative or e-mail 4smarketing@4s.com.

**Beck/Arnley Adds 419 New Part Numbers**

In keeping with its goal to provide professional technicians with the crucial parts needed to repair today’s foreign nameplate vehicles, Beck/Arnley has added another 419 new part numbers to its product line.

* • Brake & Chassis - 256
  • Clutch & Driveline - 13
  • Cooling - 29
  • Electrical - 3
  • Engine Management - 31
  • Engine Parts & Filtration - 87

“This announcement includes more foreign branded brake pads, along with other significant additions to our product range,” said Tom Fritsche, director of product management for Beck/Arnley.

The new numbers can be downloaded in either a PDF or Excel format by visiting Beck/Arnley’s Web site at www.beckarnley.com. The numbers have also been added to their Web catalog at www.beckcatlog.com.
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Loss Prevention
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non-flammable solvents, if they are not already doing so.
• Consider switching to a water-based parts washing system.
• The lids on most parts washers are designed to close automatically in the event of a fire. Technicians should avoid stacking parts high enough to obstruct the lid.
• Inspect the fusible links (which melt at specific temperatures and allow the lid to close) to ensure that they are in good condition.
• Examine all aerosol spray solvents. Determine if they are flammable and replace with non-flammable or less hazardous alternatives.
• Store flammable aerosol solvents inside approved flammable liquids storage cabinets along with other hazardous materials.

If you have any questions or comments, contact your Zurich account executive or the Loss Prevention Department at 800-821-7803.

This Loss Prevention Bulletin is provided for informational purposes only. Please consult with qualified legal counsel to address your particular circumstances and needs. Zurich is not providing legal advice and assumes no liability concerning the information set forth above.

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www.AutoElectricPro.com

Designed for the professional technician diagnosing electrical problems

About AutoElectricPro

The Automotive Parts Remanufacturers Association (APRA) has developed AutoElectricPro with remanufacturers, rebuilder, auto electric shops, transmission rebuilding shops and vehicle owners in mind. The website contains more than 124,056 wiring diagrams for over 6,227 vehicle applications from 1985-2007. It is powered by information from Mitchell1.

Turn to the wiring diagrams at AutoElectricPro.com:
• when you are trying to properly diagnose the vehicles problems;
• when you need to solve the most difficult electrical problems;
• when all the different types of electronics on today’s vehicles have you puzzled, or
• when you are trying to figure out if you have a battery problem, a tail light failure, a starter problem, a window motor malfunction or something else related to the electrical system.

If you are not currently an APRA member, but would like to become one, please visit the APRA website at www.apra.org to review our membership benefits, upcoming meetings, and other items of interest to the automotive and truck parts remanufacturing industry. Then, sign up online and start enjoying the benefits of belonging!

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