



Maine Auto Recyclers Association

Summer 2017

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Auto & Truck Recyclers, Windham

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Paul's Pick-A-Part, Chelsea

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Aable Auto Parts, Chelsea

Immediate Past President

Kerby Littlefield
Littlefield's Garage, Dexter

Executive Director

Bill Bell, Bell Associates

THERE'S STILL TIME TO REGISTER AND ATTEND THE ARNE CONVENTION AND TRADE SHOW IN ALBANY!!

After three years of meetings, leaders of automotive recycling organizations of the six New England states, New York State, and Canada have put together a conference and trade show for our entire region, in order to have great attendance, more vendors, and lots of platforms for education and networking. Here it is, at a brand new site – the Albany Capital Center, which opened March 1. Hope you can attend!



JOIN US FOR...

ARNE AUTO RECYCLERS NORTHEAST CONVENTION & TRADESHOW

...an exciting new show bringing together Automotive Recycling Leaders from across the Northeastern States & Provinces!

REGISTRATION IS NOW OPEN!
REGISTER ONLINE:
WWW.ARNE.PRO

SEPTEMBER 28-30, 2017
THE NEW CAPITAL CENTER & RENAISSANCE HOTEL
ALBANY, NEW YORK

In Partnership with:



Vermont Auto Recyclers Association

Notes from Your Executive Director



First, our Association hopes that you will be able to attend the upcoming Auto ReCyclers Northeast (ARNE) Convention and Tradeshow in Albany NY September 28-30. We lack the numbers to have

such a meeting here in Maine, and some of you have in years past therefore attended shows in Southern New England. This Northeast approach—Albany is only an hour’s further drive than Rhode Island, and it’s turnpike driving—is much more promising. Full details are available in this newsletter.

Second, we’re sorry to report that David Ladd is no longer working at Maine DEP. I had a chance to get together with him recently. His advice to MARA members: “Keep on doing what you’re doing; it’s been great.” David added that “when we started, we had to address major problems at sites. We did, and I was able to use auto salvage yards as a model. Now, most violations are simply with paperwork compliance. This is a huge change for the better” David urges MARA members: “after all the hard work that you do to get your yard in shape, don’t let paperwork shortcomings result in a citation!”

In the meantime, we’ve been working to maintain our constructive relationship Maine DEP. I’ve spoken with Brian Kavanah, who is in charge of DEP’s Stormwater program, about getting special recognition for our members who have worked so hard and successfully to be in compliance.

We emerged unscathed from this year’s session of the Maine Legislature, and in fact scored a few points. For details, see my report on page four of this newsletter.

Finally, you will note in this newsletter an interesting ad placed by metal purchaser Dick Belisle. He is proposing a special program for MARA members. Your MARA officers have met with Dick, and advised him that MARA welcomes all initiatives to expand and improve the marketplace for crushed vehicles. At the same time, MARA of course does not favor any one firm over another, and we will be glad to provide similar advertising space to any vendor who is a MARA member.

Bill Bell
Executive Director



Our friend David Ladd,
when not speaking at our meetings



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Legislative Report

A bill introduced this spring (LD 989) would have required persons holding or storing a towed vehicle to notify the Secretary of State of possession of that vehicle within 5 days or lose the right to more than 3 days storage fees. This bill came from Maine's Credit Unions, who cited occasional cases where a vehicle owner "walks away from" a crashed and towed vehicle and never tells the credit union. The credit union, when finding out much later, is then faced with a large storage fee when seeking to reclaim the vehicle from the towing firm or salvage yard having possession of the vehicle.

MARA Treasurer Paul Pinette testified against the bill, stating that towing firms and salvage yards were being asked to meet a very burdensome reporting requirement on account of credit unions having a few irresponsible borrowers.

The issue was resolved when Garry Hinkley of Maine BMV pointed out that firms storing vehicles must already report "abandoned" vehicles within 14 days or lose the right to charge full storage fees. This law will be revised to **mandate** the filing of these abandoned vehicle reports. BMV will revise the current form to permit the collection not only of storage fees, but also the fee paid to BMV for filing the report.

An additional benefit of MARA's involvement in this legislative issue is the establishment of a strong relationship with the Towing and Recovery Association of Maine and some of its leading members.

An even more interesting legislative skirmish occurred with the discussion of LD 1540, **"An Act to Protect Consumers' Freedom of Choice in Auto Collision Repairs."** This measure was put forward by

the newly-formed Maine Autobody Association, whose members feel that auto owners are being illegally "steered" to auto repair firms with whom insurance firms have "direct repair" agreements.

This issue of "steering" by insurance firms is also a subject of concern to auto recyclers, and is at times discussed in ARA's newsletter. MARA therefore testified in favor of the bill, while noting that we did not wish to complicate the legislation by asking to be included.

At the hearing, the insurance industry pointed out that Maine law already requires insurers to inform claimants that they are under no obligation to use the repair shop recommended by the insurance firm. **The bill would have required the insurer to be much more specific about the consumer's right to choose any repair shop.** The Maine Autobody Association provided a thick set of statements from auto owners describing how they felt they had been coerced into taking their car to a certain repair firm despite their preference for a garage which they knew and trusted.

The legislation was passed by both houses of the Legislature in June but then vetoed by Governor LePage, who stated that Maine's Department of Insurance has over the years received very few complaints on this subject. His veto was overridden in the House but sustained by the Maine Senate.

While the proposal therefore did not become law, the Maine's Insurance Commissioner has surely been made more attentive to this issue of "steering" auto owners to certain repair – and auto parts—shops.

Bill Bell
Executive Director

MARA members: A Proposal to Increase Your Income from Crushed Vehicles:

The auto recycling /parts business has changed considerably in the last 15 to 20 years. Back in the day, parts and scrap cars were readily available, small auction companies were abundant and prices were reasonable. Competition to purchase these vehicles was limited to fifteen or twenty yard owners that all knew each other. There were two or maybe three people that had ads in the newspaper (remember the newspapers?) looking to buy or just remove "junk" cars. We never had visits from government agencies telling us not only how to run our business but also how much money it was now going to cost us to do so. Aftermarket parts were very limited; anyone needing a part for their car came to us, and in most cases, installed the part themselves. **When we did crush cars to make room for new inventory, we would consider the money we got as "bonus" money. Wow, have things changed. At that time, all the major scrap metal recyclers (shredders) geared up to sell this material into the export market.** They did this because back then all of the steel mills in the US were in serious trouble. Some were scaling back but most were closing the doors. High labor cost and inefficient equipment made it impossible for them to remain profitable. These major recyclers recognized this so they built their businesses focusing on the export market. They invested in and developed deep water facilities in order to ship their material into the export market.

Fast forward to today.

The competition to buy parts and scrap cars is intense. Buyers come from long distances and, in most cases, overpay for these vehicles. There are now aftermarket parts available for just about everything we sell. Margins have shrunk considerably. The money we now receive for CATS, aluminum wheels, cores and car bodies is no longer considered "bonus" money. This money is now crucial to our income.

The scrap metal market has also seen some major changes. US steel companies (domestic market) have reorganized and reopened. They now have much better control over labor and production cost. They are once again profitable. **Over the past year domestic prices for car bodies have been as much as \$60.00 a ton higher than the export market. This trend is, in my opinion, going to continue.** If President Trump is able to get the corporate tax cuts he is seeking, changing the rate from 35% to 15%, it will push the domestic markets even higher.

Taking all of this information into consideration I have come up with a proposal that will allow all MARA members to maximize the price they would receive for their car bodies. This proposal consists of two main parts.

1. **Combined tonnage to get higher prices.** MARA members would simply call and inform me of how many cars they would be interested in crushing for the next month. When I have the total from all of the yards, I would go to work and market that tonnage. The simple fact, that I believe everyone knows, is more tonnage equals higher prices from mills. Someone offering to sell a mill 100 cars does not get the same price as someone offering to sell the same mill 1000 cars. So, just by combining all of our material we should see a \$10.00 to \$15.00 per ton increase. I would not only get pricing from domestic mills but also from export shredders, that way we always know that we are getting the absolute best pricing possible.
2. **Getting cars crushed for less money.** In order to accomplish this I am offering the following options:
 - a. I would provide MARA members with an Overbuilt car press. They could then crush their own cars at a savings of \$20.00 per ton.
 - b. I would provide MARA members with an Overbuilt car press and because some yard owners would rather not crush their own cars, I could arrange to have an experienced crew do the crushing for them. This option would save the yard \$8.00 to \$10.00 a ton.

In summary, when you take the extra money from combining tonnage and extensive marketing and then add in the savings from crushing your own cars, or using an experienced crew, the additional monies you would receive for your cars would be considerable.

This is the short version of my proposal. If you have any comments, questions or concerns please feel free to call me at 207-465-6460.

Dick Belisle, K.P.I. Recycling

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ARNE 2017 CONVENTION & TRADE SHOW SCHEDULE

Thursday, September 28, 2017

Golf Outing at Normanside Country Club	12:00 – 6:00 p.m.
Tours/Activities Around Albany	Throughout the Afternoon
Preliminary Registration Open/Vendor Set-Up	3:00 – 6:00 p.m.
Welcome/Kick-Off Party	7:00 – 10:00 p.m.

Friday, September 29, 2017

Registration	Opens at 7:00 a.m.
Breakfast	7:00 – 8:30 a.m.
The Summit	8:30 a.m. – 12:30 p.m.
Lunch followed by Association Partnership Gatherings	12:30 – 2:00 p.m.
Concurrent Sessions	2:00 – 4:00 p.m.
Trade Show	3:00 – 7:00 p.m.
Cocktail Hour on the Trade Show Floor	6:00 – 7:00 p.m.
Annual Celebration & Auction	7:00 – 9:30 p.m.
“Capital Crawl” – Pub Tour of Downtown Albany	10:00 p.m. - ???

Saturday, September 30, 2017

Registration	Opens at 7:00 a.m.
Breakfast on the Trade Show Floor	7:00 – 9:00 a.m.
Morning Concurrent Sessions	8:00 – 11:00 a.m.
CarPart World Tour Part 1	9:00 a.m. – 12:00 p.m.
Morning Trade Show Floor Open	10:00 a.m. – 12:00 p.m.
Yard Management Systems Presentations	11:00 a.m. – 12:00 p.m.
General Session	11:00 a.m. – 12:00 p.m.
Lunch with Keynote Session	12:00 – 2:00 p.m.
Afternoon Trade Show Floor Open	2:00 – 4:00 p.m.
CarPart World Tour Part 2	2:00 – 5:00 p.m.



**Maine Auto
Recyclers Association**

Summer 2017

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Remember to Conduct Your Quarterly Visual Monitoring!

Salvage yards or scrap metal recyclers with a current multi-sector general permit filed with the State of Maine are required to conduct quarterly monitoring and file the results with your stormwater plan. *Salvage Yards (Sector M)- Visual Monitoring Only; Scrap Metal Recyclers (Sector N)- Benchmark Monitoring*

When to Conduct Quarterly Monitoring:

- **4x/year** (Jan-March, April-June, July-Sept, Oct-Dec)
- **During a Qualifying Rain Event**

Precipitation, ice or snow melt that **produces a measurable discharge** at an outfall that occurs **at least 72 hours**

from a previous qualifying storm event. Check outfall every 15 minutes after rain starts to determine when runoff begins.

- **Within the First 60 Minutes to 2.25 Hours**

Collect samples from each designated stormwater outfall. Pour sample into a 1L Imhoff cone and fill out form. Let sit 1 hour before filling out the section on settled solids.

For more information or to download forms, visit <http://www.maineautorecyclers.org/Permitting.html> or contact FB Environmental for assistance (207) 221-6699.

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