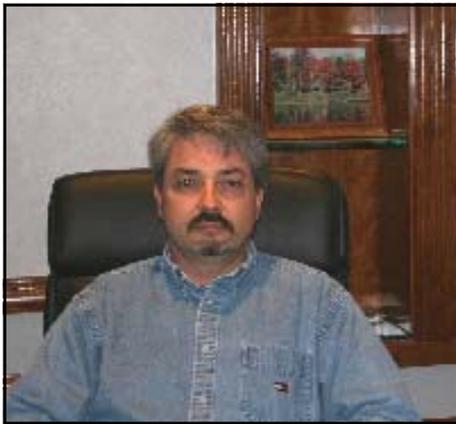


ABAC NEWS

FEBRUARY 2006

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The Official Newsletter of the Auto Body Association of Connecticut



Board Director Bob Skrip

ABAC Devotes Resources to State Tech Schools

It goes without saying that all collision repair owners realize that one of the key problems they face today is **the lack of qualified technicians coming into the industry**. ABAC directors Bob Skrip and Mike Wilkowski have developed a systematic approach to creating a permanent solution to this deficiency.

Bob and Mike met with members of the **State of Connecticut Department of Education** to discuss the need to **upgrade the autobody repair programs offered currently by the state's technical schools**.

After careful analysis, it was decided that the programs were in **desperate need of funding** due in part to the **lack of awareness**, and ultimately the **devastating effect** this will create for the motoring public when there are not enough properly trained auto body technicians to repair collision damaged vehicles in CT! The goal will be to **secure funding to update equipment to current specifications and standards**. This will create a safe, clean, and modern opportunity to today's student applicants. **ABAC lobbyist Ken Przybysz and publicist Michael London, are assisting at securing such funding for these programs**.

Bob and Mike also met with the **Auto Body Department heads of the nine state technical schools** recently. They offered the **complete resources of the ABAC** to assist and work collectively to upgrade their programs from start to finish. The department heads were extremely pleased to receive this help, and are excited to work with the ABAC to be able to offer a quality collision repair program that we all can be proud of!

Bob Skrip and Mike Wilkowski should be commended for their extreme expertise, persistence, and passion to try to take a serious problem that affects every collision repair owner in this state, and create a **common sense plan to get our auto body student education programs turned in the right direction!** They are even producing a video/DVD on the collision repair technician opportunities available to potential students.

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They will be making presentations at the state technical schools, handing out the DVDs for the purpose of introducing the positive side of OUR industry to both students and parents.

What can ABAC members do to help in this effort?

- **Equipment and tools that are no longer needed in your facility, whether it's the smallest hand tool or largest piece of equipment, can be donated to the Tech School in your area through the ABAC committee.**
- **The State of Connecticut will issue receipts for fair market value of all items allowing shop owners to benefit from tax credits. Spare or extra equipment can be put to good use to benefit all, instead of collecting dust in your body shop or facility.**
- **Call your local Tech School Auto Body Dept. head, and invite him or her to your shop and discuss what you need as far as an entry level tech.**
- **Get involved in the process of recruiting students to work part time in your shop through the programs offered by the school. The Dept. head at the school will assist you with this.**
- **Invite the entire senior student body (usually less than twenty students) to take a tour of your shop and discuss with them the positive side of collision repair. What better way to get introduced to our future techs.**

All Tech School Auto Body Department heads are waiting to hear from Body Shop Owners and Managers. They want to get involved in OUR industry.

For the list of the nine schools in the state that offer Auto Body Repair, call or e-mail Bob Skrip at the address or number below.

This will be a continuous effort from your ABAC. All information will be passed along to the membership through continuing articles in the ABAC News. Remember: this is OUR livelihood and future! Your support is vital. Get involved now! Contact chairman, Bob Skrip for further questions at: 203-758-6605 or email: indabodybiz@aol.com

ABAC NEWS TO INTRODUCE NEW CLASSIFIED AD SECTION!

The ABAC NEWS will be introducing a brand new Classified Ad Section to the next edition going forward. Ads will be offered in a two inch block size with bold print at a very affordable introductory price of \$50.00 per ad!

This will provide a tremendous opportunity for you to advertise items or needs specifically related to the collision repair industry. Your ad will be circulated to 500 potential buyers when they receive ABAC NEWS.

For additional info and details, please contact Denise Banta (860-848-0534) or contact us via email. The address is: abacnews@cox.net. Please be sure to include your contact phone# and billing address of your business. We will contact you to verify information and answer any questions that you may have.

THE ABAC NEWS CLASSIFIED AD SECTION WILL BE BENEFICIAL TO ALL!

NCOIL Committee Adopts Crash Parts Resolution

Consumer friendly resolution officially ends more than ten years of NCOIL debate in the pursuit of crash parts model legislation.

The **National Conference of Insurance Legislators (NCOIL) Property-Casualty Insurance Committee** voted Thursday to adopt the proposed crash parts resolution. The adoption of this resolution **officially ends** NCOIL's multi-year pursuit to draft a Model Act for crash part legislation.

After 10 years of debating the issues surrounding crash parts, the Property-Casualty Insurance Committee assigned a special subcommittee at their July meeting to hammer out the final details of a crash parts model bill. Following several special conference calls with industry stakeholders over the past couple of months, the special Aftermarket Crash Parts Subcommittee decided finally to abandon the model legislation altogether. Instead, they authored a resolution and proposed its adoption at the November 17 NCOIL meeting.

The adopted resolution states NCOILs belief that **the market should ultimately decide which types of parts should be used, saying, "... in the pursuit of open competition, [NCOIL] endorses the use of all kinds of crash parts when appropriate for motor vehicle repair."**

Acknowledging the importance of an informed consumer, the resolution also states, **"NCOIL supports consumer awareness of the differences between types of crash parts, as well as notification regarding the kind of crash part for which an insurer will reimburse..."**

However, one particular section of the resolution still raised some debate at Thursday's meeting where it said, **"BE IT RESOLVED that NCOIL believes that if an insurer requires, as a condition of reimbursement, the use of a certain type of crash part, then that insurer should stand behind the part(s) it requires..."**

A motion was made to amend this section to remove the statement about an insurer standing behind any part that it requires. Comments from insurer representatives who opposed this language were heard by the committee, but in the end the committee voted to reject any amendment and approve the resolution as it stood.

Jack Gillis, Executive Director of the Certified Automotive Parts Association (CAPA) commended the committee for unanimously passing the resolution saying, "The American consumer can look forward to positive state action to open the markets to increased competition and fairer prices when it comes to collision repairs."

Gillis lauded the committee for their recognition that consumers need more choice and high quality parts. "Not only do consumers win when their cars are repaired using quality parts at competitive prices, but the collision repair industry gets more cars to repair because fairly priced parts don't 'total' out cars," Gillis said.

After leaving Thursday's NCOIL meeting, **Dan Risley, Executive Director of the Society of Collision Repair Specialists**, also expressed his satisfaction with the resolution. "Obviously we are very pleased with today's outcome. **SCRS supports consumer choice and notification when it comes to crash parts. The proposed model act wasn't good for consumers, and it wasn't good for repairers. We commend Senator Pam Redfield, chair of the Aftermarket Crash Parts Subcommittee, for taking the lead in recognizing that and adopting instead this very consumer friendly approach to crash parts.**"

The CT Transfer Act – Keeping the End in Mind

(Part 1 of a 2 part series)

Robert J. Carr, P.E., LEP

When you mention the Transfer Act to Connecticut's auto body shop owners, your likely responses will range from antipathy to fear that the hard-gained value in their business will disappear once they decide to sell the business. However, with some prudent measures implemented before you sell the business, you can sharply reduce the impacts and costs of complying with the Transfer Act.

What is the Transfer Act?

The Transfer Act was enacted in 1985 as a way to have businesses generating hazardous wastes properly investigate and clean up any hazardous waste releases they may have occurred while in operation. The Act targets facilities that had generated more than 100 kilograms of hazardous waste in any month since November 19, 1980 and defines them as "Establishments". Additionally, Establishments also include drycleaners, furniture strippers, and auto body shops in operation at any time since 1967, whether or not they generated any hazardous waste.

Under the Transfer Act, when any Establishment is sold (or otherwise transferred) one of four forms must be submitted within ten days of property transfer. Form I is a negative declaration form, basically a statement that no hazardous waste or other hazardous substances (including petroleum products) were released to the environment. A Form II is used when a release had occurred, but has been cleaned-up and closed to current regulatory standards. Form III indicates that a release (or releases) has occurred that requires additional investigation and/or remediation. A Form IV is used when site clean-up has been completed to current standards, but post-remediation monitoring has not yet been completed. Initial filing fees typically range from \$300 for Form I filings to \$3,000 for Form III and IV filings.

To help property owners and environmental professionals in determining the proper form filing, the State issued the Transfer Act Site Assessment (TASA) guidance document. The TASA document describes the following types or phases of investigation:

- **Phase I** – includes reviews of federal, state, and local files, and facility records; a site inspection; and interview with the owner or other persons knowledgeable of site operations.
- **Phase II** – includes collection and analysis of soil and groundwater samples from areas, identified in the Phase I investigation, where hazardous substances may have been released. These areas are known as "areas of concern". The goal of the Phase II investigation is to determine if any releases to soil and groundwater occurred from these areas.
- **Phase III** – includes the evaluation of degree and extent of any releases confirmed in the Phase II investigation. This phase is typically the most expensive and time-consuming of the three.

When releases have been identified, they are required to be cleaned-up to State standards, also known as the Remediation Standard regulations or RSRs. In addition to the Department of Environmental Protection (DEP), licensed environmental professionals (LEPs) can supervise the investigation and clean-up of a site and issue a site verification (case closure). It can take many years for a site to attain closure status.

While the process may seem daunting, proper planning and documentation will make the ordeal easier. In Part 2, I'll present some suggestions to help reduce your investigation and remediation costs and keep you in compliance.

Robert J. Carr, P.E., LEP is the principal of Red Hawk Consulting, LLC, a Connecticut-based environmental consulting and management firm. Mr. Carr has over 18 years of experience in the Connecticut environmental industry. He can be reached at Rcarr@red-hawkconsulting.com.

Part 2 of the CT Transfer Act will be in our next issue of the ABAC News

Honda Implements Strict Air Bag and Seat Belt Return Program

American Honda has implemented a new return policy on air bags and seat belts which will impact both dealers and collision repair shops. American Honda applies security labels to the closure flaps of all cartons that contain air bags and seat belts. These security labels show tell tail signs if they are removed, taped over, or cut through, thus identifying cartons that may have been opened.

Now, the critical news: **only air bags and seat belt pre-tensioners returned in containers with security labels that have not been compromised will be eligible for credit.** If a dealer attempts to return one of these components with the security label broken to American Honda, **American Honda will not issue credit for the returned item and additionally, American Honda (AHM) will charge \$100 handling fee to the dealer's account and for disposal of that component!**

The rules for collision repair owners should be as follows:

- **Airbags and seatbelts should only be ordered by vehicle color code only!**
- **You must be absolutely precise when placing these orders as to the specific components that are needed**
- **Do not open ANY air bag cartons unless you intend on installing these components!**

It is likely that many other auto manufacturers will institute similar return programs. The time is now for collision repair shop owners to **understand what the auto dealer is up against and a willingness to communicate exact information will be vital to the success of all parties.**

I-CAR SCHEDULES IMPORTANT ALUMINUM CLASSES

The use of aluminum parts used in constructing today's higher tech automobiles has risen at a rapid pace. It appears that this trend will continue with many major auto manufacturers switching to aluminum components on many popular models.

In order to repair these new vehicles correctly, you should take advantage of the following courses offered by I-CAR:

- **March 22, 2006 Aluminum Panels and Structures, (Damage Analysis)**
- **May 24,2006 : (Replacing Aluminum Exterior Panels).**

I-Car Chairman and ABAC Director Tom Vicino will give a summary report in the next issue of ABAC NEWS. Don't Delay! Call Tom right away to reserve your spot for this vital education! (860-399-9999). Limited seating available!

More Shop Owners Achieve Desired Paint and Materials Profits

Sources in the field report that many shop owners have acted on the paint and materials article produced in the previous edition of this newsletter. Shop owners have contacted their paint suppliers and have upgraded software to allow them to create individual invoicing per job on paint and materials, thus creating an exact invoice with no guess work. Shop owners who have upgraded to this way of doing business have experienced **very favorable success in receiving accurate compensation and profit on auto physical damage claims.** As one shop owner stated, **"This way of doing business eliminates the guess work and resistance from insurance appraisers. The bottom line is, when I produce an actual invoice for paint and materials used, proper reimbursement has resulted."**

Hopefully more and more shop owners will stop complaining about lack of profit on paint materials and act. The ball is in your court!

ATTENTION ALL CUSTOMERS!

Beware of insurance company employees who state that you will be responsible to pay for labor rate differences and other repair costs if you choose a repair facility that is not recommended by them!

Do not accept this harassment!

If you are a claimant, you should not be responsible to incur any repair costs caused by the other party, period!

If you are the insured, the only cost that you may be responsible for would be your deductible, nothing else.

In fact, this type of harassment should be a direct contradiction of CT. Insurance regulation 38a-790-8 which was implemented to protect you, the customer. The regulation clearly states the following:

Every insurance appraiser shall:

- 1. Conduct himself in such a manner as to inspire public confidence by fair and honorable dealings**
- 2. Approach the appraisal of damaged property without prejudice against, or favoritism toward, any party involved in order to make fair and impartial appraisals**
- 3. Disregard any efforts on the part of others to influence his judgment in the interest of the parties involved**
- 4. Prepare an independent appraisal of damage.**

Do Not let any insurance company employee violate your right to choose the repair facility of your choice, not theirs!

Violators should be reported to the CT. Dept of Insurance Consumer Affairs Division immediately at 1-800-203-3447!

New California Bill Seeks Repeal of Non-OEM Parts Consumer Disclosure

CAPA supported legislation sets up licensing for parts certifiers and requires shops to report defective parts to the state on a daily basis.

California introduced a bill in the Assembly Thursday which would make several sweeping changes to the non-OEM parts environment in California. Assembly Bill 1852 proposes the repeal of Section 9875.1 of the California Business and Professions Code which requires consumer disclosure before insurers may specify the use of non-OEM parts.

Current law reads "9875.1. No insurer shall require the use of nonoriginal equipment manufacturer aftermarket crash parts in the repair of an insured's motor vehicle, unless the consumer is advised in a written estimate..."

In addition to the disclosure repeal, the most significant portion of the bill's language is devoted to the creation of state licensing guidelines for crash parts certifying authorities such as CAPA and MQVP. The state would have the power to grant and revoke a certifiers license to certify parts in the state.

In a release endorsing the bill, Jack Gillis, Executive Director of the Certified Automotive Parts Association (CAPA), said, "I applaud and strongly endorse AB 1852 by Assembly Members Chavez, Yee, and Maze. The legislation contains important new consumer protections and it will help consumers avoid costly repairs when their vehicle has been in an accident."

CAPA said that the California collision repair marketplace lacks competition and the state's consumers are forced to pay the exorbitant price car companies get to charge when no competition exists. CAPA noted that in the last two years alone Californians have overpaid more than \$120,000,000 due to the lack of competition and monopolistic pricing practices of the car companies.

Gillis said, "The only opposition to this important consumer legislation will come from car companies trying to protect the monopoly that allows them to gouge consumers."

However, some opposition may come from the repairer community who will be required by this bill, to file daily reports to the California Director of Consumer Affairs listing all replacements parts that did not function as intended.

The bill would require shops to report daily "any car company collision repair part or certified collision repair part that does not function as intended and is exchanged or returned to the manufacturer or distributor. This report shall include, but not be limited to, the transaction date, the name of the manufacturer, the serial, certification, or unique identifying number for the car company collision repair part or certified collision repair part, the type of car company collision repair part or certified collision repair part, the make, year, and model for which the car company collision repair part or certified collision repair part was intended to serve as a replacement part, and a description of the defect."

In the past, some repairers have complained that CAPA's ability to identify defective parts relies almost entirely on complaints being filed- essentially putting repairers in the position of having to be unpaid 'test fitters' for the CAPA program. This California proposal may be seen by those repairers as a proposal to make that position a legal requirement.

There are numerous other new proposals in the bill. Gillis highlighted several, including new procedures for recalling defective parts, requiring the disclosure of country of origin of both car company brand parts and certified parts; increase warranty protection for certified parts; and a web site for consumers to access the latest certified parts list.

"Provisions like these increase consumer's understanding that generic certified collision repair parts are of like, kind and quality to the expensive car company brand replacement parts. Consumers save billions each year by purchasing generic drugs over the name-brands - the same principles apply to generic certified replacement parts," stated Gillis.

Some opposition to this bill may also come from the Automotive Service Association which has long supported consumer notification of the use of non-OEM parts. The bill's new language may make it unclear to the consumer what types of parts were to be used on their car. Where current law requires consumer disclosure in instances where non-OEM parts are to be used, that disclosure would be replaced with the following generic disclosure on all estimates, regardless of what types of parts are being used.

"THIS ESTIMATE HAS BEEN PREPARED BASED ON THE USE OF AFTERMARKET COLLISION REPAIR PARTS. CAR COMPANY COLLISION REPAIR PARTS MANUFACTURED BY THE MANUFACTURER OF YOUR MOTOR VEHICLE OR CERTIFIED COLLISION REPAIR PARTS ARE WARRANTED BY THE MANUFACTURER OR DISTRIBUTOR. IN ADDITION, THE INSURER SHALL WARRANT OR GUARANTEE TO THE INSURED THAT THE MANUFACTURER OR DISTRIBUTOR OF THE CERTIFIED COLLISION REPAIR PARTS HAS PROVIDED A WARRANTY."

The bill would also prohibit penalties on any person leasing or financing a vehicle who repairs the vehicle with certified non-OEM collision repair parts.

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Upcoming ABAC Meetings

<p>March 14, 2006 Kent Automotive <i>Speaker & Sponsor</i> Tech Zone <i>Speaker & Sponsor</i> PPG <i>Speaker & Sponsor</i> Painter's Edge <i>Sponsor</i> Hertz <i>Sponsor</i></p>	<p>May 9, 2006 TBA</p> <p>CALL NOW TO RESERVE YOUR SEAT!</p> <p>860-848-0534</p>
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