

AAAMS, Inc.

DBA New York State Automotive Aftermarket Association

Serving the Automotive Aftermarket in North Carolina, South Carolina, Tennessee, Virginia, and New York



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Legal/Legislative

U.S. Representative Bobby Rush (D-III.) Introduces 'Right to Equitable & Professional Auto Industry Repair' Act (REPAIR Act)

This crucial Federal legislation is introduced to provide consumers rights to their vehicle's data and safeguard a free and fair repair market.

The Automotive Aftermarket Suppliers Association (AASA), Auto Care Association, CAR (Consumer Access to Repair) Coalition, and Specialty Equipment Market Association (SEMA) applaud United States Rep. Bobby Rush (D-III.) for introducing the 'Right to Equitable and Professional Auto Industry Repair (REPAIR) Act.' The legislation (H.R. 6570) will ensure the preservation of consumer choice, a fair marketplace, and the continued safe operation of the nation's 288 million registered passenger and commercial motor vehicles, 70% of which are maintained by independent repair facilities.

The REPAIR Act will accomplish this by:

Preserving consumer access to high quality and affordable vehicle repair by ensuring that vehicle owners and their repairers of choice have access to necessary repair and maintenance tools and data as vehicles continue to become more advanced.

Ensuring access to critical repair tools and information. All tools and equipment; wireless transmission of repair and diagnostic data; and access to on-board diagnostic and telematic systems needed to repair a vehicle must be made available to the independent repair industry.

Ensuring cybersecurity by allowing vehicle manufacturers to secure vehicle-generated data and requiring the National Highway Traffic Safety Administration (NHTSA) to develop standards for how vehicle generated data necessary for repair can be accessed securely.

Providing transparency for consumers by requiring vehicle owners be informed that they can choose where and how to get their vehicle repaired.

Creating a stakeholder advisory committee and providing them with the statutory authority to provide recommendations to the FTC on how to address emerging barriers to vehicle repair and maintenance.

Providing ongoing enforcement by establishing a process for consumers and independent repair facilities to file complaints with the FTC regarding alleged violations of the requirements in the bill and a requirement that the FTC act within five months of a claim.

U.S. Representative Bobby Rush Introduces REPAIR Act

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As vehicle technology continues to advance, new barriers to a competitive auto repair market are emerging.

These barriers limit consumer choice in where to repair their motor vehicles and increase the cost to repair and maintain vehicles. The REPAIR Act will reduce these barriers, putting consumers' interests first.

Today is one of the most memorable and important days in the history of the aftermarket. The REPAIR Act will help guarantee consumers' rights and the ability of the industry to ensure their vehicles operate safely," commented Paul McCarthy, president and CEO of AASA. "From the repair shop to the board room, this effort has been fueled by the people of the aftermarket, and we couldn't be prouder of that alignment behind this important legislation. This effort supports principles of competition, consumer choice, and safety that we believe will benefit the whole automotive industry in the long run. We look forward to working with Representative Rush and our industry colleagues towards passage of this critical legislation."

"Ensuring consumer choice while retaining a free and competitive market across the vehicle lifecycle is at the heart of this legislation," said Bill Hanvey, president and CEO, Auto Care Association. "As personal transportation has become more essential than ever, we need to make sure that 288 million American motorists have access to affordable, safe and secure repairs for their vehicles. The tenets of this bill are principles-based, balanced, and address concerns shared across the automotive industry. Passage of this bill will keep consumers at the wheel while preserving an industry that contributes 4.4 million U.S. jobs and 2% GDP."

"The CAR Coalition is proud to support the REPAIR Act," Executive Director Justin Rzepka said. "According to a recent YouGov poll, 93 percent of respondents agreed that they should have the right to choose where and by whom their vehicle is repaired. The REPAIR Act will ensure consumers will have more, not fewer choices, when they need a repair shop. They will also have access to the data they need to make sure the repair is done safely. This is important, consumer-first legislation and we look forward to working with law-makers and industry partners to pass it."

"Free and fair competition is a core value in the United States," said Daniel Ingber, Vice President of Government and Legal Affairs, SEMA. "Protecting a consumer's personal choice when purchasing, servicing, repairing, or modifying a motor vehicle is what the REPAIR Act will deliver. As technology continues to reshape the automotive landscape for vehicle safety, convenience and comfort, Congress needs to enact this important legislation. The REPAIR Act is essential to protecting access to vehicle systems, tools and information necessary for independent repair and modification services for millions of consumers."

"Americans should not be forced to bring their cars to more costly and inconvenient dealerships for repairs when independent auto repair shops are often cheaper and far more accessible," said Rep. Rush. "But as cars become more advanced, manufacturers are getting sole access to important vehicle data while independent repair shops are increasingly locked out. The status quo for auto repair is not tenable, and it is getting worse. If the monopoly on vehicle repair data continues, it would affect nearly 860,000 blue-collar workers and 274,000 service facilities."

The bill is introduced on the heels of three pivotal moments for consumer choice in repair. In November 2020, Massachusetts voters overwhelmingly voiced their support for Ballot Question 1 (also known as Right to Repair) with 75% of the vote, which preserves their right as vehicle owners to have access to and control of their vehicle's mechanical data necessary for service and repair at the shops of their choice. In May 2021, the FTC released their Nixing the Fix report which highlighted barriers that vehicle manufacturers have instituted to squash a consumer's right to repair. The FTC strongly supports expanding consumer repair options and found "scant evidence" for repair restrictions imposed by original equipment manufacturers. And in July 2021, President Bident issued the <u>"Promoting Competition in the American Economy"</u> executive order which encouraged the FTC to address anti-competitive repair restrictions.

Vehicle-Owning Voters Support Right to Repair Legislation

The CAR Coalition, a growing group of independent automotive parts, management and repair companies, associations, and insurers committed to preserving consumer choice and affordable vehicle repair, has released the results of a national survey of vehicle-owning voters, showing strong support for action on federal right to repair legislation, such as the bipartisan Save Money on Auto Repair Transportation (SMART) Act.

Vehicle-Owning Voters Support Right to Repair Legislation

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Results indicate:

- 78% of voters support right to repair legislation that:
 - Allows consumers to choose where and how to repair their vehicle.
 - Reduces design patent enforcement time from 5 to 2.5 years for collision repair parts, as proposed by the SMART Act.
 - Makes vehicle data more readily available.
- 92% of voters agree that consumers should be able to choose between automaker- branded and aftermarket car parts when making repairs.
- 85% of voters support vehicle data being made available to consumers and any repair shop they choose.
- Only 25% of voters believe that design patents should be used for common car items, such as side mirrors or bumpers.

"Repair restrictions on automobiles are driving prices higher at a time when many Americans can least afford it," said Justin Rzepka, executive director of the CAR Coalition. "It's time for Congress to get serious about solutions, including the SMART Act, to ensure consumers have options for quality, safe, affordable auto repairs and more control over their data." The survey, conducted nationally and in select states, including Delaware, Georgia, Massachusetts, Rhode Island, Texas, and Washington, found consistent strength for federal right to repair legislation from coast to coast.

In states and Washington, D.C., the right to repair movement is gaining ground. Last November, Massachusetts voters overwhelmingly approved an initiative to mandate that automakers install standard open data platforms in all vehicles starting in car model year 2022. In July, the White House issued an executive order on competition, encouraging action on right to repair. Later that month, the Federal Trade Commission voted to increase enforcement against restrictions that limit consumers' right to repair, including the automotive industry. In a policy statement, the Commission reiterated its view that "providing more choice in repairs can lead to lower costs, reduce e-waste by extending the useful lifespan of products, enable more timely repairs, and provide economic opportunities for entrepreneurs and local businesses."

The national survey was conducted Oct. 11-19, among 1,008 vehicle-owning voters with a margin of error of +/- 3.09% voters.

Display OSHA Form 300A Summary of Work-Related Injuries and Illnesses: February 1-April 30, 2022

State and Federal OSHA regulations require that employers with over 10 employees at any time in 2021 must post the Annual Summary of Injuries and Illnesses Form 300A from February 1, 2022 to April 30, 2022. This form lists summary data for all related injuries and illnesses that occurred during calendar year 2021. The report must be placed where employee notices are usually posted by your company. Businesses with no injuries or illnesses for the year must also post the form.

Employers subject to these regulations should review their Form 300 Log of Work-Related Injuries and Illnesses to verify that all recordable injuries and illnesses are listed, that all entries are complete and accurate, and correct any deficiencies. Record work-related injuries or illnesses that result in death, loss of consciousness, days away from work, restricted work activity or job transfer, or medical treatment beyond first aid (other incidents that are significant as defined by OSHA must also be recorded).

Use Form 300A to report a summary of these injuries and illnesses, have an officer of the company sign the form, then post it from February 1-April 30, 2022.

You can download a copy of "A Summary of Work-Related Injuries and Illnesses" from OSHA's website at <u>www.osha.gov</u>. Click on Recordkeeping, then on "Recordkeeping Forms" for OSHA Forms 300, 300A and 301. You may also use OSHA's on-line order form or call 1-800-321-OSHA.

Electronic submission of Records: Beginning in 2017, many employers were required to electronically submit the summary of injuries and illnesses to OSHA. Learn more about OSHA's rule on submitting injury and illness records electronically by visiting OSHA's website.

Industry News

Repair Shops Veer Away From Online Purchases

Percentage of parts purchased from traditional supplier sources has returned to pre-pandemic levels

During the height of the pandemic, 74.7 percent of independent repair shops reported that they were using publicly available websites - such as Amazon, eBay, JC Whitney, RockAuto.com, etc. - for parts purchases.

As of July, 50.2 percent of shops reported using publicly available websites as a source for purchases. While usage is still higher than 2019 (36.2 percent), shops are currently indicating that they do not intend to increase purchasing from this channel, according to IMR, which interviewed 500 independent automotive repair shops.

Parts purchasing through publicly available websites is declining as a percentage of the shop's total purchases as well. In fact, as measured in July, 2021, the percentage of parts purchased from traditional supplier sources has returned to pre-pandemic levels.

On average, independent auto repair shops purchase 6.9 percent of their parts from publicly available websites, down from 12.0 percent in 2020. However, smaller shops continue to have a higher propensity to purchase more from publicly available websites.

Overall, 48.4 percent of independent auto repair shops report purchasing "a lot less" or "a little less" from publicly available websites compared to last year. Smaller shops with 1 - 3 bays say they are purchasing about the same volume as last year (76.3 percent) while 54.0 percent of shops with 4-plus bays say they are purchasing "a lot less" or "a little less."

Over the next year, 86.2 percent of shops say they are "not too likely" or are "not likely at all" to increase parts purchasing from publicly available websites while few shops (13.8 percent) expect the frequency of their purchases from publicly available websites to increase at some level.

When asked why they intend to decrease purchases from publicly available websites, 50.6 percent say the delays caused by COVID have been resolved - suppliers have the parts in stock; delivery from publicly available websites takes too long - regular suppliers deliver faster (42.9 percent) and, lastly, 43.2 percent say their regular suppliers are less expensive. Shops with 4 - 7 bays and 8-plus bays overwhelmingly comment that their regular suppliers deliver faster and are less expensive.

Most shops (51 percent) rarely compare prices from their regular suppliers to publicly available websites while 12.8 percent "always" or "often" compare prices. Smaller shops, with 1 - 3 bays, have a much higher likelihood to "always" or "often" compare parts prices (42.1 percent).

Published in National News

New Report: Electric Vehicles Offer Automotive Aftermarket

Industry Long-Range Growth Opportunities

By Camille Sheehan

Auto Care Association and AASA release new joint report providing forecast and analysis of EV technology's impact on the auto care industry

The Automotive Aftermarket Suppliers Association (AASA) and the Auto Care Association together commissioned the 2021 Joint Electrification Forecast to provide the auto care industry with the insights needed to navigate the rapidly evolving industry.

As electric vehicle (EV) adoption increases with vehicle maker commitments, emerging policy, and developing technology, the long-term impact of this segment's growth is profound. As EV sales continue to grow, and as car parc growth slows, we expect penetration to increase rapidly after 2030, growing to 36% of the car parc by 2045 under a base case analysis. This newly released report provides the latest data, trends and analysis on how these developments are expected to impact the automotive aftermarket; the data and projections in this report can be applied to all companies across the supply chain to inform long-term strategy and identify future growth opportunities.

New Report: Electric Vehicles

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The 30-page 2021 Joint Electrification Forecast report includes:

- A complete projection of the growth of new EV sales and vehicles in operation (VIO) through the year 2045 under three scenarios: base, low and high EV adoption
- Projections on total battery-powered electric vehicle (BEV) model count by vehicle class, showing how the popular SUV style is driving EV design as vehicle manufacturers provide more options
- How EVs affect the growth of aftermarket parts sales through the year 2045
- How shops can offset projected changes due to EVs with new opportunities created by EVs
- An overview of the Chinese market with its pronounced policies and sales rates of EVs at levels four times that of the United States, this developing market presents an ideal look into the future of how the global EV market is likely to evolve.

By 2045, 79% of all new vehicle sales are expected to be BEVs or plug-in hybrid electric vehicles (PHEVs) and are projected to account for 36% of vehicles in operation (VIO). The 2021 Joint Electrification Forecast report also contains:

- Charts and analysis detailing factors impacting EV adoption
- Key growth contributors to the aftermarket
- Trajectory of EV model availability in North America
- Forecasted performance of EV models relative to other segments
- Projected share of EVs in car parc for 2021-2045
- Projected market growth through 2045; new growth opportunities for categories of service and more.

Research and analysis in the 2021 Joint Electrification Forecast report was contributed by Strategy&, the strategy division of PwC; IHS Markit; IMR Inc.; Schwartz Advisors; and YCP Solidiance.

"We are looking at evolution, not revolution, said Paul McCarthy, president and CEO, AASA. "While EV replacement parts sales will double in size between now and 2025, and again between 2025 and 2030, EVs still have a long road before they account for a large percentage of aftermarket sales."

"Given we already have a fleet of over 280 million vehicles, our industry will be driven by the internal combustion engine for the next couple of decades," said Bill Hanvey, president and CEO, Auto Care Association.

AASA and Auto Care Association and members receive complimentary access to these reports as a membership benefit. These reports may be purchased by non-members for \$1,500 each and accessed instantly on the AASA website at <u>aftermarketsuppliers.org/resource</u> or on the Auto Care Digital Hub at <u>digital.autocare.org</u>.

Management Notes

Building Trust and Rapport When Selling

You've probably heard the sayings that "people don't care how much you know until they know how much you care," and "people need to know, like, and trust you before they'll do business with you." The truth is: Until people know you care, most view you simply as a salesperson trying to make a sale. With that in mind, how do you build trust and rapport rapidly and let people know you have their best interest in mind so you can move toward the sale?.

Seven Ideas to Build Trust and Rapport

• Treat everyone you meet as if they are a close friend or family member. Imagine your best friend needs your product or service. Would your mindset be the same as if you were talking to a prospect you've known for a few minutes? It should be. When you're talking to your best friend you will most likely have their best interest in mind versus being focused on making a sale. People have a sixth sense and they know when you are more interested in making a sale than you are in helping them out. Focus on the other person and what is best for them, as opposed to focusing on you, your company, your product, or the sale.

Building Trust and Rapport When Selling

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- Work on the relationship and the connection before you focus on the sale. Most salespeople are so focused on the sales process, the questions they need to ask, possible objections, and the points they need to make, that they forget to make a personal connection before proceeding with the sale. Look, you have to focus on the sales process at some point, just make sure you make a personal connection and build some rapport before moving into the sales portion of the call. When first interacting with someone, I've found a good way to make a connection is to think to myself "I really like this person and really want to help them," and then focus completely on being positive and pleasant in the first few moments of the interaction.
- Make a friend. Your first objective is to be likeable, agreeable, get along, and make a friend. Many times, we want to impress people with how much we know and why they need to work with us. This can lead to us subtly, or not so subtly, debating them over what they think they need and what we know they need. This causes a disconnect and usually leads to objections such as: I need to check two other places, talk to someone else, or think about it. Your focus is not on showing the prospect how much you know or how little they know, or in getting in a debate with them. Whatever they think they need or say they want, do your best to agree with them initially. Once you've connected with them and built some rapport, then they will be more open to your suggestions. Before you can educate the prospect and have them listen, or lead the prospect and have them follow, you must have a good connection and rapport.
- Focus completely on the person to whom you're speaking. Be present with the person to whom you're speaking and make sure you are paying close attention, asking good, thoughtful, relevant questions, and listening well. Do not focus on the phone in your pocket, the siren on the fire engine driving by, or the person who just walked in the door, give the person you're talking to your undivided attention.
- Treat each person as the most interesting person in the world. If you ask people who they are most interested in, the majority will say themselves if they answer honestly; treat them as if they are. Ooze caring, empathy, and understanding while keeping in mind that these feelings must be genuine.
- Have friendly, relaxed conversations. Going back to that situation where you have a close friend who needs your product or service, imagine what that conversation would be like. Typically, it would be a friendly, relaxed conversation, like most conversations you have with them. This is your goal when speaking with prospects. If you are friendly and relaxed, they will most likely be friendly and relaxed eventually if not initially. People tend to be mirrors and return what you send out. If you are relaxed, open, conversational, and show you care, your prospects will usually follow your lead.
- Make sure everything about you sends the right message. Make sure you are perceived as a consummate professional. Speak professionally and intelligently, in other words, use proper grammar and be knowledgeable about your industry. Dress the part and be well groomed, have a good hand shake, make good eye contact, and conduct yourself professionally at all times.

The tips above will help you build trust and rapport rapidly and make a good first impression. Once you've made a good first impression, make a good second, third impression, etc., by following up and doing what you say you'll do when you say you'll do it.

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Association News

Association/Aftermarket Foundation Scholarship Application News

The Automotive Aftermarket Association of the Mid-South, Inc. (AAAMS, Inc. dba NYSAAA), is pleased to announce that applications are now available for Annual Scholarships. The Association plans to make available at least four (4) Scholarships...2 AAAMS and 2 NYSAAA.

The student applicant may complete the application for the AAAMS/NYSAAA Scholarships online at <u>www.automotivescholarships.com</u>. This way, the student will not only be eligible for the Association Scholarships, but also ones from several other sources within the industry. All applications need to be completed online by March 31, 2022. The Association Scholarships will be awarded by late May 2022. Please contact Randy Lisk at 1-800-849-8037 or rlisk@aaamsonline.com for further information regarding these Scholarship opportunities.

New York Labor Law Posters

We have had several inquiries from New York members regarding the new New York State Labor Law posters containing recent changes in the Minimum Wage Laws, etc.

We do have a source for such posters...but need to get a feel for how many posters to order. Based on the number that we order will determine the cost of each poster. If you are interested in such posters, please contact Randy at 1-800-849-8037 or rlisk@aaamsonline.com.

Before ordering the posters, I will confirm with each interested member the price and get the go ahead to order.

We also have available the combined All-In-One Federal and State Labor Law Posters for our four (4) Southeast states...please contact Randy for pricing, etc.

Large Vacation Calendars

Last month we included a copy of an 8 1/2" x 11" Vacation Calendar in "The Horn" newsletter. We have had a few calls regarding the availability of a larger version of such calendar that many members have received in the past. They are available, but before placing an order, I need to get an estimate of how many of the Calendars to order...if there is enough interest.

Once again, contact Randy and let him know that you are interested in the larger Vacation Calendars.

"Your Invisible Paycheck"

Not many employees realize how much it costs your company to keep them employed. Show your employees the total costs for 2021 with the "Your Invisible Paycheck" form found on **Page 8** of this newsletter.

Association Executives of North Carolina (AENC) Presents Randy Lisk with An "AENC Lifetime Membership"

On December 9, 2021, at the conclusion of the 2021 Association Executives of North Carolina (AENC) Trade Show & Speaker Showcase, AAAMS, Inc./NYSAAA Executive Vice President Randy Lisk, was awarded the prestigious "AENC Lifetime Membership" in recognition of his many contributions to AENC. Lisk served as AENC President from 1994-1995. This award is the highest honor given to an AENC Member.

Established in 1955, AENC provides its members high quality professional development and networking opportunities, and fosters recognition and respect for the association management profession.

- - Randy Lisk, Executive Vice President

SPRING IS ON THE WAY!!!

Your Invisible Paycheck

To:

(Employee Name)

Not many of us realize how much it costs our company to keep us employed. Shown below is what it actually cost the company to employ you in 2021. This statement is provided to you for your information. It is not intended to show that our company is a generous employer. You earned the amount on the bottom line. We do feel that you and your family should know the costs of extra benefits and protection programs you have as an employee of_____.

(Company Name)

Your Total Paycheck in 2021

Your <u>Gross Earnings</u> before deductions	\$
Deductions from your paycheck amounted to: Income Taxes (State & Federal) Social Security Taxes Your Share of Group Insurance Premiums Your Charitable Contributions Total Deductions.	\$ \$ \$ \$
Your <u>Net Earnings</u> (take-home pay)	\$
In addition to your wages, the company paid for you: Social Security Taxes. Unemployment Insurance Taxes. Workers' Compensation Insurance Premiums. Retirement Plan Benefits. Life Insurance Premiums. Health Insurance Premiums. Dental Insurance Premiums. Other Company Provided Benefits. Total cost of company paid benefits .	\$ \$
Total company paid in 2021 your wages & benefits	\$
Time paid, but not worked: Included in your wages paid by the company were the following amounts for the time you did not work Company paid for holidays Company paid for vacation days Company paid for sick leave days Company paid for other days	rk:
Total company paid you for time not worked	\$
In 2021 the company paid you in wages and benefits, a Grand Total of\$	
A membership service from:	
AAAMS, Inc. DBA New York State Automotive Aftermarket Association Serving the Automotive Aftermarket in North Carolina, South Carolina, Tennessee, Virginia, and New York	

