

# THE HORN

**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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## **Automotive Aftermarket Association of the Southeast & Automotive Aftermarket Association of the Mid-South Announce Merger**

The Automotive Aftermarket Association of the Southeast (AAAS) and the Automotive Aftermarket Association of the Mid-South (AAAMS) recently held a joint annual conference at the Sandestin Resort in Miramar Beach, Florida. The official merger of the two long-serving associations was the first order of business at the annual conference business session. The newly formed super-regional association will operate as the Automotive Aftermarket Association of the Southeast (AAAS) effective January 1, 2023. The Association headquarters will be in Montgomery, Alabama. Each association's Board of Directors voted unanimously to approve combining the two groups.

AAAS will represent nine states: Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and New York. The newly formed association will be best positioned to serve the needs and interests of the membership and the industry.

AAAS Chairman Joe Ward, First Call Truck Parts in Tallahassee, Florida, said regarding the merger, "We were honored to have been asked by the leaders of AAAMS to consider a merger. We all know these are challenging times, and the need for an effective industry association has never been greater. Every aftermarket business needs the strongest advocate possible and the strongest business support possible. It did not take our two boards of directors much time to determine that a merger of the two great associations would put us in the best, strongest position to fulfill our mission of service and support for the industry and the individual aftermarket business member. We look forward to January 1, 2023, and working together to build an ever-greater association."

AAAMS Executive Vice President Randy Lisk noted that AAAMS will transition during the remaining months of 2022 and will begin immediately transferring many administrative duties to the AAAS staff. AAAMS will cease operations on December 31, 2022. Lisk stated, "The additional benefits to the members of both associations are immeasurable. The highly successful AAAS insurance programs (i.e. Life and Health Insurance) that will soon be available to our members are just a couple of the advantages. AAAS will also look to adopt several programs and services provided by AAAMS. Members of both boards agree that this merger provides a new level of capability and strength in numbers as the association carries out its mission of service to the industry. AAAS will work to form an even closer relationship with our national Association, Auto Care Association, and other national groups to build cooperation and the strongest possible coalitions to best serve our industry."

Current AAAMS President Rich Blose, Interstate Batteries, who also currently serves on the AAAS Board of Directors, has been instrumental in spearheading this effort. Blose stated, "Now that AAAMS has announced it is combining forces with AAAS, we will become the largest regional aftermarket association in the United States with some 750 members, and confidently expect future growth. We are very proud to join forces with the members of this exceptional association."

AAAS President Randal H Ward, CAE, will remain CEO, and very importantly, AAAMS Executive Vice President Randy Lisk will continue to serve the five states currently represented by AAAMS. R. Ward stated that "having Randy remain in place and become a member of the AAAS team was extremely important as the two

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# AAAS & AAAMS Announce Merger

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associations came to an agreement on the merger. Randy will add greatly to the association's capabilities, and he will be available to assist with all projects and programs along with the entire AAAS team. We are very excited about this merger and the opportunities it represents. AAAS will be stronger, more effective and a greater value to each and every member as well as the industry as a whole on January 1, 2023. There is indeed strength in numbers."

Further announcements to come regarding member benefits, advocacy initiative, and program availability as the transition progresses.

*(Editor's Note: In the August 2022 issue of "The Horn" newsletter, I (Randy) will include a "Message to the Members" article regarding the last 4 1/2 months of 2022 (Merger Transition Period) and more of what you can expect from the new "Super-Regional". This truly is an exciting opportunity for our Association and for AAAS!)*

## Legal/Legislative

### Auto Care Association Members Call on Industry to Turn Up the Heat During Right to Repair Awareness Month

The United States automotive aftermarket has experienced several victories when it comes to Right to Repair, which secured the consumer's right to choose where they get their vehicle maintained and repaired. This right was secured twice in Massachusetts: first in 2012, resulting in a nationwide Memorandum of Understanding (MOU) with automakers for vehicle diagnostic and maintenance data from the OBD, and again in 2020 for wirelessly-generated vehicle data. Contrary to the will of Massachusetts voters, soon after the win in 2020, the automakers filed a lawsuit to overturn this 2020 victory for consumer rights and we are still waiting on a decision from the judge.



As the industry awaits the long-anticipated decision on the Right to Repair court case in Massachusetts, the auto care industry continues the fight for safe and secure access to vehicle maintenance and repair data on the national and international stage. On the federal front, the Auto Care Association has worked to gain support for the [REPAIR Act](#) to secure the Right to Repair for all Americans, but time is running out to secure co-sponsors in this Congress. Due to currently competing legislative priorities (supply chain shortages, war, inflation), it is likely the REPAIR Act bill will need to be reintroduced in 2023.

In response to the need to continued momentum and even more engagement on the issue, members of the Auto Care Association's [Marketing and Communications committee](#) are asking for the industry to partake in a "Right to Repair Awareness Month" this July.

"It's critical to engage our 4.4 million brothers and sisters in this battle for independence," said Bill Hanvey, president and CEO, Auto Care Association. "We must continue a steady drumbeat and add more voices to our story. That's why this July, we're launching Right to Repair Awareness Month to ensure that every colleague, peer and coworker knows what Right to Repair is and why they need to get involved."

Anyone in the industry can join the Right to Repair Awareness Month effort by doing two simple things:

Share your support for Right to Repair throughout the month of July and what it means to you on social using the hashtag #righttorepair. The Auto Care Association has created a [media kit](#) with downloadable and editable graphics for eye-catching communications.

Be an ambassador within your organization: spread the word about Right to Repair Awareness Month with your supervisor. Ask your HR department to send this company-wide and use resources from the association's media kit to educate your company and encourage your employees or colleagues to also take 30 seconds to send a [pre-populated letter](#) to their local legislator via the association's Action Center.

Additional resources, including full briefs on Right to Repair can be found on the Auto Care Association website for both the [state](#) and [national](#) levels.

Companies that partake in employee education efforts will be recognized. Send details about your participation in the Right to Repair Awareness Month to [communications@autocare.org](mailto:communications@autocare.org).

# Industry News

## How Would a Recession Today Affect the Aftermarket?

By Rob Merwin

The word "recession" has been popping up in headlines recently, and while the automotive aftermarket has proved resilient in past economic downturns with more than 3 percent growth during those years, *Aftermarket Matters* asked the Automotive Aftermarket Suppliers Association (AASA) recently if the industry will need to navigate potential shallow waters ahead.

The following conversation "snapshot" took place during an AASA media briefing on May 25. Content has been edited for clarity.

**Aftermarket Matters:** *How different would a recession look today compared to previous ones, most recently in 2007-2009, and what challenges would it present to the aftermarket in light of high gas prices, inflation, supply chain challenges and more?*

**Paul McCarthy, AASA president and CEO:** "We've had a number of economists speak to our members — and we've heard it through the industry — and they seem to be less concerned than some of us broader folks. They keep pointing to the fact that the job market is incredibly strong, income growth is strong and consumers still have very good [bank] balances. But that said, recessions are funny things. We're not sure it's going to happen and it's very hard to predict — but we do outperform most of the sectors.

"From a manufacturer's standpoint, that's one of the reasons it's wonderful to have an aftermarket business. There's a perception that we're countercyclical in the aftermarket, but we're not really — we did the analysis many times over many years and we're actually 'weakly cyclical.' We feel it when the economy gets worse — and we feel it in a positive way when the economy gets better — but we're hit much less than others.

"Our projection in this current [economy] is we might even outperform our usual historic performance. The reason for that is the issue of substitute goods. If we enter a recession, we're certainly not going to be getting more new vehicles coming into the fleet. The typical drive [for vehicle owners] is to make sure they can make their vehicles last a little bit longer until they feel more positive about the economy.

"We think that the necessity of — 'I need my vehicle, I need to repair it' — and given the age and size of the fleet, and lack of substitute goods may be even more positive for us than any potential recession. Generally, when I speak with industry leaders, they're not fearful of a recession, but they certainly need to be ready, just as we've needed to be ready for so many other disruptors."

**Chris Gardner, AASA senior vice president, Operations:** "All those points are spot on, especially with the parc being so large with such a long tail. The only concern that I think we hear is that discretionary spend on unperformed maintenance could take a hit if gas prices and inflation stay high.

*Source: aftermarket Matters weekly, July 7, 2022*



## 10 Million ICE Autos Dodge The Junk Pile

*The Lang Report*

"Nearly 10 million cars and light trucks were not scrapped in the U.S. from 2016 through 2021 due to vehicle scrappage rates averaging one-fifth lower than during the previous ten years. Virtually all vehicles escaping the scrap heap were Internal Combustion Engine (ICE) cars and light trucks."

"This reduction in scrappage has four significant consequences for the country's vehicles in operation (VIO): the number of cars and light trucks on the road, the share of domestic and foreign nameplate vehicles, the growth of older automobiles, and the VIO domination by ICE vehicles."

**Moderate Scrappage Rates:** Vehicle scrappage (the removal of vehicles from operation) in the U.S. has traditionally climbed when new car and light truck sales increase or the numbers of older vehicles expand. However, annual scrappage rates for 2016 through 2021 fell, despite a growing population of older vehicles (12 years plus) and record-high new vehicle sales during 2016 through 2019.

**Vehicles in Operation (VIO):** Lower vehicle scrappage during 2016 through 2021 boosted the nation's VIO by nearly 10 million cars and light trucks, vehicles that would have landed in the junkyard had the scrappage rates not declined. The 10 million cars and light trucks not scrapped accounted for more than half of the total VIO gain (approximately 18 million) during these years.

**Domestic Nameplate VIO:** Domestic nameplate cars and light trucks have accounted for nearly three-quarters of all vehicles scrapped over the past ten years. This means that the domestic nameplate population

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# 10 Million ICE Autos Dodge The Junk Pile

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was boosted by over 7 million during this period, slowing the growth of foreign nameplates as a percentage of all cars and light trucks in operation despite their record-setting share of new vehicle sales.

**Older Vehicle Age Groups:** Older cars and light trucks, particularly those over 15 years, represent a disproportionate share of vehicles scrapped. They are more likely than newer vehicles to be “totaled” in accidents (because of their diminished value) and less likely to be spared from the junk pile when expensive repairs are needed. As a result, the below-average scrappage rates have been a major force driving the record growth of vehicles 15 years and older on U.S. roads.

**More ICE Vehicles on the Road:** Internal Combustion Engine (ICE) vehicles constituted virtually all of the nearly 10 million cars and light trucks not scrapped from 2016 through 2021. The total number of ICE vehicles not scrapped amounted to more than five times the sales of Electric Vehicles over these six years, both Plug-In Hybrid Electric Vehicles (PHEV) and Battery Electric Vehicles (BEV). As a result, ICE vehicles accounted for over 99% of the 2021 VIO, a much larger share than if scrappage rates had remained high and the nearly 10 million ICE vehicles had been sent to the junk pile.

**Aftermarket Consequences:** Low scrappage rates have impacted the aftermarket in three major ways. First, the expanding VIO and growth of older cars and light trucks are favorable for aftermarket product growth, particularly when annual miles face strong headwinds from the knock-on effects of COVID-19 and other factors. Second, the impact of below-average scrappage on the foreign and domestic nameplate mix has consequences for the aftermarket in terms of where automotive parts are sold, where vehicles are serviced, and the brands of products used in vehicle repair and maintenance. Third, the dominant ICE share of the VIO has significant aftermarket consequences ranging from the brands of repair products used to the total volume of aftermarket products and where parts and services are purchased.



## Energizing our vehicles in the future will require advanced technologies, let's learn about AGM and EFB – Part 2

*By: Jarod Adams, V.P. Sales, Interstate Batteries*

I may not be the sharpest knife in the drawer or even the shiniest spoon, but I remember my first experience with a Start/Stop vehicle, thinking there was something seriously wrong with the car. I was about to call the rental car place when I figured out it was shutting off on purpose – I assumed, correctly, to save gas – still, someone could have warned me.

Several years later, here I am writing an article about Enhanced Flooded Batteries (EFB). Don't worry, I work with a lot of smart people.

Enhanced Flooded Batteries are relatively new to the US, but in Europe where environmental laws are more stringent, EFBs have been powering start/stop vehicles for over a decade. Now they're rolling out in the states as more and more OE manufacturers specify them. The traditional flooded battery simply can't take the continuous draw when a car has to start at every traffic signal with little time to recharge between stops. The alternative has been Absorbed Glass Mat that loses virtually no water. The electrolyte solution inside is similar to a (AGM), but the price tag is more than many consumers can swallow.

EFBs have thicker plates made of lead reinforced with carbon and other additives, and a sealed maintenance-free top that loses virtually no water. The electrolyte solution inside is similar to a traditional flooded battery, and a fine fiberglass mesh secures the plates and prevents shedding, or the loss of lead that breaks down the battery's ability to conduct electrons. The battery is essentially designed to work at a partial state of charge at any given time, which would greatly shorten the life of a traditional battery.

**Click here to watch what happens when we tear open an EFB battery to look at its interior build.**

[EFB Teardown Video](#)

Before AGMs were factory specified, many people upgraded to AGM from flooded batteries to power additional aftermarket accessories or 'creature comforts.' The EFB however is not an upgrade from traditional flooded - if your car is not a start-stop, you may not see much benefit by replacing your flooded battery with an EFB battery. Bottom line: If the manufacturer says you need an EFB, then you need an EFB.

Similarly, don't think you can use an EFB if the manufacturer requires an AGM. Jeff Barron runs Interstate Batteries' ISO-9000 certified quality control lab and has spent a lot of time testing the EFB manufactured by Stryten. In addition to triple testing any product Interstate sells, he answers any questions that may stump the customer service team.

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## Energizing Our Vehicles - Part 2

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The most common question Jeff gets from Interstate Dealers and consumers?

*Are AGMs and EFBs interchangeable?*

“You really must check the manufacturer’s specs. Your battery provider should also give you that information in their application guide, but don’t forget to check the footnotes for important details. It could be the difference between a happy customer, and the other kind.”

For more information regarding clinics, etc. pertaining to AGM and EFB Batteries, please contact Randy at 1-800-849-8037 or [rlisk@aaamsonline.com](mailto:rlisk@aaamsonline.com).

## ASE Introduces ADAS Specialist Certification Test

The National Institute for Automotive Service Excellence (ASE) has introduced an Advanced Driver Assistance Systems (ADAS) Specialist Certification test (L4). The test is designed to identify technicians who possess knowledge of the skills required to diagnose, service and calibrate ADAS on automobiles, SUVs and light-duty trucks.

“Because ADAS service is becoming a very important vehicle repair service, our stakeholders requested that we develop a certification test that demonstrates that automotive service professionals are qualified to perform ADAS service,” said Tim Zilke, ASE president and CEO. “We worked closely with service technicians, service representatives from vehicle and engine manufacturers, aftermarket trainers and technical educators to develop questions that deal with practical problems experienced by technicians in their work with vehicles that include ADAS.”

The ASE ADAS Specialist test (L4) will cover content focused on diagnosing, servicing and calibration of radar, camera, ultrasonic and other advanced driver assistance systems. Many of the questions relate to a sample vehicle with advanced driver assistance systems technology most manufacturers use. This vehicle is described in the [composite vehicle type 1 reference booklet](#) provided as an electronic pop-up during the test.

To register for the ADAS Specialist test (L4), automotive service professionals must have passed either the Automobile Electrical/Electronic Systems (A6) or Collision Mechanical and Electrical Components (B5) test. A study guide is available for individuals planning on taking the ADAS Specialist Certification test to help in test preparation. For more information about the new ADAS Specialist Certification test and registering, visit <https://ase.com/test-series>.

## Management Notes

### Six Ways to Deal with Sales Objections at the Service Desk

*Bob Cooper, Elite*

When it comes to dealing with objections, most service advisors shut down as soon as the customer says “It’s too much money”, or “I’d like to think it over.” There are a number of reasons why, but the single most common reason is that the advisors don’t know how to handle the objections. Here are what I have discovered to be the best-kept secrets when it comes to dealing with sales objections.

**1.** Accept the fact that the single greatest cause of sales objections is a poor sales presentation. If you don’t follow the eight steps of the sales cycle (build rapport, fact find, identify the need, identify the solutions, build interest and value, ask for the sale, close the sale, resell the service), if you rush through your presentation or if you don’t believe in the service you’re recommending, then sales objections are bound to occur. So the first place to start in handling objections is in mastering your presentation. In all cases, make sure that you build rapport with the customer, offer options whenever possible, build interest and value in the benefits of your service rather than the parts and labor, and give the prices last.

**2.** When you hear an objection, it’s a cardinal rule that you need to listen, learn and be thankful. When a customer gives you any kind of sales objection, they’re telling you that they’re interested, but there is something that is standing in the way of them authorizing the service. As sales professionals, we need to be

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