

## *AARDA Address to Canadian Collision Industry Forum (CCIF)*

MacDonald Hotel, Edmonton Alberta , September 28, 2013

Good morning delegates to the Edmonton CCIF... my name is Ian Hope and I'm the Executive Director of the Alberta Automotive Recyclers and Dismantlers Association, better known by the acronym AARDA.

Many of you would have heard about the auto recycling industry from our national association – the Automotive Recyclers of Canada, of which AARDA is one of the founding members.

I have with me today several of the members of our Association's Board of Directors and I would like to introduce them to you... first we have Steve Cox who is the President of AARDA as well as one of the owners of Allwest Auto Parts in Edmonton. Then we have Raelene Day who is the Treasurer of AARDA and one of the owners of Trapper's Auto Parts in Whitecourt, then Kelly Popow who is a long-standing Board Member and one of the owners of Popow and Sons in Lacombe, and finally we have our newest member to be appointed to our Board, Sarah Brophy who is a Manager with Lake City Services in Sylvan Lake.

We are here today to bring you two important messages on behalf of our sixty member-businesses... Our first message is that while we're an important part of the collision repair economy in Alberta, we want to play a much larger role in future...in other words, we're here to ask you for more of your business... Secondly we are here to tell you we fully intend to provide you with quality in our parts and services and also to improve our operations and parts availability so that we will deserve that increased business.

For the most part, our member businesses are owned by individuals and families. It is not uncommon to find two, three or more generations within a family who are working together in auto recycling.

Most members can be characterized as small to medium -sized businesses with from 8 to 20 employees most of whom have accumulated a great deal of experience with parts. They are honest and hardworking and I have been proud to represent them these past 4 or more years.

When I first started with AARDA I went to visit one of our eldest auto recyclers in the Province. He took me aside and looked me straight in the eyes and said... "Ian, if you could do just one thing...just one thing, for the members of the Association, it would be get the collision repairers and insurance companies to use more recycled auto parts in their repairs".

He then took me on a short tour of his yard, which I have since found in my travels to be a pretty typical yard for an Alberta automotive recycler. He showed me how he had stacked doors, hoods and other vehicle parts on shelving designed to protect them from dents and scratches and then how they boxed everything using strong lumber and other packing materials for shipping to locations across Alberta and Western Canada.

Next on the walkabout I was quite impressed to see the many half ton trucks that were set out in a neat grid across his yard- clean looking units with little damage evident anywhere...indeed they looked like they had just been washed and polished. He explained that although the truck bodies are in very good condition with plenty of excellent reusable parts, he would be sending many of them to the crusher soon according to the dates from which they had been sitting in his yard.

He explained there just haven't been enough calls for these parts and timelines made it necessary to move the inventory in this way. Looking about, it certainly seemed a shame to me that with so many of these particular vehicles still on the road, the collision repair economy would tolerate the crushing and shredding of these excellent boxes, fenders, doors and other great parts, producing so little in economic and environmental benefits.

Opposed to this outcome, our Association's principal aim is to conserve the valuable and substantial resources involved in producing and operating the vehicles driven by Albertans today when they become damaged or inoperable, by recycling the parts.

Unlike other vehicle recycling yards that have *not* taken the initiative to join our Association, I believe that our members stand out as they have made the responsible and ethical choice to recycle according to the Canadian Auto Recyclers Environmental Code (better known by the acronym CAREC). As part of this, each member yard is audited regularly against rigid standards. When AARDA members, for example recycle end of life vehicles, we remove and arrange for the proper disposal of the many substances within these vehicles that would otherwise be toxic to the environment. This includes mercury switches, oils and lubricants, gasoline, refrigerants and battery chemicals to name a few as well as tires and other materials that must be removed so that the steel bodies can be safely shredded, then melted back to re-usable steel that can supply the many needs of Alberta consumers.

We are hopeful that the insurance companies and collision repair shops in our Province will see, not only the economic, but also the public good in this, and will want to encourage our industry and members by choosing to do business with only AARDA recyclers wherever possible.

In this connection, I have spoken to insurance companies in the past year and they have indicated that they themselves have noticed that the percentage of repairs in Alberta where recycled auto parts are used is far lower than they would like to see. The AARDA recyclers recognize that in order to achieve that mutual goal, there is much we must pay attention to. We have to have a great selection of parts and systems that allow ready access to them, the ability to deliver them in a timely fashion and all of this supported by customer-friendly policies and communications. We intend to work hard towards ensuring that all of this is in place to warrant your business.

While it may not seem like a monumental choice to re-use good quality parts from another vehicle, when the collision repair industry embraces those choices strongly, the resulting savings in energy, raw materials and pollution will make a clear and huge contribution to the betterment of our world.

With every decision made by Collision Repair Shops and Insurers to use recycled and already available auto parts in their repairs, you will be helping a recycling industry that reclaims over 12 million vehicles across North America annually.

Indeed, auto recycling is the ultimate environmental choice. No other product on earth is recycled more than an automobile. For starters, think about how it prevents unnecessary use of valuable landfill. And by reducing the need for new parts to be manufactured, you'll be preserving scarce natural resources and cutting down on the resulting pollution. Let me illustrate with just a few basic facts:

First off, the automobile is the very largest of all society's consumer products not only in terms of the physical resources that are needed to create them but also in respect to the energy used in their manufacture.

- Over 80% of the entire vehicle by weight is reused, re-manufactured or recycled with goals to do even better.
- Recycled parts presently save an estimated 80 million barrels of oil annually (close to \$8 Billion) that would be required to produce new replacement parts.
- Auto recycling provides about 40% of the ferrous metal for the scrap processing industry across North America.
- Further, substituting low-sulphur scrap metal for high-sulphur raw ore can reduce a steel mill's air pollution by as much as 86% and water pollution by 76%.
- The amount of toxic oils and fluids safely reclaimed by auto recyclers is equivalent to sparing our planet eight Exxon Valdez disasters every year!

As well, we are quite mindful of the economics that cross our industries. We realize that it's important for us to add to your success by providing you with readily available options for good parts that you can install without surprises, extra work and costs. Clearly when these factors are working the use of green recycled parts makes perfect sense. As I understand it, allowing one hour clean up to collision repair shops on many recycled parts has been standard practice in the past. Where more than that allowance is needed, many of our members are open to compensating the repairer for the excess time at your shop rates. We believe that flexibility is the key to both the success of the collision repair shops as well as our businesses and we shall be guided by that. And speaking of economics, we also believe that it is in everybody's interests to keep to a minimum the number of vehicles in accidents that are subsequently taken out of the system as 'write-offs'. By using more reasonably priced green recycled parts as a basis for repair estimates, the balance can often shift away from a write off classification.

And by the way, if you go to our new website ([www.aarda.com](http://www.aarda.com)) which was introduced within the past six months, you will see how we have embraced the program trademarked in both Canada and the United States as "Green Recycled Parts". As our website homepage very prominently indicates these recycled parts can truly be *good for your wallet, good for the Earth and good for your customers' vehicles!*

When opening the CCIF in St. John's Nfld, Tom Bissonette made the statement that 'it was time for a change, It's time to take action...its time for the CCIF to move to the next level" AARDA has the same sense about its situation – we too want to move forward in a positive direction and make some improvements as an industry and we don't want to do that in isolation but instead by working directly with you folks, who we see as our valuable partners in providing collision repair solutions that really work for everyone, including customers.

At the St. John's event it was also explained that the strength of the new CCIF was that it would bring together all the stakeholders as a single collective voice and that while we cannot change where we've been, we can work on a map to where we want to go. AARDA wants to be part of that voice and help to develop that new and better map. *As part of that cooperation, we hope to see our industry treated as an equal to the other industries involved, even though smaller by comparison. Our vision as part of that is that we will be respected and accepted as an autonomous industry comprised of businesses that can price and sell our products on a competitive basis free of pressures and restraints that might limit our operational decision-making.* An over-arching theme of AARDA as an association is that we want to recycle 'the right way'. It's not always the easiest way folks nor is it the most profitable for our members- but it's simply the responsible and proper thing to do, or if you prefer... 'best for all concerned'. We ask that you join with us in our mission by helping us to do a better job of achieving a future for our Province where a great deal more of the available used auto parts are recycled and reused, and we ask that you do this for the very same reasons- because it is the right and the responsible thing for you to do, not to mention that it almost always more economic and profitable to take this direction.

*Ladies and Gentlemen, conference delegates, we are the Alberta Automotive Recyclers and Dismantlers Association and we very much want, and are asking for your business!*