



The Industry Update

A membership service of the Northwest Automotive Trades Association
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Costs of Vehicle Ownership Remain Unchanged - AAA's 2009 edition of "Your Driving Costs" shows the average cost of owning and operating a new car in the U.S. has remained relatively unchanged. The average cost for a new sedan driven 15,000 miles per year is 54 cents per mile, only 0.1 cent less than reported in 2008.

"While motorists are experiencing relief at the pump, those savings have been countered by revised Environmental Protection Agency fuel economy estimates and increases in vehicle ownership costs such as insurance premiums, depreciation, finance charges and other fees and taxes," said AAA Automotive Vice President Marshall Doney.

AAA estimates the cost to own and operate a typical new sedan driven 15,000 miles yearly is \$8,095, only \$26 less than last year's estimated cost of \$8,121. SUV owners, whose vehicles get lower fuel economy, benefited most from the drop in fuel prices. Their estimated operating costs dipped 1.3 cents per mile to 68.4 cents, or \$10,259 per year, despite a relatively large increase in depreciation and insurance premiums. AAA's calculations are based on both operating and ownership costs that include: fuel, maintenance and tires, insurance, license, registration, taxes, depreciation and financing. The costs are based on typical use of a vehicle for personal transportation over five years and 75,000 miles of ownership. Fuel costs were based on \$2.30 per gallon.

A free copy of the "Your Driving Costs" brochure can be downloaded at www.AAA.com/publicaffairs

Free Brochure Explains Extended Service Plans to Consumers - A free guide shops can use to help explain "extended service plans" to consumers is now available online.

With research indicating that more motorists are keeping their cars longer and getting them serviced rather than purchasing new vehicles, this document helps educate motorists about the different types of extended service plans and how to select the right one to meet their needs.

The Automotive Service Association (ASA) under the guidance of its "Mechanical Division Operations Committee," the brochure addresses such topics as finding the right coverage and repair facility, when to purchase an extended service plans, types of coverage available and how the claims process typically works.

It can be downloaded from either the home page or "Automotive Tips" section of the ASA website (www.ASAshop.org).

Dealership Closings Could put \$5 Billion in Service, Parts Business up for grabs - If 2,000 more dealerships close in 2009 as some analysts predict, more than \$5 billion in dealer buy parts and service sales will be available to other dealers and independent service outlets, according to Jim Lang, president of Lang Marketing, an independent market intelligence firm specializing in the automotive aftermarket industry.

Lang estimates most of the more than \$7 billion in 2009 parts and service sales abandoned by closing dealers will be captured by independent aftermarket service outlets, auto parts stores and auto parts distributors.

Lang estimates that 2,040 car dealers will close in 2009 resulting in the loss of 32,000 dealer service bays. Up to 51,000 dealer bays could be closed if the dealer network suffers a traumatic shock, such as the bankruptcy or dramatic downsizing of a U.S. automaker. The exact number of dealer bays closing in 2009 will depend on how many new car dealers convert to used car outlets with service bays.

Local Collision Shops Fully Adopt "Fix Auto" Name - Seven shops in the Fix Auto network in Oregon and Southwest Washington held an event in March to mark completion of fully branding themselves as "Fix Auto," dropping any signage or references to their individual business names.

This was the second of the 25 U.S. markets in which Fix has network shops to "fully brand;" 11 of 17 Fix Auto shops in Southern California have done so as well. "I predict that at some point, networks like ours will be a primary method of distributing work," Fix Auto USA founder Erick Bickett told the more than 150 shop employees and guests at the dinner. "In other words, insurance companies will recognize that a single point of contact will be the primary method of dispatching and distributing work. I don't know when. But I think we're seeing indications of that now more than ever."

About 140 shops in 13 U.S. states (plus about 170 shops in Canada) belong to the Fix Auto network. The local group has shops in Portland, Beaverton, Gresham, The Dalles, and Vancouver, Wash.

SAFETY FIRST! Oregon's rainiest time of year coincides with an increase in the incidence of slips, trips, and falls, which together are one of the leading causes of general industry accidents, according to OR-OSHA. *These mishaps cause 15 percent of all accidental deaths, second only to motor vehicles.* In addition, same-level falls make up 50 percent of all Oregon fall-related disabling (time lost from work) falling injuries.

Tips for preventing slips, trips, and falls...

Work area:

- Wear appropriate slip-resistant shoes
- Slow down to negotiate turns, corners, obstacles, and areas with limited visibility
- Keep work areas and walkways clean, clear, and well-lit for you and your visitors, mindful of clutter and any tripping hazards

Wet floors:

- Clean up wet areas and spills immediately
- While mopping, make sure signs warn others of the danger of wet surfaces
- Use caution in areas where wet floors are likely: entrances, rest rooms, and mopped floors

Ladders:

- Stand on a ladder instead of a chair, table, bucket, or box
- Use the correct ladder for the job
- Never step on the top platform of any ladder, including a stepladder

REMEMBER, SAFETY FIRST!

For Quarterly Reports on the Collision Industry Conference, visit or click here:
http://www.aboutnata.org/assets/documents/news_cic_jan_09.pdf

Have questions? Want more information? We are here for you!

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