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Reducers Are Not The Same

Recently we have spent a lot of time studying the effects of cheap reducers in urethane products. Our results were even worse than we thought.

In primer surfacer, color and clear coat we tested several aftermarket reducers including Keystone brand, Transtar, 5S, and even our own Shop Line. Our findings were incredible.

In primer surfacer, the dry time and sandability were much worse. When timed in 10 minute increments, the primer with cheap reducer clogged the sandpaper long after the primer with DT reducer in it. While we didn't have the ability to test shrinkage, if we ever get that complaint from a customer, 9 out of 10 times they are using cheap reducer.

Color was probably the most amazing find in our tests. Cheap reducers make a huge difference in metallic control. Not just mottling, but the way the metallic lays and creates proper color match. When tested side by side using light pastels or silvers, we ended up with two completely different colors using the same can of paint.

In clear coat, we don't have the ability to measure long term durability. We did however pound the clear on and left them underneath a clear box.

On a normal 3 to 4 panel repair you will use an average 2 quarts of reducer. If you save \$20.00 per gallon of cheap reducer, you'll save \$10.00 on the average repair.

(article continues on the right column.)

For that \$10.00 you risk primer performance, COLOR MATCH, and clear performance including solvent pop and buffability. You also risk repeat business if the repair doesn't perform in a way that satisfies the vehicle owner.

Shops spend tens of thousands of dollars on equipment, paint booths, training, payroll, and every other cost associated in business. They then risk it all on ten bucks worth of reducer. Many of these same people will buy the best golf club, bowling ball, baseball bat, or fishing equipment.

Put it all together and it's probably one of the most ridiculous business decisions an owner could ever make. Do yourself a favor. Turn unused lights off to save money. Don't cut your own throat by using cheap clear.

CCC-MITCHELL MERGER IS OFF

Many collision repairers seemed pleased with the announcement last week that CCC Information Systems and Mitchell International were halting their merger plans (CRASH 2/9/09). "I think it's good that it's not going to happen," Illinois shop owner Nick Gojmeric said. "To restate a quote from State Farm I heard several years ago, 'Competition is good; we like competition in the marketplace.'

"The decision by the two companies came after a federal district court judge last week granted a Federal Trade Commission (FTC) request for a preliminary injunction to halt the merger pending the FTC's administrative trial slated for later this month. "The court's decision today was a triumph for consumers and reaffirms the vital role competition plays in our economy," David Wales of the FTC said. "We brought this case because of the impressive body of evidence developed by staff demonstrating that the combination of these two competitors would substantially lessen competition, ultimately leading to higher prices and less innovation for consumers." Rather than commit the resources that a protracted FTC investigation and fight likely would entail, CCC and Mitchell mutually called off the merger within days of the judge's ruling. "We have reached the point in the regulatory process in which our customers, employees and shareholders are best served by continuing as independent companies," Alex Sun, president and CEO of Mitchell, said.

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CCC-MITCHELL MERGER IS OFF

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TOO MANY CARS, AND THEY'RE NOT ON THE ROAD
AMERICAN DRIVING CONTINUES DECLINE IN JANUARY

Too Many Cars, and they're not on the road

After 'car bubble' collapses, excess inventory creates a backlog

The sea of new cars, 57,000 of them, stretches for acres along the Port of Baltimore. They are imports just in from foreign shores and exports waiting to ship out -- Chryslers and Subaru's, Fords and Hyundai's, Mercedes's and Kia's. But the customers who once bought them by the millions have largely vanished, and so the cars continue to pile up, so many that some are now stored at nearby Baltimore-Washington International Marshall Airport.

The backlog exists because many of the factors that contributed to the collapse of the housing bubble -- cheap credit, easy financing, excessive production, consumers buying more than they could afford -- undermined another large and vital American industry.

"There was a car bubble," Steven Rattner, who President Obama recruited to head a Treasury Department group charged with finding solutions to the mountain of problems facing the American auto industry, said in an interview last month. "We had this artificially high sales rate."

During the boom years of the early and mid-2000s, automakers were selling more than 16 million cars a year in the United States. They are on pace to sell fewer than 10 million this year. General Motors posted a 44.5 percent drop in March compared with the same month a year ago. Ford's sales tumbled 41.3 percent. Chrysler's fell 39.3 percent. Toyota's sales fell 39 percent, and Honda's dropped 36.3 percent.

One of the key questions the auto task force must answer is figuring out a sustainable number of annual auto sales. Only then can it determine the best way forward for U.S. automakers. "You had a huge number of cars being sold," Rattner said, "so I don't think it is prudent to assume the sale levels are going to back to those levels."

American Driving Continues to Decline in January

January shows first back to back decline in almost 30 years.

New government estimates just released show the decline in American driving continued in January 2009 with 7 billion fewer vehicle-miles traveled (VMT), or 3.1 percent less, compared to the same month a year earlier. This is the first "back-to-back" decline for January since 1981-1982.

The decline now exceeds 122 billion VMT, compared to the same 14-month period - December 2006 to January 2008 - a year earlier. A recent end-of-the-year data calibration adjusted the November 2007 data, revealing that the trend did not begin in November 2007, as [\(article continues on the right column.\)](#)

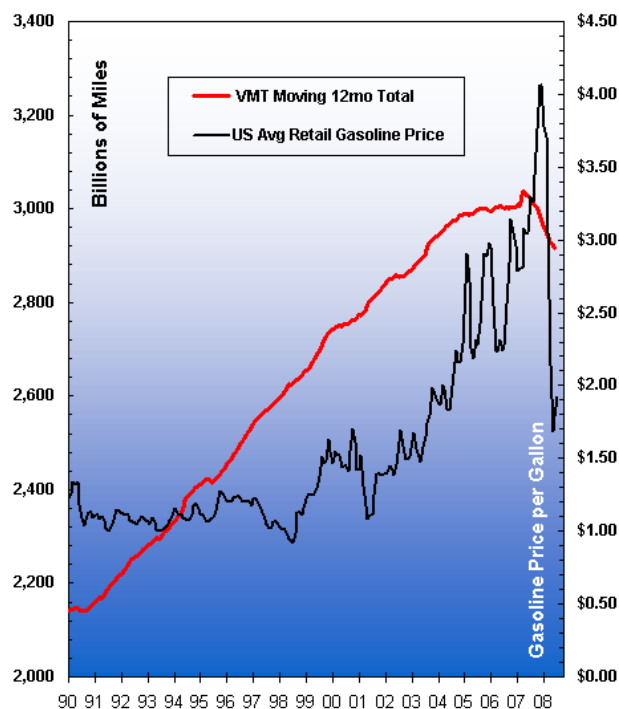
Words to Live By:

Never trade who you are for what you want.

(American Driving Continues Decline in January PART 2)

as originally reported, but rather in December 2007.

As it has since the trend began, the decline in rural driving in January 2009 outpaced urban driving.



According to the Energy Information Administration, the retail price of regular unleaded gasoline finished the month of January at \$1.79 per gallon, up 10 cents from December's \$1.69 average and the second consecutive month of sub \$2.00 gasoline prices. Until this winter, regular unleaded gasoline has been above \$2.00 per gallon since February 2005 according to the EIA data.

On a regional basis (see map below), the new data show the North Central area - a bloc of 12 states ranging from Ohio to the Dakotas - experienced the biggest regional decline at 6 percent fewer VMT compared to January 2008. At 10.2 percent fewer VMT, Ohio led the nation with the largest single-state decline that month.

Despite the overall national decline, the West - a bloc of 13 states including Hawaii and Alaska - posted an increase of .2 percent. It is the West's first increase in estimated VMT since the national decline began.

