

2019 PERA News

July 2019

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**2019 Convention
San Diego, CA
September 18-20, 2019
Hilton San Diego Resort & Spa**



The Hilton San Diego Resort & Spa on Mission Bay offers a variety of options - from spa treatments and tennis to sailing and splashing around the pool. This bayside hotel retreat is complete with waterfront dining options, a spa and fitness center, and beautiful resort guest rooms. The Hilton's Mission Bay waterfront location is near SeaWorld San Diego and other premier San Diego attractions.



Registrations Sent Out

By now you should have seen the convention registration email with the link to download the registration form. Early indications are that there will be another great turnout for the 74th annual convention in San Diego. If you can't locate that email, sent out July 11th, let me know and I'll resend it to you. OR, you can go to our website, www.pera.org and click the link to download the registration near the bottom of the left side.



Don't forget that the **hotel cutoff date** is August 23rd. PERA rates will not be honored after that date. Our group rate is good 3 days prior and 3 days after our program. If you want to upgrade your room from what is listed on the website or extend your stay, you need to call 877-313-6645. Otherwise the website will say rooms are not available!

Lake Speed Jr. has been added to the San Diego program to talk about LSPI, low speed preignition. Lake is an authority on this important issue so you won't want to miss it!

New Members (please add to your directory)

ElringKlinger AG

47912 Halyard Dr. Ste. 111
Plymouth, MI 48170
786-234-2034

Harald Reinhardt, Sales Mgr. IAM North America
harald.reinhardt@elringklinger.com

William Atkinson, Sales Manager
william.atkinson@elringklinger.com

ElringKlinger offers head gaskets, specialty gaskets, gasket sets, oil seals, valve cover and oil pan gaskets, cylinder head bolts, gasket material and customized products.

Level Seven

4807 Rockside Road, Ste 700
Cleveland, OH 44131
216-524-9055

Fax: 214-524-2594

Co. eMail: reman@lvlsvn.com
www.remanufacturingsoftware.com

Stuart, Taylor, CEO
Stuart.taylor@lvlsvn.com

Matt Pagni, Vice President
matt.pagni@lvlsvn.com

Level Seven is a software firm offering Reman Software Solutions that provide core tracking, inspection & grading, disassembly and a customer-facing portal for managing eligibility and return logistics. We have multiple solutions, one that is designed to complement a company's ERP (SAP, Oracle and more) OR our complete ERP solution powered Microsoft.

Webinars & Member News

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Webinars & Sponsorship

11 Webinars for 2019

We again have a full webinar schedule for 2019. This popular series currently has a waiting list in case of any cancellations.

- January 16: Roy Berndt, LKQ Remanufacturing
3.5L Ford EcoBoost (new info added)
- February 20: Will McKnight, Mahle Aftermarket, Inc.
Start/Stop Technology
- March 20: Tim Golema, Mahle Aftermarket, Inc.
Lip Seals
- April 17: Ken Carter, United Eng. & Machine
Piston Coatings
- May 15: Ron Sledge, King Engine Bearings
Proper Engine Bearing Housing
Surface Finishes
- June 19: Michael Oliveira, Henkel Corporation
Practical Applications of Anaerobic
Products
- July 17: Mike Osterhaus, Melling Engine Parts
Performance Pumps for Ford Modular
Engines
- August 21: Federal-Mogul Motorparts
Diesel Pistons
- September: No webinar due to convention
- October 16: Cody Smith & Jason Thompson
Cloyes Gear & Products, Inc.
Timing Systems
- November 13: Ron Rotunno, Dana Incorporated
Next Generation Head Gaskets
- December 11: Matt Meyers, RMC Engine Building
Equipment
Engine Testing & other equipment

2019 Sponsors:

We have nine fantastic sponsors for the 2019 webinar series! A big thank you goes to:

CWT Industries
Dura-Bond Bearing Company
The E.R.I. Group
Hastings Manufacturing Company
King Engine Bearings
Mahle Aftermarket, Inc.
QualCast, LLC
Rottler Manufacturing
United Engine & Machine

For further information, contact:

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Spotlight



ENGINE REBUILDING INC.



Back in 1971 Wayne and Shirley Hodge opened a machine shop in Riverside CA called Wayne's Engine Rebuilders Inc. What started as a small engine rebuilder, turned into one of California's largest. Back when there were still family parts stores, Wayne and Shirley started buying and opening stores and put small cylinder head shops in the back. Next came an engine parts warehouse called California Hard Parts.

At their peak they employed 110 people. When the discount parts stores started opening and the economy was slowing down Wayne and Shirley scaled back to just the machine shop and warehouse. In 2013 Wayne and Shirley decided it was time to retire and sold the warehouse to Don Gross Inc. who is still running it today.

The machine shop was sold to their oldest son Wade Hodge and longtime employee Mark Godfrey. After growing up neighbors it was an easy transition for Wade and Mark because this was the only place each of them had worked since they were 16 years old.

Now 6 years into their new adventure, Wayne's Engine Rebuilding Inc., the shop is extremely busy and with a hefty investment it now sports one of Rottler's new automatic cylinder hones, boring bar, valve grinder and their new seat and guide machine. While focusing on building stock, marine and street rod engines, the shop is doing a lot of performance machine work for other small shops and customers wanting to assemble their own engines.

Wade and Mark both have over 40 years experience and most of their employees have been with the company over 25-35 years and that is something that is hard to find.



Modal Software Corporation

Actionrev is a 14 year old cloud based SaaS, Software as a Service. In 2000, we had a desktop Access Database used by a electronics repair shop. We modified it for the Diesel Fuel business. We have been members of ADS (Association of Diesel Specials) off and on from 2000.

In 2007, we converted our system to a cloud based system, hosted by Amazon, to facilitate repairs and rebuilding for businesses that are large and small. Our system is multi location, multi department rebuilding system that can track serial number from the PO to the Invoice. We track core and core charges by customer. We also have a full shopping cart in order to sell on line.

Spotlight (continued)



Das Original

As an automotive supplier, ElringKlinger has become a trusted partner to its customers - with a firm commitment to shaping the future of mobility. Be it optimized combustion engines, high-performance hybrids, or environmentally-friendly battery and fuel cell technology, ElringKlinger provides innovative solutions for all types of drive systems.

ElringKlinger's lightweighting concepts help to reduce the overall weight of vehicles. As a result, vehicles powered by combustion engines consume less fuel and emit less CO₂, while those equipped with alternative propulsion systems benefit from an extended range. In response to increasingly complex combustion engine technology, the Group also continues to make refinements with regard to gaskets in order to meet the highest possible standards. This is complemented by solutions centered around thermal and acoustic shielding technology. Additionally, the Group's portfolio includes products made of the high-performance plastic PTFE which are also marketed to industries beyond the automotive sector. These efforts are supported by a dedicated workforce of more than 10,000 employees at 44 ElringKlinger Group locations around the globe.

The Elring aftermarket brand offers an all-embracing package: original equipment quality, functional reliability, and premium, end-to-end service. This includes, for example, sales and technical training, service information, exploded-view drawings for trucks and vans, monthly newsletters focusing on engine sealing solutions, an online sealing compound wizard, professional installation videos, the Elring Academy, the new training truck, and much more besides.

Original Elring products are acknowledged among dealers, mechanics, and customers around the globe. These products include cylinder-head and sealing systems, oil seals and valve stem seals, sealing compounds, and threadlockers as well as cylinder-head bolt and complete gasket sets – for full- and partial servicing.



A&A Midwest is celebrating our 70th anniversary throughout 2019. Started by Aaron and Alex Stolberg in 1949 from very humble beginnings. Today A&A is the industry leader in Engine and Transmission core supply as well as OEM type replacement parts and automotive recycling.

A&A started out with a narrow focus of selling engines to engine remanufacturers serving the company well for its first 35 years. With the next generation joining the company In 1985 we looked to expand.

Transmissions was the first product added as it was a natural with our existing engine business. Our goal was to be as knowledgeable and have the variety of inventory that we have in the engine business. Today we have over 25,000 transmissions in inventory. We handle torque converters, transfer cases as well as manual and automatic transmissions.

EngineQuest was added as a separate division In 1987 due to requests for items we either could not find or the ones available had very high fall out rates. Today EngineQuest has over 500-line items for sale from head bolts, cylinder heads, timing covers and much more. In today's cost and quality conscious world EQ has set itself apart from others. Parts are made in many countries. However direct contact with the factories, and stringent quality standards and inspection guarantee a quality product at a reasonable cost.

Around this time A&A realized that converting cores was a way to expand our sales. In some cases, it was drilling and tapping additional holes to expand the application coverage. Converting non A.I.R. heads to A.I.R. or adding a mechanical fuel pump to an EFI block. Today A&A's machine shop still converts cores to help keep our order fill at its maximum. We also have parts available that otherwise would not be available.

In the early 2000's A&A began buying whole vehicles. The need was twofold. First was to get more of the cores our customers desire and second, A&A had developed an export market for complete cut out engines. This further diversified our sales and opened markets for items we otherwise could not sell. Today we process almost 2,000 end of life vehicles annually.

A&A was always a large scrap metal generator from our engine and transmission processing. In order to maximize revenue by filling trucks to the maximum we began buying and selling automotive scrap. This was a natural fit as we are already in the wrecking yards buying their engines and transmissions. Specializing in automotive and non-ferrous scrap A&A today processes and ships over 20 million pounds of scrap annually.

A&A will continue to grow and look for expansion opportunities in ours and related industries. Our fully automated inventory and order processing system has helped us get your order on the way sooner and more accurately. Through constant improvement A&A Midwest is situated to continue to prosper for many years to come.

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MAHLE Aftermarket North America will launch a new “7 Reasons” promotion that gives participants the opportunity to win seven different grand prize packages during the multi-tiered promotion. The “7 Reasons” promotion, tied to MAHLE Aftermarket’s seven main product categories, will launch on July 22, with each tier having a two-week timeframe.

“The MAHLE ‘7 Reasons’ promotion is our way to thank the legion of loyal users, distributors and technicians who trust MAHLE products every day,” said Jon Douglas, President, MAHLE Aftermarket North America. “With seven tiers to the promotion, participants will have seven different chances to win one of the great prizes we will be awarding. Plus, we’ll also be able to learn of their experience with MAHLE products and make sure we are living up to their expectations.”

Complete information about the “7 Reasons” promotion, including official rules, terms and conditions will be available as of July 22, 2019 at www.mahle-aftermarket.com/7reasons.

The grand prize award package for each tier will be announced at the close of each promotion period. For more information about MAHLE Aftermarket and its brands, visit www.mahle-aftermarket.com or contact your local sales representative.



South Houston Engine Service, Inc.

has a new email address. Please correct your membership directories:

southhoustonengine@gmail.com



LKQ Corp. has reported revenue for the second quarter of 2019 of \$3.25 billion, an increase of 7.2%, compared to \$3 billion in the second quarter of 2018.

The company said net income for the second quarter of 2019 was \$150 million, a decrease of 4.2% year-over-year. Diluted earnings per share for the second quarter of 2019 was 48 cents as compared to 50 cents for the same period of 2018, a decrease of 4%.

Dominick Zarcone, president and CEO of LKQ Corp., stated, “We continued to make progress on our key productivity initiatives during the second quarter, which are having a positive impact on our financial and operational performance. We delivered this performance notwithstanding difficult revenue growth comparisons across all of our operating segments, a soft collision environment in the U.S. and the ongoing macroeconomic challenges and the impact of one less selling day in Europe. Against this backdrop, our continued focus on integrating and simplifying our operating model to drive cash conversion resulted in LKQ generating the highest quarter of operating cash flow in the company’s history. Additionally, in North America we produced Segment EBITDA margins of 14.4%, a 130-basis point improvement over last year and the highest level since the second quarter of 2017.”

On a six-month year-to-date basis, revenue was \$6.3 billion, an increase of 10.4% from \$5.8 billion for the comparable period of 2018. Parts and services organic revenue for the first six months of 2019 declined 1.1% (0.1% on a per day basis).

Net income for the first six months of 2019 was \$248 million, a decrease of 19.9% as compared to \$310 million for the first half of 2018.



Babcox Media Acquires Transmission Digest

Adding the 39 year old Transmission Digest to the Babcox Media portfolio of media properties and marketing solutions enables Babcox Media to extend its reach further into the automotive repair marketplace by providing the focused, extensive technical coverage necessary for these disciplines.



Based in Springfield, Missouri, Transmission Digest was founded in 1980 by Les & Carol Langsford of MD Publications, Inc. and is delivered to over 18,000 shops in the U.S. providing a full range of information and educational resources to shop owners and technicians serving the transmission/powertrain aftermarket. Current Publisher, Bobby Mace, will continue to serve in his role, and the company will remain in Springfield.

“We are excited to welcome Transmission Digest to the Babcox Media family. The brand has a long-standing reputation for delivering extensive technical coverage of diagnostic, repair and installation information, which our readers value. The addition of this brand to our company allows us to add more depth to our already extensive coverage of the automotive industry,” said Bill Babcox, President of Babcox Media.

The brand’s digital publications ePowertrain Bulletin and Transmission Tech/Talk provide additional in-depth educational and reference tools in both text and video format.

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Cloyes Gear and Products recently celebrated 15 years of successful operations at its 20,000-square-foot distribution center in Aguascalientes, Mexico, and concurrently celebrated all 15 years without a single lost-time incident. The distribution center, which also houses an R&D facility, serves Cloyes customers in Mexico, Central America, South America, Asia, Europe and the Middle East.

“Our engaged employees create a culture of safety, teamwork and continuous improvement for the benefit of the company and the communities we live and work in,” said Dave Haley, senior vice president of operations for Fort Smith, Arkansas-based Cloyes. “One of our company values is to be fully committed to employee health and safety, and our employees in Aguascalientes have certainly lived up to that value since the opening of the facility 15 years ago.”

“Our entire team in Mexico is very proud of this achievement and we will continue to rely on each other to ensure we are conducting business safely,” said Claudio Del Pozo Cosio, general manager for Cloyes in Mexico.

In other Cloyes news the company has announced the introduction of timing chain water pump kits.

Designed for the replacement of worn or damaged timing chains, tensioners, sprockets, guides and water pumps, Cloyes timing chain water pump kits provide professional technicians and do-it-yourself customers with a complete repair solution, according to the company.

“The addition of chain-driven water pumps to our timing chain kits is a natural next step for Cloyes,” said Jason Thompson, vice president of engineering and product development for Cloyes. “With water pumps failing more frequently than timing chains, we’re now giving our customers the opportunity to replace these components concurrently, which can reduce comebacks and additional labor fees for the consumer.”

For full information on these new kits, visit www.cloyes.com.



Jasper Engines & Transmissions has recognized Dura-Bond Bearing Company as a Preferred Partner.

Dura-Bond Bearing Company was presented its award as a Preferred Partner by Jasper at its Annual Preferred Partners Banquet in May 2019. Dura-Bond is a repeat winner of the Preferred Partner award from Jasper.

The Preferred Partner Award is presented annually to recognize Jasper’s Partners in Success. Recipients are nominated by an individual within the Purchasing, Quality, Manufacturing or Payables divisions of the Jasper Engines and Transmissions organization and are judged on quality, service, fill-rate, response time to a problem, and billing/credit procedures, among other criteria. Approval from all of the above mentioned divisions is required for selection as a Preferred Partner.



From left to right: Chuck Barnett (President/Owner – Dura-Bond), Steve Morrow (Sourcing Specialist – Jasper), Andre Moser (General Sales Manager – Dura-Bond).



JASPER Engines and Transmissions, one of North America’s largest remanufacturers of engines and transmissions has for the 18th straight year honored Elgin Industries as one of its top-performing suppliers. Elgin, which is celebrating its 100th anniversary, recently received its latest JASPER Engines and Transmissions “ELMO” trophy in recognition of service excellence.



Left to right: Rick Simko, sales and marketing director, Elgin Industries; Bill Skok, president, Elgin Industries; Charlie McCrady, direct sourcing specialist, JASPER Engines & Transmissions.

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Elgin award (continued)

JASPER has utilized Elgin parts in its remanufactured gasoline and diesel engines for more than 50 years.

JASPER measures a variety of service characteristics – “can do” attitude, sense of urgency, timely responses, problem resolution and technical expertise – in selecting recipients of its top supplier award.

“Each of our customers expects nothing less than product and service excellence from our organization because they understand that these characteristics have been central to our business culture since our founding in 1919,” said Elgin President Bill Skok. “Our latest JASPER ELMO award is another proud accomplishment worthy of celebration during our 100th anniversary year.”



Cometic Gasket and Roush Yates Engines have announced a five-year extension to their partnership. Family owned and operated for 30 years, Cometic Gasket operates out of a state-of-the-art 70,000-square-foot R&D and manufacturing facility in Concord, Ohio.

Cometic meets customer's needs by using premium materials for tailor-made solutions while delivering superior customer service. “It's no secret that to compete at the highest level of motorsports you need the best team and reliable products, and that's exactly what Cometic Gasket delivers to Roush Yates Engines,” said Todd English, vice president of strategic partnerships and marketing, Roush Yates Engines. “In the highly competitive sport of racing, where failure is not an option and your product is tested on any given weekend, we rely on valued partners to deliver world-class quality products. Cometic has been a valued partner from day one as they collaborated with our engineering team on product design and material selections, bringing together the collective expertise and experience of both companies, making it a true win-win partnership.”

Cometic Gasket is the exclusive engine gasket of the Ford FR9 EFI Monster Energy NASCAR Cup Series and Ford FR9 Carb NASCAR Xfinity Series engines. Roush Yates Engines has built more than 7,500 engines sealed with Cometic's gaskets and has won more than 180 races together since 2010.

“Cometic's partnership with Roush Yates Engines benefits our customers in every segment,” said Bob Gorman, founder and CEO of Cometic Gasket. “The stakes are always very high in the performance business, so to have a cooperative partnership with Doug Yates and his team elevates Cometic's capabilities, which contributes to producing better gaskets and sealing solutions across our entire product line.”



JASPER Holdings Inc., the parent company of Jasper Engines and Transmissions, has acquired Diesel USA Group Inc., headquartered in Louisville, Kentucky. The Diesel USA Group will remain a separate company and brand as it becomes part of the JASPER ESOP.

From its locations in Louisville, Kentucky; Cincinnati, Ohio; Indianapolis, Fort Wayne and Crown Point, Indiana; and Fontana, California, Diesel USA Group is a distribution, service and repair company servicing air and fuel products for gas and diesel engines along with a variety of other complementary products.

Diesel USA was acquired on May 31 from the Bailey family, which has owned the company since its inception in 1950 by Lloyd A. Bailey. The current leadership team at Diesel USA Group will continue to lead and operate the company. Diesel USA Group and JASPER will operate independently of each other as they work together as part of JASPER Holdings, Inc.

“Diesel USA Group is a respected brand with a great team. We are excited about the growth opportunities for the products and services they offer and feel they will be a great addition to the JASPER ESOP,” said Zach Bawel, JASPER president. “With this acquisition, it enables us to continue to diversify our family of companies while remaining committed to an industry we understand.”

“The business relationship between JASPER and Diesel USA Group dates back to the 1960s. We have always admired their disciplined approach to business and the very nature of their products. It is an honor to be a part of the process of blending our companies as we set our sights upon growth for our valued suppliers and our fellow Associate Owners. These are exciting times for all of us,” said Jay Miller, president of the Diesel USA Group, Inc.

This acquisition further diversifies the brands of JASPER Holdings, Inc. Jasper Engines and Transmissions is one of the nation's largest remanufacturers of drivetrain components with five manufacturing locations, two distribution centers, and 47 nationwide branch locations. In 2014, JASPER acquired Weller Truck Parts headquartered in Grand Rapids, Michigan, increasing the number of present-day associate owners to nearly 3,400 among the companies.

Jasper has opened their 48th branch located in Lubbock, Texas, to better serve customers in West Texas, as well as parts of eastern New Mexico. “This region of West Texas and eastern New Mexico has rapidly grown over the years, and continues to show phenomenal growth,” said Richard Olson, Jasper regional vice president for the Lubbock area. “This new branch office in Lubbock is our way of thanking customers for their loyal support.”

The 9,375-square-foot Lubbock facility will have diesel air and fuel components in its inventory, and the capacity for up to 650 units, including gas and diesel engines, transmissions and differentials.

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Jasper Engines & Transmissions recently announced its New Part Supplier Award winners for calendar year 2018 performance. There were nine corporate recipients named in the following three categories:

GROWTH AWARDS:
Cometic Gasket Inc.
ElringKlinger AG

SERVICE AWARDS:
Elgin Industries

QUALITY AWARDS:
NPR of America LLC

Jasper presents these awards annually to recognize the company's key Partners in Success. Each supplier received a Jasper trophy honoring their key role and performance in 2018. The respective suppliers provided Jasper with "above & beyond" performance in calendar year 2018 based on the following criteria:

GROWTH Award winners were based on percentage increase in the amount of dollars spent from 2017 to 2018 (minimum annual spend of \$150,000).

SERVICE Award winners were established by joint nominating efforts between Jasper's Sourcing and Purchasing teams in key areas including: On-Time Ship Performance, Timely Response, Sense of Urgency, Problem Resolution and an overall High Level of Customer Service from these suppliers.

QUALITY Award winners were established by joint nominating efforts between Jasper's Sourcing, Quality and New Product Development Teams in key areas such as: 1st Piece & Incoming Inspection Results, Corrective Action Request(s) Responses, Vendor Scorecard Performance, Technical Expertise and overall Product Quality.

"Jasper is proud to honor our suppliers again this year," said TJ McAtee, Jasper's group leader of Sourcing & Supplier Development. "Our relationships continue to strengthen through our partnerships and are vital to the success of Jasper."



This year, Jasper also was proud to recognize **Bill Levy from U.S. Tool and Manufacturing Co.** for the Partnership Award for his individual efforts in consistently going above and beyond, and in making Jasper his No. 1 priority.

Press Releases

I encourage you to add PERA to your press release list to insure you reach a broader range of PERA members. Our newsletters go to multiple people within a member company. Not all of those on our email list have access to the various websites, blogs and publications to see your announcements. We can expand your coverage and best of all, there is no charge to include your release in our bi-monthly newsletters.

Please add joepolich@pera.org or info@pera.org to your news release distribution list.

Your release could have been here!

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Remanufacturers Association**

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