

June, 2014

AN AUTO CARE ADVOCACY NETWORK CONCEPT PAPER

I. Background

There are many more legislative and regulatory issues occurring throughout the states as seen recently in California, Oklahoma, Wisconsin and Massachusetts, to name a few, that requires a more systematic approach in calling to action members of the aftermarket industry to protect and promote its interests. Furthermore, legislators their staffs and regulators need to fully understand the importance of a vibrant automotive aftermarket that serves the needs of the motoring public and provides choices where people purchase parts and services for their vehicles. With a combination of education and a strong government affairs presence throughout the nation, the automotive aftermarket will create a more comprehensive and systemized response when confronted with anti-industry and anti-consumer initiatives and to promote initiatives that are in the industry's best interest and the best interests of the general public.

The Alliance of State Automotive Aftermarket Associations (ASAAA), the Alliance of Automotive Service Providers (AASP) and the Auto Care Association are the associations responsible for the creation, development and implementation of this Network.

II. INTRODUCTION of the NETWORK'S SCOPE and PURPOSE

Creating a grass roots network of automotive aftermarket state and regional associations will ensure a consistent and coordinated response to legislation, regulation and initiatives of interest to the welfare of the industry. The intent is to have at least one key association contact in each of the fifty states with coordination from a singular source identified and developed through this Network. The goal is to ensure that the aftermarket industry's government affairs effort is visible and is speaking in unison, as appropriate, in all state capitols and Washington D.C. Achieving this structure throughout the Country will benefit the industry and the members of the respective associations that will participate.

The Network will have policy and action guidance from a Steering Committee comprised of representatives from ASAAA, AASP and the Auto Care Association. The Steering Committee will establish criteria for participation, policies and procedures and an application for participation in the Network. Decisions for Network engagement will also emanate from recommendations of the Steering Committee and will be provided to the Auto Care Association for implementation after deliberation and consensus on the action to be taken. For projected timelines for the Network's development, see Attachment A.

If, for any reason, the Auto Care Association, as the manager of the Network, cannot implement the recommendation(s) of the Steering Committee, the Committee will appoint another participating association(s) to engage the grassroots effort on behalf of the Network.

III. THE ORGANIZATIONAL STRUCTURE of the NETWORK

As mentioned, direction for the Network will come from a Steering Committee made up of two representatives from the participating associations. They will meet, plan, coordinate, evaluate and serve to give overall guidance to the Network. The Auto Care Association, as a national organization, will house and manage the Network and be the initiator of coordinated grass roots efforts as they are warranted and recommended by the Steering Committee.

As needed, the Steering Committee may appoint task forces to achieve certain goals and to ensure the appropriate representatives are working on behalf of the Network. These representatives may not be members of the Steering Committee but could be recruited to serve a particular task force outcome based on their expertise.

As the Network matures, there may be a need for organizational documents, such as, by-laws. Clearly, from the beginning, there will need to be policies and procedures developed and adopted to ensure the integrity and effectiveness of the Network.

IV. Network Participants

Participants will be local, state, and regional automotive industry associations representing the automotive aftermarket. The constituent groups will be any automotive industry association that has members engaged in doing business in the motor vehicle aftermarket industry. Geographical coverage will be automotive industry associations in the United States. The Steering Committee will develop member criteria, application and approval process.

Participants must attend at least one regular meeting in a year, have representation on conference calls throughout the year, and communicate with other participants when warranted.

There will be regular meetings of the Network participants. It is contemplated that at least one meeting would be scheduled during AAPEX and any additional meetings on an as needed basis. Conference calls will be scheduled throughout the year.

There may be times when a group may choose to not engage in the Network and a potential conflict of interest could arise. The Steering Committee will respect that group's position and consider it when making the decision to engage in a particular issue. The determination of those issues that the Network will engage in will be made by the Steering Committee, taking into account the criteria established to determine a qualified issue, the scope and impact of the issue.

V. Criteria to Engage the Network and Reasons Not to Engage

The Steering Committee will decide when to engage the Network by discussing potential issues and identify those that will be addressed by activating the Network. The Committee would be charged with reviewing legislative monitoring/tracking information compiled by the Auto Care Association Government Affairs staff and/or any Network member could request that consideration be given to a particular issue.

The Network would be “Called into Action” by an email blast.

Upon initiation of the Network, activity would be monitored by Network members providing the Steering Committee with copies of the materials distributed and a report of the action taken - including if the Network member chose not to engage with the action. Alternatively a monitoring function could be built into the Network’s centralized website or portal that would track the specific action taken by each Network member.

To be determined: can Network members deviate in any way from the strategy & message developed by the Steering Committee? What if a Network member is *opposed* to the action to be taken -and chooses to lobby against it?

Items that will be taken into consideration for Network activation:

- Geographic scope
- Sector scope
- What is the likelihood of expansion into other areas/sectors 1 = unlikely 2= 50/50 3 = very likely
- Is there consensus among Network members around the strategy developed to address the issue
- Does it pit one sector of the industry against another
- Is the action to ward off a negative consequence or to initiate a positive change
- On a scale from 1 to 5, how likely is the issue to proceed if there is no intervention
1 = it's not going anywhere, 2 = very unlikely, 3 = 50/50, 4 = very likely, 5 = a sure thing
- What is the likelihood that engagement of the Network will have the desired affect
1 = unlikely 2 = 50/50 3 = very likely

Circumstances for non-activation of Network:

- No consensus around strategy
- Pits one sector of the industry against another
- The immediately-affected geographic area/sector does not desire wider industry engagement

VI. POLICIES AND PROCEDURES OF THE NETWORK

The associations have come together to support and nurture the common goal of supporting grassroots efforts to affect legislative efforts both in the national Legislature and state houses engaged in the business of making laws. The associations fully understand the power they can harness by educating and communicating essential, and sometimes complicated, information to their members in order to activate them to take action.

The associations will assess and determine policies and procedures for the Network, including but not limited to, the following policies and procedures:

- Policy for Steering Committee appointment
- Policy for guiding the work of the Steering Committee, e.g., how do we identify issues
- Policy for constituent group appointment
- Policy for Network outreach (Who, what, when, where, why)
- Policy for adding other Associations to the effort...how do we vet these Associations Include types of groups (is it open to anyone, define)
- Procedures around Network activation, engagement Who What When Where and Why
- Policy for association disengagement around an issue. An example: If a national association disengages, however affiliates continue to support
- Policy for using LEAP website and the Auto Care Association government affairs website for issue(s) education and collateral materials, media release, talking points
- Policy for media interactions, and procedures around spokesperson identification, developing media release, talking points, etc.
- Policy for financial oversight including development of funding sources for operational functions
- Policy for evaluation criteria for specific Association efforts, when to evaluate and by whom

VII. NETWORK BUDGET

	FY 2014	FY2015	FY2016
Website Development	\$5,000.00	\$2,000.00	\$2,000.00
Steering Committee Meetings	\$5,000.00	\$2,500.00	\$2,500.00
Program Development & Promotion	\$10,000.00	\$10,000.00	\$10,000.00
1. Activities & Presentations			
2. Collateral Materials			
3. Lobbying /Government Affairs			
4. Fund Raising			
5. Press Releases & Seminars			
6. Speakers			
Miscellaneous	<u>\$1,000.00</u>	<u>\$1,000.00</u>	<u>\$1,000.00</u>
Totals Budget Proposal	\$21,000.00	\$15,000.00	\$15,500.00

In order to implement this Network, aftermarket associations (and perhaps other organizations) will need to contribute financial resources and fundraise to assure there are sufficient dollars to create and support such a Network. Although the proposed budgets are estimates, the Network's Steering Committee will need to further assess the financial needs of the Network and create participant funding formulas and fundraising ideas and projects. For further information see Attachment B.

VIII. Network Evaluation

Network evaluation will be based on the following criteria:

- Were the desired results achieved
- How many Network members participated
- What was the response rate within each Network member's database
- Were there any unintended consequences
- What could be done differently

The Network will be evaluated by the Steering Committee after each call to action. The Network members will evaluate the overall Network participation annually.

ATTACHMENT A

Implementation & Timeline Report

<p>Select Steering Committee members</p> <p>Decide on a name "aftermarket legislative network"? and other key terminology (network members, their members, etc.)</p> <p>Finalize concept paper</p> <p>Steering Committee to:</p> <ul style="list-style-type: none">• Develop proposed policies/procedures for program activation and disengagement• Determine minimum standard/threshold for activation.• I.D. expectations for responding, reporting, etc. by Network members• Create roster of current AASP & ASAAA state organizations• Determine how additional Network members will be recruited• Determine initial financial investment required by participating organizations <p>Progress report at AASP meeting</p>	<p>Two representatives from each group, i.e., Auto Care Association, AASP and ASAAA (individuals to be named by 3.07.14)</p> <p>The name will be Auto Care Advocacy Network</p> <p>February, 2014</p> <p>3/17/14 deadline</p> <p>3/21/14</p>
<p>Steering Committee to:</p> <ul style="list-style-type: none">• Inventory existing resources: Auto Care Association website, LEAP, etc. and how/if they may be employed by the Network• I.D. communication needs (letterhead, website) and create database• Designate contact point within the Auto Care Association• Identify geographic gaps and recruit additional Network members to fill	<p>Q2, 2014</p>

Progress report at ASAAA meeting	5/8/14
Steering Committee finalizes policies and operating procedures for the Network	June, 2014
Financial commitments from participating associations	July, 2014
Funds disbursed to the Auto Care Association	Q4, 2014
Auto Care Association ready to manage Network	October, 2014
2nd Summit meeting at AAPEX	11/4/14
Press conference at AAPEX 2014	11/5/14
Press releases to trade press after AAPEX Summit	11/14/14
Network becomes active	1/1/15

ATTACHMENT B

Financial Sources and Mechanisms Report

- **Each organization, i.e., the Auto Care Association, AASP and ASAAA will contribute \$2,000 each as seed money to the Network in 2014. Each participating state/regional association will also contribute \$500 each as seed money in 2014. The Steering Committee will decide if and for what purpose the funds will be used.**
- **In order to minimize costs and increase efficiency, the Steering Committee should piggyback as much as possible with the Auto Care Association's resources, including using the Auto Care Association grassroots web site.**
- **Prior to approaching industry, the Steering Committee should develop specific activities that will be necessary to accomplish our goals and then to develop costs that will be associated implementing each element. Such action will ensure that they obtain the necessary funds to ensure that the Network will successful in achieving its mission.**