RSGDA

REPAIR SHOP & GASOLINE DEALERS ASSOCIATION

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INSIDE THIS ISSUE

N.Y. Cigarette Tax Becomes Highest in Nation

New York State smokers will have to pay an extra dollar for a pack of cigarettes. The state's cigarette tax increased to $5.35 per pack on Sept. 1, up from $4.35, making it the highest state tax in the nation.

Washington, D.C., falls to No. 2 with its current excise tax of $4.50 per pack.

New York's excise tax on little cigars also increased by $1 per pack of 20, reported the Post-Standard.

This marks the first time New York has raised its cigarette tax in more than a decade.

The increase will hurt tax-paying retailers and push customers to get cheaper tobacco products elsewhere, according to a representative for the New York Association of Convenience Stores (NYACS).

NYACS previously wrote a letter to Gov. Kathy Hochul pointing to more than $1 billion in lost revenue from illegally smuggled tobacco products in the state. This is the equivalent of approximately 250 million smuggled cigarette packs.

NYACS encouraged Hochul to ramp up enforcement of existing anti-smuggling laws in New York instead of focusing on tax increases and bans on flavored tobacco products.

Hanvey Asks Shop Owners to Stand Your Ground in Right to Repair

Bill Hanvey, president of the Auto Care Association, took to the stage at ATI's Fall ShowCase to make a spirited appeal for full industry support in the Right to Repair fight.

Opening his session with data that showed the strength of the automotive aftermarket's position in the automotive industry at large, Harvey praised the aftermarket for its commitment and the work it takes to keep Americans on the road.

According to Harvey, independent auto repair shops account for 2.2 million daily vehicle repair and employs 915,000 auto technicians all within a $477.6 billion industry where 4.77 million people earn their living.

Shifting to Right to Repair, Hanvey outlined the issue and its importance to independent repair shops: an end to repair restrictions; access to repair data; market competition for repair; no mandates for specific brands, tools or equipment; a long-term solution that guarantees the future of independent aftermarket businesses.

He added that while the original memorandum of understanding was governed by telematic data through the

OBD-II port, now, with wireless access, automakers are able to bypass the OBD-II port to maintain stronger control over vehicle data, which puts independent auto repair shops on their heels.

Harvey stated that while Right to Repair revolves around providing fair and equal data access, it's also about protecting the consumers, who stand to lose a voice in where they can have their vehicles repaired. In a slide, Harvey explained that consumers could feel the brunt of a $100 billion hit if automakers and the aftermarket can't come to a consensus on executing Right to Repair.

He took attendees through the complete history of Right to Repair from its inception in Massachusetts in 2012 to present day, including the recent challenges with the new memorandum of understanding between ASA and the automakers and National Highway Traffic Safety Administration's (NHTSA) letter to automakers to ignore the enforcement of Right to Repair by Massachusetts in June.

He concluded encouraging the attendees to get involved in Right to Repair by sending a letter to their congressperson, reporting repair restrictions, hosting a legislator at their facility, and/or attending the legislative summit in Washington, D.C., from September 20-21, 2023.

Convenience Store Retailers Urged
To Take Up Fight Against Swipe Fees

The legislative fight over the cost of doing business with credit and debit cards wages on in the convenience channel and in the halls of Capitol Hill.

NACS is urging convenience retailers to bring a grassroots movement in support of the Credit Card Competition Act to its stores. If passed, the Credit Card Competition Act would result in $15 billion in savings annually, which totals about $9,000 per convenience store per year, according to the association.

As part of the campaign, NACS is asking c-store retailers to install pump toppers and window displays — which are available for download on the association's website. Retailers can choose from multiples versions and sizes. The downloads also include a "thank you" sign for retailers to display if its congressional representative already supports the legislation.

The renewed push over swipe fees comes as Visa and Mastercard are reportedly preparing to increase their swipe fees in October and April, a move that could potentially cost retailers an additional $502 million annually, according to The Wall Street Journal.

Earlier this week, U.S. Senate Majority Whip Dick Durbin (D-Ill.), urged his colleagues to bring the Credit Card Competition Act to a vote in the full Senate. Durbin introduced the bipartisan legislation with Sen. Roger Marshall (R-Kan.).

The bill would direct the Federal Reserve to ensure that the largest credit card-issuing banks offer a choice of at least two networks over which an electronic credit transaction may be processed. Sens. Peter Welch (D-Vt.) and J.D. Vance (R-Ohio) joined Durbin and Marshall in introducing the legislation.

"American consumers today are concerned about inflation and the high prices of groceries and gas. What they may not know is that the fees charged when they use their credit card, known as swipe fees, are adding to this problem," Durbin said. "Each time a credit card is used — whether for groceries, gasoline, critical drugs, or anything else — Visa and Mastercard charge an interchange fee. Some of that they keep for themselves, but most of it is given to the bank that issued the card.

"Visa and Mastercard set the fees on behalf of thousands of banks and tell merchants, the retailers, the restaurants to take it or leave it. Merchants have no real choice but to accept the outrageous fees if they want to have credit cards used by their customers. There is no negotiation or competition. Small business owners and consumers, take it or leave it, are holding the bag," he added.

According to the Retail Industry Leaders Association (RILA), merchants paid 20-plus percent more on credit card swipe fees in 2022 vs. 2021, resulting in a total of $93.2 billion in credit card interchange fees.

Consumers Echo Support for
Credit Card Swipe Fee Reform

Retailers aren't the only ones concerned with high swipe fees. Nearly two-thirds of likely voters support credit card swipe fee reform, according to a new survey released today by the Merchants Payments Coalition (MPC).

The survey of nearly 1,000 U.S. adults, conducted by Pierpont Consulting & Analytics LLC, found that 65 percent of those interviewed support swipe fee reform. This decisive support applied across party lines, including 69 percent of Democrats, 66 percent of independents and 60 percent of Republicans, along with 67 percent of those 35 and older and 56 percent of those who are younger.

Just 27 percent of likely voters oppose swipe fee reform.

All respondents to the survey had to have at least one credit card and report that they were either "very likely" or "absolutely certain" to vote in the 2024 election for president and other offices. The survey has a margin of error of plus or minus 3.1 percentage points.

MPC released the survey results during a virtual news conference held by the American Economic Liberties Project, Americans for Financial Reform, the Institute for Self-Reliance, Small Business Rising and other consumer and small business groups. The event was held to call upon Congress to pass the Credit Card Competition Act, with multiple organizations that recently sent a letter to Capitol Hill endorsing the measure taking part.

The MPC noted that in addition to its survey, research released by the National Retail Federation on Sept. 15 found that 81 percent of consumers support federal legislation that would allow for greater competition to lower credit card swipe fees for small businesses. Additionally, 73 percent of consumers trust small businesses over large banks when advocating for policies that impact consumers.

SSDA-AT Supporting Corporate Transparency Act Delay

Chairman Patrick McHenry recently introduced the Protecting Small Business Information Act, which would delay the Corporate Transparency Act's January 1, 2024, effective date.

The CTA's reporting requirements will subject tens of millions of small businesses to higher compliance costs, privacy risks, and hefty fines and prison terms. With Treasury woefully behind not just in its rulemaking process, but also in terms of engaging and educating affected businesses, TIA is supporting the effort to delay the CTA from taking effect.

Dear Chairman McHenry:

The undersigned organizations, representing millions of small businesses operating in every community across the country, write in strong support of the Protecting Small Business Information Act of 2023 (H.R. 4035). By delaying the Corporate Transparency Act's (CTA) reporting requirements from taking effect until a robust regulatory framework is put into place, your legislation will help ensure affected businesses are not subjected to an overly burdensome and unpredictable compliance regime.

The CTA was enacted in 2020 with the stated goal of combatting money laundering, terrorist financing, and other illicit activities. The statute requires the submission of regular reports to the federal government that include a litany of sensitive personal identifiers of the owners and senior employees and/or advisors of covered entities.

The first challenge is the CTA applies only to businesses with under $5 million in annual revenues and fewer than 20 employees, thus ensuring that the very companies who can least afford the costs associated with compliance are the ones being targeted. The Treasury Department estimates the CTA will cover over 32 million existing entities and an additional 5 million newly-created entities every year. These companies and other legal entities will be subjected to increased paperwork, privacy risks, and potentially devastating fines and prison terms.

The second challenge is the Treasury Department's Financial Crimes Enforcement Network (FinCEN) is ill-prepared to implement and administer the new reporting regime. As your recent letter to Secretary Janet Yellen made clear, FinCEN has yet to lay out a clear plan for engaging affected businesses to convey their upcoming responsibilities. The agency is also woefully behind in promulgating the key rules necessary to implement the CTA. Despite a looming effective date of January 1, 2024, federal regulators have yet to finalize the "Access Rule," which specifies who can access the database and for what purposes, as well as an updated "Customer Due Diligence Rule" which applies to financial institutions.

Your legislation offers a commonsense solution to this pending regulatory trainwreck. By delaying the reporting requirements from taking effect until Treasury finalizes its rulemaking process, the Protecting Small Business Information Act would provide tens of millions of law-abiding Americans the certainty they need to comply with the new statute, as well as giving Congress more time to rethink this whole approach.

The undersigned organizations strongly support this legislation and call on Congress to enact it.

Sincerely,
SSDA-AT

2023 Ratchet+Wrench Industry Survey Report Now Available

Endeavor Business Media announced the launch of the 2023 Ratchet+Wrench Industry Survey. This annual report features data from over 400 shop owners/and or managers to provide an at-a-glance look at the independent auto repair industry.

Broken out into four sections—Industry Overview, KPI, Leadership and Tech+Tools—the survey report provides comparative data delineated by category to show shop owners how they stack up with their industry peers.

New to the Ratchet+Wrench Industry Survey Report this year is a section that looks at the impact of woman-owned auto repair shops. One striking data point from this new section shows that 40% of shops owned by women are located in the Western United States.

Other notable trends highlighted are labor rate by region, reasons consumers defer work and states with the highest technician demand plus a concentrated area dedicated to data regarding technicians and a more robust look at the average shop owner.

This year's Ratchet+Wrench Industry Survey Report looks to be more compressive than past years and aims to pull forward data that shop owners care most about," said Chris Jones, editor of Ratchet+Wrench.

The survey is available as a free download. You can access it here.

NASTF Cautions Businesses on Avoiding Identity Theft

Following the NASTF Vehicle Security Professional (VSP) Registry Team identifying another VSP account created with stolen information, the organization is cautioning other businesses on how to avoid this happening to them, according to a press release.

The fraudulent VSP account was created with stolen personal and business identities and was not able to be verified in two layers of the NASTF background check process. The Registry Team was alerted before promptly terminating the account and tagging the perpetrator for criminal referral to law enforcement.

Following an internal inquiry, it was clear how the information used by the culprit was obtained. In an attempt to communicate transparency, the targeted business shared documents such as business licenses, locksmith certificates for employees and a copy of the certificate of insurance on its website to assure consumers it had all necessary registrations and insurance.

Shops Begin to Feel Impact of UAW Strike

Auto shops are starting to see the effects of the United Auto Workers union on their businesses, WRIC reports.

One such store is Certified Auto Repair in Henrico County, Virginia. Store Manager Robbie Althizer has reported the price of car parts rising and a decrease in availability. If the strike continues, he fears that prices could end up doubling.

Victor Chen, an associate sociology professor at Virginia Commonwealth University, explained that during the auto crisis of the late 2000s, auto workers sacrificed a lot of their benefits.

With the "Detroit big three" automakers–Ford, Stellantis, and General Motors–raking in near-record profits, the workers at these companies want to see that success for themselves as well.

UAW is fighting for retirees to have healthcare benefits, the abolition of the two-tiered system causing new hires to be paid half as much as full-time veteran workers, limiting the number of temporary workers, reducing the number of hours needed for pay increases, pensions, and raising wages by around 40% over the next four years.

With auto workers accounting for about 3% of the U.S. economy, it may not be long before the supply chain is heavily impacted. Besides the impact on automotive shops, those shopping for new vehicles will face reduced inventories and higher premiums as the strike continues.

"It will be a significant economic hit if it drags on for weeks," said Chen. "The supply chain is so interwoven that just striking those three plants and maybe a few more will shut down all of auto production in the United States."

Auto Care Association Launches Online Educational Resource

The Auto Care Association has launched Auto Care Academy, a collection of online courses offered to auto care industry professionals, according to a press release.

The platform offers materials for individuals at every stage of their careers, ranging from those entering the industry to those with years of experience.

Auto Care Academy is also collaborating with Northwood University to offer the University of the Aftermarket's online course catalog in addition to its original content.

Currently, there are two courses offered as part of a data standards series. The first is titled "Introduction to ACES and PIES," with the second being "Intermediate ACES and PIES." A third course called "PIES for Heavy Duty" is currently being developed for those in the heavy-duty aftermarket.

Also in development is a comprehensive course titled Aftermarket Essentials, aimed at onboarding and educating new employees about the auto care ecosystem. This course serves as a prerequisite for the University of the Aftermarket's program, Aftermarket 101.

Those interested in joining the new educational platform may do so by logging into the Auto Care Academy website with their autocare.org credentials. Users may then select and purchase available courses and be granted immediate, lifelong access to the content.

Volvo to Cease Production of Diesel Vehicles

Volvo will be suspending production of diesel vehicles as soon as early 2024, Reuters reports.

The Swedish company, largely owned by China's Geely, has set a goal to be one of the first legacy automakers to go fully electric by 2030.

The company announced this past Tuesday that production of all remaining diesel models will be canceled as soon as early next year.

Though a majority of the company's sales in Europe were diesel in 2019, they made up only 8.9% of sales in 2022. This past August, 33% of Volvo's sales were electric or hybrid vehicles. The number of diesel vehicles within in the company's remaining 67% of combustion-engine models versus how many run on gasoline has not been disclosed by the company.

Diesel models have been on the decline in Europe since Volkswagen's emissions testing controversy, with only 14% of new vehicle sales in Europe being diesel in July compared with over 50% in 2015.

"In a few months from now, the last diesel-powered Volvo car will have been built, making Volvo Cars one of the first legacy car makers to take this step," Volvo said in a statement.

Kia Models Recalled for Faulty Trunk Latch

n estimated 320,000 KIAs are being recalled to fix a problem that may prevent the latches on the trunk from being opened from inside the vehicle.

According to CBS News Pittsburgh, "the recall covers the Optima midsize car from 2016 through 2018, Optima hybrids and plug-ins from 2017 and 2018, and the Rio small car from 2016 and 2017."

A statement from The National Highway Traffic Safety Administration said the recall was launched to prevent a person inside the trunk from becoming trapped.

Owners will be notified by letter starting Oct. 19 and dealerships will replace the latch.

NHTSA Pursues Forced Recall of Air Bag Inflators

The National Highway Traffic Safety Administration (NHTSA) is taking another step toward enforcing a recall of air bag inflators made by ARC Automotive Inc., Local 10 reports.

The NHTSA said that the agency has deemed the inflators as defective, and has scheduled a public hearing for October 5. This is a required step before a court-ordered recall can be pursued.

The agency had originally called on ARC Automotive in May to recall the inflators, but the manufacturer responded that the NHTSA's judgment is based on conjecture and not data and that the NHTSA does not have the authority to issue a recall for a parts manufacturer. When asked for comment this week by Local 10, the company maintained this position.

The NHTSA has been investigating the air bag inflators for eight years and has reported seven injuries and two deaths caused by them in the U.S. and Canada since 2009.

Rearview Camera Fixes Cost Ford $270 Million

Ford Motor Company is on the hook for $270 million to fix faulty rearview cameras in its SUVs and vans. To date, the Detroit automaker has issued 42 recalls affecting 4.2 million vehicles since 2022.

According to The Drive, Ford's $270 million repair commitment will enable the fixing of rearview cameras on "2020-2023 Ford Explorer, 2020-2023 Lincoln Aviator, 2020-2022 Lincoln Corsair, 2022-2023 Ford Transit, 2018-2021 Lincoln Navigator, and 2019 Ford Bronco models" Add to that another 422,000 Explorer, Aviator, and Corsairs with needed fixes on blue or black screens when vehicles were in reverse or using the 360-degree camera system.

EV Adoption Up, But Divided Along Political Lines

A new J.D. Power survey indicates that U.S. EV adoption continues to rise by state as EV sales represent 8.5% of new car sales through August.

States with the highest EV adoption include California, Washington, Hawaii, Oregon, Nevada, Maryland, Arizona, Colorado, Utah, and Massachusetts.

States with the lowest EV adoption include—Michigan, Iowa, Kansas, Arkansas, Mississippi, Wyoming, Louisiana, South Dakota, West Virginia, and North Dakota.

The study, according to Green Car Reports, indicated that EV adoption is low in “red” states while sales in “blue” states we

Study: EV Owners Less Satisfied With Tech Features

A new study from J.D. Power has reported EV drivers as being less satisfied with the technology in their vehicles than those with internal combustion (ICE) vehicles, according to Green Car Reports.

The J.D. Power 2023 U.S. Tech Experience Index Study examines drivers’ experiences with the tech features in their cars, such as infotainment systems and advanced driver-assist features.

After surveying 82,472 owners of 2023-model-year vehicles in the first 90 days of ownership, from February through May 2023, it was found that EVs performed worse than gasoline and diesel vehicles.

Drivers were questioned on 21 tech features seen in both EV and ICE vehicles. For 17 of those features, EVs reported more issues per 100 vehicles than ICE vehicles–save for Tesla, which wasn’t officially ranked.

Issues in particular that were surveyed include remote parking assistance, with 27.4 problems per 100 vehicles for EVs and 10.7 for ICE vehicles; and gesture controls, with 49.6 problems per 100 vehicles for EVs and 31.2 for ICE vehicles.

For 86% of the total features surveyed on, EV owner satisfaction ranked lower than ICEs. Recent EV-exclusive brands such as Rivian and Lucid tend to equip vehicles with more technology, but this often leads to more issues and errors as well.

Bank of America Expands Credit Card Rewards to EV Charging

Bank of America's Customized Cash Rewards credit card now allows cardholders to earn cashback rewards on electric vehicle charging, according to a news release Tuesday.

Consumers and small businesses can earn 3% cash back at EV charging stations as a part of an expansion of the gas rewards category.

Bank of America said it saw 44% growth in electric vehicle charging transactions during the first half of 2023.

Under the Customized Cash Rewards card program, cardholders choose to earn 3% cash back on one of several categories: gas and EV charging stations, dining, travel, drugstores and pharmacies, home improvement and furnishings or online shopping/cable/streaming/Internet and phone plans. Cardholders also earn 2% cash back at grocery stores and wholesale clubs.

The bank caps the total rewards earning 2% and 3% cashback at $2,500 per quarter. There's an unlimited 1% cashback on all other purchases. Cardholders can switch to a different 3% cashback category once per month.

Members of the Bank of America Preferred Rewards program earn 25% to 75% more cash back on every purchase made with the Customized Cash Rewards Card, depending on their rewards tier. That means the 3% cashback earned in the choice category could increase to up to 5.25% cash back, the bank said in its announcement.

--Reporting by Donna Harris

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Biggest U.S. Lithium Deposit Potentially Found

Enough lithium to meet global demand for decades could potentially be lying within a former supervolcano at the Oregon and Nevada border, Jalopnik reports.

Recent research has suggested that McDermitt Caldera could hold more than 132 million tons of lithium, which could make it the largest lithium deposit in the U.S.–and potentially the globe.

That amount of lithium would surpass what is currently the largest known lithium deposit in the world: the Atacama Salt Flat in Bolivia, according to the Independent.

McDermitt could produce 12 times more lithium than the Atacama Salt Flat, and due to how the caldera formed after a massive volcanic eruption 16 million years ago, it could be possible to extract that lithium in a way less invasive and less labor-intensive.

According to a study released by scientists in Science Advances, a sustainable supply chain that emits less carbon energy requires high-grade domestic lithium resources as well as a low waste:ore strip ratio.

The volcano-sedimentary lithium resources that would be found in McDermitt are more likely to be “shallow, high-tonnage deposits with low waste:ore strip ratios,” the scientists wrote.

The Bureau of Land Management is now seeking public comment on the proposal to expand lithium exploration in the McDermitt Caldera, but area tribes such as the Fort McDermitt Paiute and Shoshone and Burns Paiute have opposed the plans, citing that it would be trespassing on sacred land, Oregon Public Broadcasting has reported.

U.S. Government Funds Restoration of EV Chargers

The Biden administration’s infrastructure law will be allocating $100 million toward addressing faulty EV chargers, according to Green Car Reports.

A new program called the Electric Vehicle Charger Reliability and Accessibility Accelerator has been launched, with applications for funding being accepted until November 13.

The program is supported by the first round of funding from the National Electric Vehicle Infrastructure (NEVI) formula program, which the infrastructure law has set aside $5 billion for.

The new program to address charger reliability will identify faulty chargers through the U.S. Department of Energy's Alternative Fuels Data Center (AFDC) charging-station locator, which is able to detect public charging stations that are temporarily unavailable.

As of September 11, the AFDC found that 6,261 stations were reported as being out of order, representing 4.1% of the 151,506 stations currently across the U.S.

The White House has estimated that the new program’s $100 million will be enough to fund the restoration of both public charging stations and privately owned stations that are open to the public without restriction.

Report: Price of EV Materials on Decline

The price of electric vehicles (EVs) has fallen by almost 20% in one year, Kelley Blue Book reports.

Though government incentives have played a role in price decreases, it isn’t the sole reason. Prices for the materials needed to create EV batteries have been on the decline, making it a large factor as well.

A recent report from Benchmark Mineral Intelligence has stated that the global weighted average price for lithium-ion cell prices has experienced a $100 drop per kilowatt-hour for the first time in two years as raw material prices also decline.

Additionally, the price for lithium has “more than halved since the start of 2023,” the report said. The price for other materials, such as cobalt, sulfate, and nickel has also declined.

The report, however, notes that this is a global average. In the United States, tax rebates of up to $7,500 are offered on the purchase of EVs, but to qualify for the full amount, the vehicle’s battery must be made with U.S.-sourced materials, or from certain partner countries.

For the cost of EVs to fall to that of an internal combustion engine, battery pack prices would need to cost $100/kWh, not including subsidies, and cell prices would need to reach around $80/kWh.

Today, cell prices sit at $98.20/kWh, which is a 33% decrease from last March’s high of $146.40.

Chevron USA, Pilot Co. Closer to Launching Hydrogen Fueling Stations

CORONADO ISLAND, Calif. -- Chevron U.S.A. Inc. on Tuesday told attendees of a panel discussion on hydrogen fueling at the Pacific Fuels and Convenience Summit that it will start construction of its first hydrogen fueling station in October.

The site is part of a plan to build 30 such sites in California by 2026. Chevron last year entered an agreement with Iwatani Corp. of America to co-develop and build hydrogen fueling sites in the state. The oil major is funding construction of the sites, which are expected to be located at Chevron-branded retail locations. The stations will initially fuel light-duty vehicles with the goal to serve heavy-duty vehicles over the long term, officials said.

Chevron said last year that it plans to supply a portion of the fueling sites with excess hydrogen production capacity at its Richmond refinery and future hydrogen production from pilot projects in northern California. Iwatani will operate and maintain the hydrogen fueling sites and provide hydrogen supply and transportation logistics services.

During the meeting Tuesday, Pilot Co. said it has two California hydrogen fueling stations in the works, focusing on refueling heavy-duty trucks. Bill Zobel, Pilot's director of alternative fuels, said the sites will be able to fuel large trucks within 10 to 12 minutes, which is comparable to diesel refueling.

There's "a lot of state money and federal money" to help build these stations, Zobel said.

His presentation showed the company is obtaining grants to build the sites this year, and the stations could start commercial operation at the end of 2025 or early 2026.

Zobel, who was involved in developing compressed natural gas to fuel fleets, said more fleets are showing interest in hydrogen fueling, and truck manufacturers plan to produce hydrogen-powered trucks as early as the end of this year or next year.

However, the "cost of ownership for hydrogen is not so good," he acknowledged. The heavy-duty hydrogen vehicles could cost $750,000 versus about $150,000 for a comparable diesel truck.

During the discussion, experts also said it could cost $13 million or more to build a hydrogen fueling station. Panelists declined to clarify during a question-and-answer session whether that price was before or after government assistance.

Some hydrogen stations are facing lead times of 12 to 14 months obtaining equipment, as well as delays obtaining the necessary permits from local authorities, based on the panel discussion.

As the use of hydrogen-powered trucks grows, distributing and storing enough of the fuel to meet demand could become an issue. The fuel cannot be produced at retail sites without obtaining a conditional use permit for heavy manufacturing. The sites now are supplied by central production facilities.

Panelists said there is a push to explore converting natural gas pipelines to deliver hydrogen fuel, but that initiative is still in its infancy. Zobel, who supports the move, called the effort "a wild card."

--Reporting by Donna Harris

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US Gasoline Price Index Sees Double-Digit Jump in August, BLS Data Shows

Gasoline prices were the largest contributor to overall inflation in August, rising 10.6% month to month, the Bureau of Labor Statistics said Wednesday. Gasoline prices in August were, however, down 3.3% from a year ago.

The bureau's gasoline price index rose for a third straight month in August after increasing 0.2% in July and 1% in June. Gasoline prices have risen in seven of the past 12 months.

August's month-to-month rise in the gasoline price index is the largest since March 2022 when the index rose 13.2%. Since August 2019, monthly increases in the gasoline price index have exceeded 10% only three other times - June 2022 (10.31%), March 2022 (13.2%), and June 2020 (11.23%), according to the bureau's data.

In August, the overall energy price index rose 5.6%, but was down 3.6% year to year. The fuel oil index rose 9.1% last month, though it was nearly 15% lower year to year.

The electricity index rose by 0.2% and increased 2.1% year to year and the gas utility index increased by 0.1% but dropped by 16.5% from a year ago.

The Consumer Price Index rose 0.6% in August on a seasonally adjusted basis, after increasing 0.2% in July, the bureau said. Over the last 12 months, the all-items index is up 3.7% before seasonal adjustments.

The food away from home index - which includes convenience store food service -- increased 0.3% in August and is up 6.5% over the last year. The index for limited-service meals rose 0.3% month to month and 6.7% over the last year and the index for full-service meals increased 0.2% month to month and is up 5.2% from a year ago.

--Reporting by Donna Harris

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RBC Sees U.S. Consumer Demand for Gasoline Bending, but not Breaking

Despite Wednesday's weekly numbers from the Energy Information Administration that showed a sharp drop last week in U.S. gasoline demand, RBC Capital Markets said its data shows U.S. consumers have "remained largely unfazed by higher gasoline prices."

RBC said gasoline shopping remains robust despite more than a dozen states seeing the highest mid-September retail prices on record, adding that its analysis shows that so far in the century consumers have spent 3.2% of "personal consumption expenditures" on gasoline.

But despite the higher prices, RBC said only 2.3% of PCE is going toward buying gasoline, implying that consumers may be cutting back elsewhere and not at the gasoline pump.

RBC's "nowcast," which measures site visits at retail gasoline stations, found traffic continued to be brisk last week, with trips to fueling sites up more than 10% year to year on the East Coast and Gulf coasts. Smaller, but still notable, increases were measured for the Midwest, up about 8.5%, the Rocky Mountain, up nearly 7.5% and the West Coast, with a more than 7%.

In all cases, visits were higher than the previous week, according to RBC. Yet, the EIA data suggested the lowest implied demand number for gasoline since January.

RBC digital analysis found that U.S. PCE growth has averaged 6.6% so far in 2023, putting it close to the long-term growth rates of 6.5%.

Still, there are some amber lights - - strong spending trends were observed for services, while spending on goods has begun to crack, down 0.5% year to year.

RBC analysts cited a "boomerang summer," in which a weak spring booking period for trips gave way to broad "just-in-time" summer bookings. The earlier spring booking period occurred against a backdrop of a banking crisis, elevated inflation and uncertainty in the labor market that likely pinched consumer wallets.

By summer, however, most of those worries had abated and there was a spate of short- dated, just-in-time travel bookings.

The hotel portion of travel remains expensive. RBC scraped lodging prices for 15 popular destinations and found prices were up by more than 7% since the start of the year. 2023.

It said an average 3-star hotel now costs $260/night compared to $209/night when the year began, an increase of nearly 25%. The bank said luxury hotels are being passed over in favor of mid-tier locations, adding that the cheapest tier of accommodations saw a 12% rise in bookings over the last three months compared with the same period of last year.

RBC estimated that the typical American driver fuels up once a week, but notes that tank size can vary from 12

gallons for a small sedan to 35 gallons for a larger vehicle. The average tank size was put at 16 gallons, so the bank concluded that motor fuel price increases since July equate to about a $4.80 increase for each visit.
-Reporting by Tom Kloza
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US Vehicle Traffic Volumes in July Rose to Two-Year High: DOT Report

U.S. Vehicle traffic volumes in July rose to their highest level since July 2021, the Department of Transportation's Federal Highway Administration said on Friday.

The agency's Traffic Volume Trends report estimated that U.S. drivers traveled 287.3 billion miles in July, just short of the 288.4- billion-mile total recorded two years earlier.

July's traffic volume was 8 billion vehicle miles, or 2.9%, higher than in July 2022 and marked the seventh straight month that volumes exceeded the year-ago level.

After adjusting for seasonal factors, July's traffic was 1.1 billion vehicle miles, or 0.4%, above June's total, DOT said.

Gasoline prices that were down sharply from a year ago and easing Covid-19 fears led more Americans to take to the roads.

The DOT data showed the West region, which includes Alaska, the West Coast and Rocky Mountain states, reported the highest year-to-year increase of 4.4%. The North Central region that includes mostly Midwest and Great Lakes states posted the small gain at 1.9% in July.

According to OPIS DemandPro data, which monitors more than 30,000 gas stations across the U.S., July average station gasoline volumes were 21% below the July 2019 before the pandemic disrupted fuel consumption patterns.

Factors such as improving fuel mileage, increasing popularity of electric vehicles and more Americans working from home are some factors that have decreased fuel demand despite the return of vehicle traffic.
--Reporting by Frank Tang
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End-August Refinery Woes Pile Up and Send Diesel and Jet Fuel Skyward

August is ending with some fireworks for U.S. refiners in the Midwest and Gulf Coast, with temperatures of over 100 degrees Fahrenheit prompting all sorts of refinery issues that have sent diesel and jet fuel prices surging and could tighten supplies appreciably.

Next month will see refinery work at Monroe Energy's 185,000 b/d Trainer, Pa., plant as well as Irving's 320,000 b/d Saint John facility, and there is ongoing work at the BP complex in Whiting, Ind., with a major turnaround at Flint Hills' Pine Bend refinery in Minnesota. But before those units move into maintenance, OPIS is hearing about a litany of issues that have idled some much-needed production this summer.

Sources say ExxonMobil has moved up a turnaround originally scheduled for its Baytown, Texas, refinery with units getting taken down later this month. There is still no word as to whether ExxonMobil's 540,000 b/d Baton Rouge, La., refinery has seen operations restored after heat-related issues earlier this month. Temperatures in the area soared to above 105 degrees Fahrenheit recently.

Further to the Southwest, Total had to bring down a large crude oil distillation unit ahead of scheduled maintenance for a smaller crude unit and a fluid cat cracker.

Marathon has been in the news thanks to a down reformer at Galveston Bay, and there are concerns about a fire in a naphtha tank at the huge Garyville, La., facility.

To the north, refiners haven't spoken about heat-related issues, but temperatures at or above the century mark have plagued states including Illinois, Indiana and Minnesota. A small issue with a propane leak was reported Wednesday at the 50,000 b/d Cenovus refinery in Superior, Wis.

No major impacts were seen when a tropical system moved inland earlier in the week near Corpus Christi, Texas, but sources say some impacts were felt at major refineries operated by Valero and Citgo in that area.

Traders are already anticipating that next week's Energy Information Administration report will see a drop in Gulf Coast and Midwestern run rates but wonder how many of the issues will be captured in EIA surveys.

The refinery noise has been loud enough to send would-be sellers to the sidelines. This is particularly the case in Chicago, where spot diesel has surged 22cts/gal, but all diesel markets nationwide are up 9-12cts/gal. Jet fuel has similarly seen strong moves, with prices up more than 10cts/gal in most cases.

At midday Friday, the diesel increases in most of the country reflect a surge of 33% when compared to the settlement numbers on June 30.

Gasoline is also impacted, but buyers aren't chasing gasoline avails, and some traders are selling RBOB futures against ULSD purchases. They sense that diesel is coming into season and believe that premiums of 40-45cts/gal favoring diesel could soon widen.
--Reporting by Tom Kloza
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Saudis Extend Production Cut to Year-End; Market Rallies Steeply

Saudi Arabia Tuesday said it would extend its unilateral 1 million b/d production cuts through the end of 2023, and the market has reacted immediately, taking Brent values above $90/bbl.

An extension was contemplated but some observers thought the Kingdom might simply halve the cut in October. News that output would be held at 9 million b/d through December was a more bullish outlook than most had anticipated.

In trading subsequent to the announcement, crude benchmarks added $1.40-$1.90, with Brent rising as high as $90.55/bbl for November delivery. The October West Texas Intermediate number rose $1.84 to $87.39/bbl.

Refined products were tugged higher as well. Diesel moved skyward with futures adding more than 10cts/gal. The October contract was up 10.11cts to $3.2061/gal. October RBOB was a bit more subdued, with prices up 5.05cts at $2.6417/gal.

--Reporting by Tom Kloza

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Analysis: Midwest, Northeast RVP Transition Drops Racks; Lifts Gross Margins

The RVP formulation shift for gasoline in the Midwest and Northeast markets has put significant pressure on rack prices Tuesday, while supporting near-term gross margins as average retail prices remain near 2023 highs.

Gasoline prices are falling as seasonality is playing the largest role, even as crude oil prices are trading around the year's highs. If history is any indication, strong gross rack-to-retail margins may prove to be "sticky" in several markets.

Spot prices have dropped sharply, reflecting quickly in some rack markets. That decline continues to offer plenty of price relief for marketers in the Midwest, who were hamstrung by Group 3 spot prices that had been at plus $1 over underlying benchmark RBOB futures.

By Tuesday morning, rack price postings were down in the Northeast and Midwest from the previous day, particularly in the Northeast.

The most aggressive suppliers in cities like Boston, Philadelphia and Newark, N.J. have dropped prices for 10% ethanol reformulated gasoline by about 19.5-24.75cts. For Boston and Newark, even the lightest moves for posted prices were in the 13-15cts area.

Tuesday's declines were relatively modest at Midwest locations, as those have been trickling lower as Group 3's recent wide gasoline premiums have collapsed.

Minneapolis still has some very high rack prices with the average just shy of $3.255/gal, but prices were down Tuesday morning by about 8.5-16.5cts. The decline has supported gross margins that had been negative in the not-too-distant past.

According to the most recent OPIS margin data, the average gross margin in Minnesota is 65.6cts/gal, compared to a national average of just inside of 40cts/gal. In addition to Minnesota, there are five other Midwest states that are seeing an average gross margin of more than 60cts/gal, with South Dakota at 67.5cts/gal, which marked the strongest in the country outside of the Pacific Northwest. In North Dakota, margins are not far behind, averaging 65cts.

Margins in Nebraska have popped to 62.5cts/gal, as racks in cities like Lincoln, Neb., have seen multiple suppliers decrease prices by double digits. Iowa and Oklahoma have average gross margins of just over 61cts, with the most aggressive sellers dropping prices by 12-13cts in cities like Des Moines, Iowa and Oklahoma City, Okla.

While Northeast margins are not quite as robust as they are in the Midwest, they have still perked up over the past 24 hours to the point where Northeast states are above the national average. Margins in New England states are running north of 50cts/gal, as Maine and Massachusetts are running just shy of 60cts/gal. New York and New Jersey are also running just inside of 50cts/gal, and Pennsylvania margins are in line with the national average.

Gross rack-to-retail margins could remain elevated as some areas see an almost immediate switch at the retail level. However, in New Jersey, where high RVP gasoline is already being sold at the rack, the shift at the retail level takes place on Oct. 1.

The most ratable stations will be able to pick up loads of high RVP fuel and may not need to drop retail prices all that much for the next two weeks. Stations, however, can still sell summer grade gasoline as the changeover in RVP does not matter much this time of year, sources said.

Average rack prices in the Midwest and Northeast at some of the more active cities are running in the $2.70-2.75/gal area. With RBOB futures slipping and Group 3 prompt gasoline prices off by more than double digits earlier Tuesday, high gross margins could stick around due to falling rack prices.

The Group 3 market may also be ahead of schedule as prices tend to swoon in the fourth quarter. It is not uncommon to see Group 3 gasoline trading at a premium to RBOB futures in mid-September before it turns into a discount a month later for about 8-10cts cheaper. Last year was an outlier, though, as prompt Group 3 RBOB tumbled by more than 60cts to NYMEX futures minus 9cts in mid-October compared to a premium of 52.5cts in mid-September.

Group 3 gasoline is already weakening, with the prompt market moving from a 14.25cts premium on Friday to 5cts under futures Tuesday, pulling its spot prices down to $2.62/gal for a drop of more than 20cts/gal during the period.

--Reporting by Denton Cinquegrana

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US Gas Station Wages Hit Record High in July

Average hourly wages for U.S. gas stations and gas stations with convenience stores hit new highs in July after declining in June, according to data from the Bureau of Labor Statistics updated Sept. 1.

In July, wages for gas stations averaged $16.93 per hour and the average hourly wage for gas stations with convenience stores was $16.78 in July. That's up from records set in May of $16.87 per hour for gas stations and $16.63 per hour for gas stations with convenience stores, the data show.

The wages for the convenience-fuel business are still lower than average wages of other competing retail channels, some exceeding $17 per hour. For example, in July, the average hourly wage for food and beverage retailers was $17.12, supermarket wages averaged $17.08 per hour and liquor stores averaged $17.74 per hour, the bureau reported.

--Reporting by Donna Harris

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Consumers Rethink Retail Spending Priorities

Though back-to-school sales usually result in a busy retail season, discretionary spending and unit sales have fallen compared to the same time last year, according to Circana.

Discretionary general merchandise spending declines continued with a 4 percent decline in dollar sales and 7 percent drop in unit sales compared to last July. Consumer packaged goods (CPG) spending remained elevated with 4 percent growth in food and beverage, and a 3 percent increase in nonedible revenue. However, the impact of elevated prices on demand are evident even in CPG, with unit sales falling 1 percent and 3 percent, respectively, across edible and nonedible segments, Circana found.

That said, not all retail news over the summer was bad. In July 2023, U.S. retail sales revenue, including both discretionary general merchandise and CPG increased 2 percent compared to the same month last year.

Overall, discretionary general merchandise spending declines continued into the first week of August. The shifts in consumer spending have resulted in a delayed start to the back-to-school shopping season. This first week of August is traditionally a peak back-to-school shopping week, but instead sales revenue of back-to-school general merchandise took a dip, falling below last year and pre-pandemic 2019 levels.

Chicago-based Circana serves as an advisor on the complexity of consumer behavior. Through advanced analytics, cross-industry data and subject matter expertise, Circana provides insights and research that helps clients unlock business growth.

Consumers' Satisfaction With C-store Foodservice Shifts

Food-focused convenience store operators need to keep a close eye on the performance of their prepared food programs as consumers' expectations of and response to them shift, according to new research from customer experience management solutions provider Intouch Insight.

The reported level of overall satisfaction with prepared food from convenience stores rose 7 percent year over year, according to the company's 2023 Convenience Store Trends Report, titled "Food, Fuel and the Future." However, the report also saw an 11 percent drop in those who reported being extremely satisfied with food quality at convenience stores.

The report also put a spotlight on a potential new battleground. Although gasoline remains the primary driver of consumer traffic for c-stores, the rise of electric vehicles presents a new area of competition, particularly with quick-serve restaurants that want to take advantage of the opportunity to give consumers another reason to visit.

Out of nearly 800 visits to major c-store brands across the country, just 12 percent currently offer EV charging stations, Intouch Insights found. This could spell trouble if EVs reach a projected 40 percent of passenger car sales by 2020.

The report also noted there is immense potential for c-store brands to enhance customer experiences through the adoption of new technologies, ranging from mobile loyalty apps to advancements in artificial intelligence. Technology may be able to drive more revenue, mitigate labor shortages, and ensure consistency in experiences, but it's likely that how new technology is utilized will make a difference in where battles are fought and won.

FDA Continues Crackdown on Sales of Illegal Vapor Products

The U.S. Food and Drug Administration (FDA) issued warning letters to 15 online retailers and three manufacturers for selling or distributing unauthorized electronic cigarette products. This included at least one retailer which illegally sold a product to an underage purchaser.

The warning letters cite a range of popular and youth-appealing e-cigarette products, including disposable products, marketed under the brand names Elf Bar, EB Design, Lava, Cali, Bang and Kangertech. According to the agency, the products of focus were identified through rapid surveillance and a data-driven approach to investigations, which used, among other things, retail sales data and emerging internal survey data to identify products with rising popularity among youth users and which should subsequently be prioritized for investigation.

The companies which received letters sold or distributed e-cigarette products in the United States that lack authorization from FDA, in violation of the Federal Food, Drug, and Cosmetic Act. Recipients of warning letters were given 15 working days to respond with the steps they'll take to correct the violation and to prevent future violations.

A majority of warning letter recipients take corrective action. Failure to promptly correct the violations can result in additional FDA actions such as injunctions, seizures, or civil money penalties. Within the past year, FDA issued its first injunctions and civil money penalties against e-cigarette manufacturers, as well as its first warning letter to a distributor for the distribution of illegal e-cigarettes.

Former Bank Teller Pleads Guilty to Stealing Money from Georgia C-store

A former bank teller in Candler County, Ga., has pleaded guilty to skimming money from a convenience store's deposits, the U.S. Attorney's Office for the Southern District of Georgia said on Wednesday.

Kayla Monroe Evans, 32, of Metter, Ga., faces up to 30 years in prison along with "substantial fines and restitution" and three years of supervised release after completing the prison term. There is no parole in the federal system, the release said.

Evans worked as a teller for the Synovus Bank in Metter. An auditor for a c-store that kept its account there noticed "substantial" discrepancies between the cash given to the bank to deposit and the amount credited to the store's account. An investigation found that from July 2019 through February 2021, Evans skimmed cash for personal use crediting a smaller deposit to the store.

Authorities said she stole about $87,748 from the store. As part of her plea, Evans agreed to pay restitution and to never seek employment at a financial institution.

U.S. District Court Chief Judge J. Randal Hall will schedule sentencing after a pre-sentence investigation by U.S. Probation Services, the office said in a news release.

--Reporting by Donna Harris

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Florida Cracks Down on Fuel Theft, Arrests Suspect in a Series of Thefts

Florida law enforcement authorities late last week said they had arrested a suspect in a series of fuel thefts at three Wawa stores in Orange County.

The Florida Office of Agricultural Law Enforcement alleges the suspect, Yerrison Perez, stole more than 1,300 gal of fuel from three Orlando Wawa stores between June 17 and July 7, 2022, according to a Friday news release.

The arrest follows a crackdown on retail fuel theft across Florida in which the Florida Agriculture Commissioner worked with the state Legislature to create new criminal penalties for fuel theft. The penalties took effect on July 1. The new law covers the use of devices that tamper with fuel dispenser pulsars so that dispensers pump fuel at little or no cost. The law was also changed to penalize the possession of an auxiliary fuel tank to commit retail fuel theft, the announcement said.

Thieves sometimes steal fuel directly from the underground storage tank and pump it into an auxiliary tank.

Perez was charged with four second-degree felonies -- three counts of grand theft and one count of scheming to defraud. According to the Florida statutes, the penalty for a second-degree felony is up to 15 years in prison.

--Reporting by Donna Harris

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Your Inspection License May be Worth Money

Depending on where you are located, it may be possible to sell your license. Before merely turning it in, contact the association for further information.

DMV Record Retrieval

DMV record retrieval is available to association members and affiliates at a cost of $12 per record. Additionally, you may order DMV certified paper abstracts of driver's license, vehicle registration, and vehicle title records for an additional fee of $2 per abstract. Please call (518) 452-4367, (585) 924-4423, (607) 723-1849 or (716) 656-1035

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August 14, 2023

Support for 199A Reaches New Heights

The effort to make permanent the Section 199A Main Street business deduction just hit a significant milestone.

In just two weeks the Main Street Tax Certainty Act (H.R. 4721), introduced by Congressman Lloyd Smucker, has garnered the support of more than 100 House cosponsors. Among those backing the legislation are Democratic Representatives Henry Cuellar (TX) and Josh Gottheimer (NJ), and all 25 Republican members of the Ways & Means Committee.

Section 199A was enacted in 2017 to encourage job creation and new investment by private businesses. It also helps private companies compete with large, publicly-traded corporations. Without the deduction pass-throughs would face rates up to 16 percentage points higher than their publicly-traded competitors. Despite this important role, Section 199A is set to expire at the start of 2026.

Of the more than 5,000 House bills introduced this year, the Main Street Tax Certainty Act is just one of 80 to hit the 100-cosponsor mark. Over the past decade, only about 2 percent of bills have reached that threshold. In other words, the broad support for Section 199A permanence shows lawmakers fully grasp the severity of the situation, and are committed to preventing a massive tax hike on millions of Main Street businesses come 2026.

There's good news on the other side of the Capitol as well. Back in May, Senator Steve Daines (MT) – a longtime ally of the Main Street business community – introduced his 199A permanence bill (S.1706). To date, one of every five Senators is a cosponsor.

Section 199A is more than just a tax provision. It protects thousands of local communities from fewer jobs and more boarded up buildings, reduces the tax burden on local businesses to make them more competitive, and allows multi-generation businesses to stay family-owned.

Ensuring Section 199A is a permanent fixture of the Tax Code is the number one priority for the S Corporation Association. As it turns out, we are not alone. More than 160 trade associations – representing millions of Main Street employers from every corner of the country – recently signed onto our letter thanking Senator Daines and Congressman Smucker for their leadership and are actively backing the effort.

There’s still much work to be done, but the broad support for the Main Street Tax Certainty Act shows it is time for Congress to pass this commonsense legislation and let affected businesses go back to doing what they do best: hiring workers, growing the economy, and supporting their communities.

SSDA Signs Joint Trades Letter- Section 199A- Support for Main Street Tax Certainty Act of 2023

Dear Senator Daines and Congressman Smucker:

The undersigned business groups strongly support the introduction of your Main Street Tax Certainty Act of 2023, legislation to make permanent the 20-percent deduction for small- and individually-owned businesses (Section 199A).

Your legislation would provide certainty to the millions of S corporations, partnerships and sole proprietorships that rely on the Section 199A deduction to remain competitive both here and overseas.

Individually- and family-owned businesses organized as pass-throughs are the backbone of the American economy. They employ the majority of private-sector workers and account for 95 percent of all businesses.

They also make up the economic and social foundation for countless communities nationwide. Without these businesses and the jobs they provide, many communities would face a more uncertain future of lower growth, fewer jobs, and more boarded-up buildings.

Despite this, Section 199A is scheduled to sunset at the end of 2025, even as the businesses it supports continue to recover from the COVID-19 pandemic and the price hikes, labor shortages, and supply chain disruptions that followed.

Making the Section 199A deduction permanent will help Main Street during this very difficult time, leading to higher economic growth and more employment. Separate studies by economists Barro and Furman, the American Action Forum, and DeBacker and Kasher found that making the pass-through deduction permanent would result in significantly improved parity and lower rates for Main Street businesses.

The more quickly Congress acts to make Section 199A permanent, the sooner Main Street businesses will benefit.

We appreciate your introduction of this important legislation and look forward to seeing it enacted.

Sincerely,

SSDA-AT and other trade associations

Terms and Conditions

Warranty disputes can cause headaches for everyone involved. Get ahead of them to protect you and your customers.

Noah Brown

When the Magnuson-Moss Warranty Act was passed in 1975, the automotive industry saw a huge win for customers. The act, which required any consumer good with a warranty to follow its rules and regulations, helped provide peace of mind for customers by creating a standard application process for all warranties.

Because of that, whenever warranty disputes between an OEM and a customer arise, there is a fairly standard order by which those cases play out.

“The law is fairly robust,” says Allison Harrison, owner of ALH Law Group in Columbus, Ohio. “From a litigation defense, we see (Magnuson-Moss) brought up a lot, and it coincides with a lot of consumer protection laws. Often, you’ll see something be a violation of a state’s consumer law and then a federal Magnuson-Moss issue.”

As technology becomes increasingly more complex and cars require more sophisticated repairs, customers may have less of an understanding of what is actually covered by the warranties on their vehicles. Harrison says shops can play a critical part in helping customers know what their warranties cover and, maybe more importantly, what they don’t cover.

Know Before You Go

Harrison says warranty disputes are quite common between customers and whoever holds the warranty for their vehicle, adding that customers can bring up disputes on a wide range of alleged issues with their vehicles.

“It’s all over the board,” she says. “It can be anything from smaller parts of a vehicle to a specialty engine that costs $15,000.”

In most cases, if a customer brings a warranty issue to court, they try to recover the cost of the part and attorney’s fees. In some cases, they might be eligible to receive other statutory damages.

However, in her experience, Harrison says it’s best to avoid taking an issue to court if at all possible; very rarely will that work out for either party involved.

“I don’t think anyone wins. If you’ve gotten to the part where you’re bringing a lawsuit, the consumer has to pay the attorney and the repair shop has to pay an attorney,” she says. “The only people who really win are the attorneys.”

That’s where independent shops can come in and help play a key role in educating and helping customers. A common misconception that consumers have is that allowing an independent shop to work on their vehicle will invalidate its warranty. The Magnuson-Moss Warranty Act has a provision that prohibits “tying arrangements,” which require a customer to use parts or services from specific brands or companies. It is illegal for an OEM or dealership to void a customer’s warranty if they take their vehicle to an independent shop.

Regardless of who provides the warranty for a vehicle, whether its an OEM or a third party, Harrison says warranties are required to outline what they cover and what they don’t very explicitly. If a customer has a question or a concern about their warranty, the best place to tell them to start is the warranty packet that comes with their vehicle.

"It comes down to, frankly, reading it. That's something that often gets overlooked," Harrison says. "(Customers need) to really look at it to see what it covers. That's the biggest miscommunication that we see."

If the language in a warranty is unclear, calling the warranty holder can often provide answers, too. Most warranties are held by an OEM or a third party instead of a specific dealership, so hesitant customers can avoid causing an issue with a specific dealer.

Protect Yourself

In addition to seeing customer/dealership warranty disputes, customers can also bring complaints against an independent shop if they believe their car was repaired improperly.

If your shop is going to work on a vehicle that is still under any kind of warranty, Harrison says familiarizing yourself with the terms and conditions should be one of the first things you do before opening the hood.

"There's so much information," Harrison says. "Those warranty booklets are getting bigger and bigger as cars get more complicated, but if you make sure that you double-check that, you should be just fine."

In the event that a customer does raise a warranty dispute with your shop, there are a couple of key things Harrison says can help resolve the situation.

It can be really easy to get defensive when a customer raises a dispute, especially if the claim is baseless – it can feel like an attack on your shop's work ethic. Harrison says taking a step back and recognizing the customer isn't trying to maliciously attack you or your shop. Instead, they probably don't have a good understanding of the situation.

"It's never good if you're upset to have that conversation. Take a step back and breathe," Harrison says. "A lot of times, if the parties talk it out with level heads, everyone is going to feel better about it."

In the event that a customer is trying to question your work, Harrison says you can protect yourself by documenting what you do to the vehicle. If you don't have a way to reproduce and validate your work, that can create a "we said-they said" argument. If you document it, you can show the customer and the warranty holder. Taking notes on what you fixed and how you fixed it, shooting a quick video on a phone to show the quality and extent of a repair and being transparent in how you talk to a customer can all help.

Cars are really complex. Taking time to explain to your customers how the mechanics work, how parts are physically located on the car and if they're connected goes a long way," Harrison says. "(A lack of clarity) is usually where we see these issues come from."

Though warranty law can seem overwhelming, there are several ways you can help protect yourself and your customers.

Quite simply, Harrison says in many cases, the solution comes down to one key thing.

"Read. Read, read, read," she says. ""It sounds so silly, but that's how we usually resolve it."

NYVIP3 MESSAGE No. 286
DATE: 07/28/2023
TO: ALL INSPECTION STATIONS FROM: NYS DEPT. OF MOTOR VEHICLES
SUBJECT: NYVIP3 COMMON ISSUES

****Alert Common Initial NYVIP3 Unit Set Up Mistakes****

After surveying, it was determined almost all the issues being reported with NYVIP3 setup are linked to steps not being performed in the correct order as outlined in the installation instruction manual that is provided with the equipment. Whoever is charged with setting up your NYVIP3 equipment MUST read and follow the NYVIP3 Installation instructions STEP-BY-STEP to ensure proper NYVIP3 CVIS initialization. By not following instructions and simply plugging in all the components into their appropriate location and supplying power will create a cascading number of issues that will need to be resolved.

The following is a list of common errors associated with failing to go step by step through the setup of the unit. Each of these can be corrected by redoing the instructions for that component.

• Bar Code Reader
  o Will not scan at all o Incorrectly reading the Barcode
  o Wireless paring issues throughout the day o Wireless paring needed every morning
• Sticker Printer
  o Inoperative
  o Printing in the wrong area
  o Unnecessary stock being fed each time a certificate is printed
  o Inventory accountability numbering issues.
• IMClean Scan Tool o Inoperative
  o Will not connect during inspection
  o Will not complete the initialization
  NOTE: Wired IMClean OBD scan tool includes only the 12-volt cigarette lighter power supply and does not require the 110 volt power supply to perform the initialization or inspections.
• VIR printer
  o Will not come online
  o Will not print when prompted
  o Will fall asleep and must be rebooted several times a day

Opus Inspection will be offering assembly webinars as well as posting a common issues list with instructions explaining how to quickly correct the concern. This information will be on the www.NYVIP3.com website. Please check the site for the problem you are experiencing prior to calling or emailing Opus to save time in getting the issue corrected.

NYVIP MESSAGE No.289

DATE: 09/19/2023

TO: ALL NYVIP3 INSPECTION STATIONS

FROM: OPUS INSPECTION

SUBJECT: NYVIP3 SOFTWARE UPDATE 09/19/2023 – VERSION 23.03.01

PLEASE BRING THIS MESSAGE TO THE ATTENTION OF THE STATION OWNER AND/OR MANAGER

A NYVIP3 software update to version **23.03.01** will be rolled out to all NYVIP3 Inspection Stations starting 09/19/23. **You must accept and load the new software update when you are prompted to do so by your NYVIP3 Computerized Vehicle Inspection System (CVIS) analyzer.**

If your CVIS has a successful broadband connection, you will receive the update anytime the CVIS is powered on. Once the update is received, a message will display on your system stating: "A software update has been downloaded and is ready to install on this unit. Estimated time to complete the update process is less than 5 minutes. Proceed with update?" You must select **YES** to install the update on your analyzer. This software version includes important updates to the operation of the inspection equipment and overall system enhancements.

Software Update Includes:

- **Credits for pre-printed inspection certificates can be used with the new software. There will be a future message that contains instructions for and more details of the function once it is active.**
- **For stations who use both external and internal sticker stock the software has been enhanced to allow for a second sticker printer to be used. Directions for ordering a second sticker printer can be found below.**
- **The vehicle plate number will no longer be printed on the inspection certificate.**
- **Approved Integrated HDDV Diesel Emission (Opacity) testing software will begin for all properly licensed and equipped Official Diesel Emissions Inspection Stations (ODEIS)**

Directions for Purchasing the Second Sticker Printer Kit:

To purchase the "Second Sticker Printer Kit":

- Go to: www.NYVIP3.com on or after Thursday 09/21/2023.
- Log In
- Hover over My Account
- Click on Purchases Equipment
- Scroll down to Sticker Printer Kit (05-30324-023)

Please contact the Opus Help Desk at 1- 866-OBD-TEST (623-8378) or email Opus Inspection at NYVIP3Info@Opusinspection.com if you have any questions or need additional assistance.

Right to Repair Pact Doesn’t Go Far Enough

SSDA-AT does not endorse the recently announced right-to-repair pact between the Automotive Service Association, the Society of Collision Repair Specialists and the Alliance for Automotive Innovation due to several critical factors.

“While SSDA-AT acknowledges the positive intent and certain aspects of the agreement, the current pact falls short in adequately addressing the concerns of consumers and protecting their rights along with those of the independent automotive repair market,” said Roy Littlefield IV.

Foremost among SSDA's concerns is the absence of an enforcement mechanism and the power of law within the pact, Littlefield said. Without clear enforcement provisions, the agreement lacks the necessary teeth to ensure compliance, leaving consumers vulnerable to potential exploitation and inadequate protection. “SSDA firmly believes that any meaningful right-to-repair initiative must possess robust enforcement mechanisms to safeguard consumer rights effectively,” Littlefield said.

Further, the pact undermines the ongoing efforts in Congress to pass a comprehensive bill that would provide greater protection for consumers. “By diverting attention and resources away from legislative measures, the current agreement may inadvertently hinder progress on more encompassing reforms that are urgently needed,” Littlefield said.

The pact also fails to adequately address the issue of telematics. With the increasing prevalence of telematics systems in modern vehicles, it is crucial to establish clear guidelines and regulations that grant consumers access to necessary vehicle data, Littlefield said. The current pact falls short in providing a comprehensive framework to address this vital concern.

Moreover, SSDA-AT said the pact does not offer adequate protection to consumers and fails to cover all automakers. To ensure fairness and equal access to repair information and tools, any effective right-to-repair initiative should encompass all automakers, without exceptions, according to the association. The current pact's limited scope undermines the goal of providing a level playing field for consumers and perpetuates inequalities within the automotive industry.

“While SSDA-AT appreciates the spirit and elements of the agreement, it firmly believes that the current pact does not resolve the core issues faced by consumers in the industry,” Littlefield said. “Instead, it creates confusion and potential harm, ultimately falling short of meeting the pressing needs of consumers.”

Littlefield said SSDA-AT remains committed to advocating for comprehensive right-to-repair legislation such as the REPAIR Act that genuinely protects consumer rights, fosters fair competition, and ensures a thriving automotive industry.

REPAIR ACT INTRODUCED

The amount of data collected by modern vehicle on-board systems is staggering. But who owns that data; the vehicle owner or the manufacturer? When it comes to vehicle repair the fight to secure data access for vehicle owners and their chosen independent repair facilities continues. Neal Dunn (R-FL-02), Brendan Boyle (D-PA-02), Warren Davidson (R-OH-08), and Marie Gluesenkamp Perez (D-WA-03) introduced the "Right to Equitable and Professional Auto Industry Repair (REPAIR) Act" in the House of Representatives this year. The bill is aimed at giving small independent repair shops the same kind of data access that licensed vehicle dealerships already receive.

"Americans should not be forced to bring their cars to more costly and inconvenient dealerships for repairs when independent auto repair shops are often cheaper and far more accessible," said Rep. Rush. "But as cars become more advanced, manufacturers are getting sole access to important vehicle data while independent repair shops are increasingly locked out. The status quo for auto repair is not tenable, and it is getting worse. If the monopoly on vehicle repair data continues, it would affect nearly 860,000 blue-collar workers and 274,000 service facilities."

"The lack of meaningful consumer choice in the repair market harms low-income Americans and those in underserved communities most," Rush continued. "A single mother who relies on her vehicle to go to work and get her kids to school can't afford to wait days or weeks to have her car repaired at a dealership that is hours away and more expensive than the auto shop around the corner. The REPAIR Act is common sense, necessary legislation that will end manufacturers' monopoly on vehicle repair and maintenance and allow Americans the freedom to choose where to repair their vehicles."

WHAT YOU CAN DO

So what can you do as a vehicle owner to help the "Right to Repair" movement? Demand that the lawmakers that represent you also represent the need for fair and equitable access to all parts of the vehicle care equation. The NAPA AutoCare makes it easy to contact your Senator and Congressperson via their website form found at
https://member.napaautocare.com/OwnersRightToRepair
so you can let them know your concerns. The form will ask for your address and automatically identify your representatives while also drafting a letter to them. It's just that easy.

Please show your support for Right to Repair by using this webpage to send a letter to your federal lawmakers. It will take 30 seconds.