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GASOLINE & AUTOMOTIVE SERVICE DEALERS ASSOCIATION

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INSIDE THIS ISSUE

Attention – REPAIR Act Customer Handout

Please find on the final page of this newsletter a handout to be given to ALL your customers. It explains the REPAIR Act in simple language and also explains how to send a letter to their U.S. senators and representatives requesting passage. Explain to them the necessity of the bill and ask them to use the weblink to sign on to this petition. Let them know that their support is critical to its passage.

NHTSA Steps Back on Anti-Right to Repair Stance

Federal transportation officials say they have worked with the Massachusetts Attorney General's Office to identify a path forward for the so-called "right to repair" law that voters approved in 2020.

"NHTSA strongly supports the right to repair," a letter from the National Highway Traffic Safety Administration to the Mass. Attorney General's Office said. "We are pleased to have worked with you to identify a way that the Massachusetts Data Access Law may be successfully implemented — promoting consumers' ability to choose independent or do-it-yourself repairs — without compromising safety."

NHTSA said in the letter that its concerns regarding the right-to-repair law arose from the risk associated with the ability to, at scale, remotely access and send commands that affect a vehicle's critical safety systems.

The federal agency said it understands that one way vehicle manufacturers could comply with the law would be to provide independent repair facilities wireless access to a vehicle from within close physical proximity to the vehicle, without providing long-range remote access.

NHTSA says vehicle manufacturers could comply with the data access law by using short-range wireless protocols, such as via Bluetooth, to allow the vehicle owner or an independent repair facility authorized by the owner to access all mechanical data, as defined by the law, for that individual vehicle.

"In NHTSA's view, a solution like this one, if implemented with appropriate care, would significantly reduce the cybersecurity risks, and therefore the safety risks, associated with remote access," the letter from the federal agency said.

The law, which was approved by nearly 75% of voters, is supposed to require manufacturers of motor vehicles sold in Massachusetts to equip any such vehicles that use telematics systems — systems that collect and wirelessly transmit mechanical data to a remote server — with a standardized open access data platform. That would allow vehicle owners and independent shops to access the data.

Advocates framed the measure as an update to a 2012 state law that would improve competition by giving consumers and small businesses access to modern vehicle diagnostics, while opponents said it was a data grab that would allow third parties to gather personal information.

ACA Commends NHTSA's New Right to Repair Stance

The Auto Care Association has commended the NHTSA for changing its position on Massachusetts' 2020 Data Access Law, according to a press release.

The NHTSA's reversal of its position on right to repair, which instructed automakers not to comply due to concerns that it violated the Federal Vehicle Safety Act, has been applauded by the Auto Care Association.

The Auto Care Association was also impressed with a recent statement from the NHTSA expressing support for right-to-repair efforts.

Additionally, the Massachusetts Office of the Attorney General's unwavering support for the law that was passed by voters was also recognized.

The organization argued that there are different ways to enforce the Data Access Law without violating the Federal Vehicle Safety Act or any other federal law, but also highlighted some points of criticism.

The Data Access Law allows platforms to utilize wireless communication technologies such as cellular, Wi-Fi and Bluetooth–the latter of which the Auto Care Association does not consider a good idea, claiming that short-range wireless communication will not provide the results that voters were expecting.

The Messy State of Right to Repair

A driver connects their smartphone to their vehicle Bluetooth. Connected vehicle data has become the point of contention between OEMs and the automotive aftermarket. The right to access diagnostic repair data has been a hotly debated topic within the industry as of late. While automakers insist that opening access to data will jeopardize safety, independent shops have argued it is a profit-driven strategy to direct consumers to dealerships for services and repairs.

Tensions have been rising in discussions surrounding Right to Repair, especially after events such as a recent attempt by a group of automakers to stop a Right-to-Repair law passed by voters in Massachusetts from taking effect.

Many in the industry are feeling the pressure to make their positions on the issue known, which is exactly what was recently done by the Automotive Service Association (ASA).

In collaboration with the Society of Collision Repair Specialists (SCRS) and the Alliance for Automotive Innovation (which represents OEMs), the ASA created a letter to members of Congress with views on Right to Repair collectively agreed upon by the three organizations, based upon a national agreement made in 2014 called the Memorandum of Understanding.

The letter stated that information provided to authorized dealers should also be accessible to independent shops. This can range from telematics data to technologies and powertrains for all vehicles, including gasoline, diesel, fuel cell, electric battery, hybrid and plug-in hybrid electric.

Ways to make repair information accessible to others were proposed, such as having it directly accessible through an automaker's website, shared access points such as OEM1Stop.com or third-party information providers.

Responses Follow

Though the letter was presented as a stance representing the industry, it has not been met with universal approval.

The Auto Care Association's response called the letter "a thinly veiled attempt to confuse lawmakers and drivers" and said it was not consulted on the drafting of the ASA's agreement document. The Association pointed to flaws in prior agreements, including that OEMs would not be bound to any participation in Right to Repair compliance and that OEMs would not be obligated to allow direct access to telematics data.

Credit Card Swipe Fee Reform
Faces Vote in U.S. Senate

Less than two months after being reintroduced in Congress, the bipartisan Credit Card Competition Act could be heading to a vote in the U.S. Senate any day now.

According to NACS, federal lawmakers could cast votes on the legislation as early as Wednesday, July 26. Following news that the vote was imminent, the convenience store association called on its members to urge their representatives to vote in favor of the bill.

The Credit Card Competition Act would mandate that retailers in many cases have the right to route payments through networks unaffiliated by the credit card providers, potentially lowering the fees they have to pay. Legislators introduced a bipartisan bill in both the U.S. Senate and House of Representatives on June 7.

The act was introduced by U.S. Sens. Richard Durbin (D-Ill.), Roger Marshall (R-Kan.), Peter Welch (D-Vt.) and J.D. Vance (R-Ohio), and U.S. Reps. Lance Gooden (R-Texas), Zoe Lofgren (D-Calif.), Tom Tiffany (R-Wis.) and Jeff Van Drew (R-N.J.).

Last summer, Durbin and Marshall introduced a nearly identical bill that was referred to the Senate Banking Committee but not voted on. The increased Republican support of the new bill is reportedly the result of legislators' offices hearing from small businesses and other merchants.

According to NACS, Durbin and Marshall filed the Credit Card Competition Act as an amendment to the National Defense Authorization Act, which the Senate is expected to vote on this week. However, "the situation is very fluid, and it is not currently clear that there will be a vote," the association noted.

Thousands of merchants from across the overall retail industry have thrown their support behind credit card swipe fee reform.

In a recent op-ed piece sent to Convenience Store News, Peter Brennan, executive director of the New England Convenience Store and Energy Marketers Association, said the Credit Card Competition Act would stop Visa and Mastercard from hurting small business operators "by reining in predatory swipe fees that are among the highest in the world."

As he noted, swipe fees paid by retailers grew 17 percent in 2022 to $160 billion, and cost families on average $1,000 per year. "These oppressive fees force retailers to increase prices as Visa and Mastercard set the rate, without any negotiation. The Credit Card Competition Act would stop these conglomerates from 'feeing' consumers and small business owners into financial despair. It would drive down the cost to merchants and lead to lower prices at the pump and in grocery and convenience stores," Brennan said.

New Study: Credit Card Rewards Won't Be Lost to Swipe Fee Bill Passage

New research indicates that the passage of the Credit Card Competition Act should have virtually no impact on credit card rewards, and that banks could easily afford to continue offering them.

The bipartisan bill, which was introduced in June, would mandate that retailers in specific transactions have the right to route payments through networks unaffiliated with credit card providers, potentially lowering the swipe fees they would have to pay.

In a paper released last week, global payments consulting firm CMSPI estimated that credit card rewards would be reduced by less than one-tenth of one percent "at most" if the legislation becomes law, according to the Merchants Payments Coalition (MPC).

CMSPI estimated earlier this summer that the legislation would save merchants and their customers $15.2 billion a year in the swipe fees banks charge to process credit card transactions.

The firm noted that the average profit margin for general retail was just under 2.4 percent as of January 2023. By comparison, the money center banks that issue the vast majority of credit cards have an average overall net profit of 27 percent, while Visa and Mastercard — which control more than 80 percent of the market — saw profits last year of 50 percent and 45 percent, respectively.

The card industry has repeatedly threatened to eliminate or reduce rewards in other places that have reduced swipe fees but nevertheless continued to offer them even after reform took effect, with banks in Australia and Europe still offering significant perks, the study showed.

Meanwhile, without direct competition between payment networks for transaction routing, swipe fees for Visa and Mastercard credit cards rose from an average 2.02 percent in 2010 to 2.24 percent as of 2022, with the amount paid by merchants rising from $26 billion to $93 billion, according to CMSPI.

In addition to lower fees, the Federal Reserve has also stated that many of the potential competing networks have lower rates of fraud than Visa and Mastercard's networks.

AAA: Relief at the Pump Could Be Coming

The ups and downs at the pump continue. Though gas prices rose again this past week, the increase slowed from previous weeks and more relief could be on the horizon.

According to AAA, the national average increased by 11 cents since last week to $3.82. Pump prices have primarily risen due to the price of oil, which was near $80 per barrel last week, but has since softened recently.

"Last month's extreme heat played a role in the recent spike in gas prices due to some refineries pulling back, but now operations are getting back to normal," said Andrew Gross, AAA spokesperson. "Coupled with tepid demand and declining oil prices, this may help take the steam out of the tight supply price jolts we've seen lately."

According to new data from the Energy Information Administration, gas demand decreased slightly from 8.94 to 8.84 million barrels per day last week. Total domestic gasoline stocks increased by 1.5 million barrels to 219.1 million barrels.

Lower gas demand amid increasing supply will likely help to slow price increases in the days ahead, AAA added.

On Aug. 3, the national average of $3.82 was 29 cents more than a month ago and 34 cents less than a year ago.

Since July 27, 10 states have seen the largest increases in their averages: Nebraska (+25 cents), Iowa (+23 cents), Minnesota (+21 cents), Florida (+19 cents), Missouri (+18 cents), North Dakota (+18 cents), Oklahoma (+17 cents), South Dakota (+17 cents), New Mexico (+16 cents) and Alabama (+16 cents).

The nation's top 10 least expensive markets are: Mississippi ($3.32), Louisiana ($3.43), Alabama ($3.45), Kentucky ($3.46), Ohio ($3.46), Tennessee ($3.48), Texas ($3.49), Arkansas ($3.49), South Carolina ($3.53) and Oklahoma ($3.56).

RBC's Data on US Fuel Station Visits Supports EIA's Tepid Gasoline Numbers

RBC Capital Markets' "nowcast" tool, which measures motorist visits to U.S. retail fuel stations, appears to support U.S. government data issued this morning that had domestic gasoline demand falling last week by 100,000 b/d to a somewhat tepid 8.838 million b/d.

The bank's weekly read on physical gas station visits at more than 135,000 U.S. retail stations points to fewer station visits last week in the Rocky Mountains and West. The bank said visits in the Rockies were down 1.38% from the previous week, while those in the West Coast eased by 0.32%.

On a year-on-year basis, the number of visits to Midwest (PADD 2) stations fell 0.68% in the week ended Friday.

RBC reported small increases were reported for the rest of the country. Visits to East Coast stations were up by just 0.15%, while those along the U.S. Gulf Coast edged up 0.16% from last year.

Total U.S. station visits last week were up just 0.03% week to week and 0.89% higher year to year, according to the RBC data.

--Reporting by Tom Kloza

Convenience Stores See Higher Sales in First Half of 2023

With more than half of 2023 behind them, convenience store operators are feeling good about the year so far and the remaining months.

Convenience retailers report that sales are up year to year and they are optimistic about that trend continuing through the rest of the year, according to new survey results from NACS.

Two out of three retailers (66 percent) report that their sales for the first seven months of 2023 were higher than sales during the same time period in 2022, while just 12 percent say sales were lower.

NACS' CSX database of industry metrics shows similarly positive figures. During the first six months of 2023, in-store sales were up 9.4 percent compared to the first half of 2022. Inside transactions were also up 1 percent, according to the association.

Retailers are similarly bullish about the c-store channel's sales for the remainder of 2023, as one-third (33 percent) of all c-store operators said that c-stores were the best positioned of six channels for success over the rest of the year. Thirty-two percent said online retailers were best positioned for success and 14 percent listed dollar stores.

Just 8 percent of c-store operators said the channel was the worst positioned for success in 2023. Retailers were more likely to name restaurants (39 percent), drug stores (25 percent) or grocery stores (12 percent) as being worst positioned for success.

Unsurprisingly, with unemployment near historic lows, the labor shortage remains a top concern, listed by 44 percent of retailers. Inflation, credit card swipe fees, government regulation, shoplifting and organized retail theft are also among c-store operators' top industry concerns.

Retailers also shared their opinions on the top community-related issues facing the channel. More than half of operators (56 percent) listed preventing underage access to age-restricted products as the top community issue for the c-store industry to address. Addressing wellness (48 percent) and human trafficking (38 percent) were also top concerns.

The NACS Consumer Member Survey closed Aug. 4. A total of 170 retailer member companies participated. NACS Research conducts quarterly custom research with retailer members to identify key priorities and opportunities across the convenience and fuel retail landscape.

Census Bureau Reports Uptick in US Gas Station Dollar Sales After Declines

Dollar sales at U.S. retail fuel stations in July rose for the first time in nine months, though remain near the 20-month low reached in June, according to a Tuesday update to Census Bureau data.

The agency's figures show sales last month at gas stations increased less than 1% to $52.338 billion, but the total was down about 1% from May and about 21% year to year.

The sales figures are adjusted for seasonal variations and holiday and trading day differences, but not for price changes, the agency said. The numbers can also vary from month to month because they're based on different samples.

Inflation is contributing to the still-elevated dollar figures, which surpassed $50 billion for the first time in the fall of 2021, according to figures dating back to 1992. In June 2022, gas station dollar sales peaked around $68 billion, coinciding with record-high prices at the pump, the updated figures show.

Gasoline sales broke above $60 billion in eight months last year. July is the ninth month since the June 2022 peak that gas station sales have slipped below $60 billion, according to the Census report.

The U.S. price index for gasoline rose by 0.2% in July, a second straight monthly increase that follows a 1% jump in June, the Bureau of Labor Statistics said on Thursday.

Though gasoline prices have increased in five of the last seven months, the index is down nearly 20% from a year ago when gas prices were near record highs, the BLS said.

--Reporting by Donna Harris

US Gas Station Wages Dip Slightly, as Retail Rivals Increase Pay: BLS Data

Average hourly wages in June for nonsupervisory workers at U.S. gas stations and gas stations with convenience stores dipped slightly from record highs, while competing retail channels raised wages, according to the latest U.S. Bureau of Labor Statistics data.

The 12-month growth rate in average wages for small grocers, supermarkets and liquor stores also outpaced the annual growth rate for gas station wages in June. Gas station wages last year rose at a faster clip than those in competing channels.

Though still near record highs, gas station wages declined by 11cts to $16.78 per hour, and wages for gas stations with convenience stores declined by 4cts to $16.61 per hour in the month of June, the bureau said in a Friday update.

Wages for food and beverage retailers increased 7cts in June to $17.14, while those for small grocers rose 9cts to

$17.07, those for supermarkets increased by 11cts to $17.12, and wages for liquor stores rose 7cts to $17.54.

Year-to-year wage increases for food and beverage retailers (6.26%), small grocers (6.49%), supermarkets (6.87%) and liquor stores (7.61%) exceeded increases in gas station wages, which were up 6.07% from last year. Small grocers, supermarkets and liquor stores outpaced gas stations with convenience stores, which were up 6.34% year to year.

The latest figures for the month of June are not seasonally adjusted, the BLS said. May wages were adjusted upward from the figures reported last month.

--Reporting by Donna Harris

Pubic EV Charger Density Still Low, Study Finds

There are about five times as many gas pumps in the United States per 1,000 road miles than there are public EV chargers, raising questions about charging availability as the federal government and some states promote the phasing out of ICE powered vehicles, according to a study released Monday by the fuel card management platform Coast.

Data from the Bureau of Transportation shows there were 70,000 alternative fueling stations as of April, a nearly 90% increase from April 2020. But, the U.S. still only averages 22 EV charging ports per 1,000 road miles compared to 104 gas pumps per 1,000 miles, the Coast study found.

"While we've seen substantial increases regarding EV usage and charging accessibility in recent years, where those infrastructure improvements are happening is another question altogether," the study said.

California, which has about 161 EV registrations per 10,000 vehicles has nearly 98 charging ports per 1,000 miles, compared to the 1.03 ports seen in North Dakota, where there are about 5.2 EVs per 10,000 registered vehicles.

Looking at the density of available chargers, Coast data show that 22 states average fewer than one charging station per 100 square miles of territory. Alaska and Montana have the lowest charger density in the nation at just 0.01 and 0.07 per 100 miles, respectively. Massachusetts and Rhode Island had the highest density of available chargers, at 31.35 and 28.82 per 100 square miles, the study found. Gas station density ranges from a high of 22.92 stations per 100 square miles in Rhode Island to a low of 0.02 per 100 square miles in Alaska.

The study found New Jersey EV drivers face the stiffest competition for charging, with one public charging port per 17.4 registered EVs, though the study notes that the state also added about 1,500 charging ports from 2021 to 2023, representing a 58% increase in just two years.

While North Dakota has one of the lowest charger densities in the nation, at just 0.13 chargers per 100 square miles, it also has the best registered EV-to-public charger ratio at 2.2 vehicles per charger, the study showed.

The study data shows how charging availability isn't always keeping up with EV uptake. Nevada, for example, has 49% more EVs per vehicle registration than the national average while also offering 19% fewer EV ports per road mile (14.42) than the national average, the study said. In Oregon, the number of EVs per vehicle registration is 56% higher than the national average while the state has 14% fewer EV ports per road mile (15.34) than the national average.

Nine states - Massachusetts, Rhode Island, California, Hawaii, Maryland, Colorado, Oregon, Utah, and Washington - already have a higher density of EV charging opportunities than traditional gas stations, according to Coast. Nonetheless, EV uptake in the Western states means that California (14.5), Oregon (12.2) and Washington (15.5) still see some of the highest ratios of electric vehicles to public chargers in the U.S.

-- Reporting by Steve Cronin

US Driver Satisfaction With EV Chargers Plummets: JD Power

Satisfaction with public charging for EVs has declined this year, according to Green Car Reports.

The dissatisfaction with public EV chargers was displayed in the recent J.D. Power Electric Vehicle Experience Public Charging study, which found that 20% of EV drivers who visited a charging station did not end up charging their vehicles.

This was mostly a result of charging stations not functioning correctly, as well as long waiting lines for chargers.

Different areas of the country experienced varying rates of success in charging vehicles. EV drivers in the Miami-Port St. Lucie-Ft. Lauderdale area experienced the most issues, with vehicles failing to charge 35% of the time.

In the Seattle-Tacoma, Denver-Aurora and Dallas-Ft. Worth areas, 29% of drivers left charging stations without charging their vehicles.

Even in California, it was found that 25% of drivers considered public charging to be unreliable.

The area with the least complications was Cleveland-Akron-Canton, with drivers failing to charge 12% of the time.

EV drivers' have found that charging speed has decreased too, with customer satisfaction in charging speed for Level 2 charging speed decreasing by 36 points compared to last year. Satisfaction with DC fast charging also fell by 30 points from last year.

Report Predicts Hybrid Vehicles Gaining Popularity

A recent report has suggested that hybrid vehicles will become a more dominant force in the U.S. auto market in coming years, according to Kelley Blue Book.

A report from S&P Global Mobility has predicted an increase in hybrid vehicle sales in the coming years. Reuters reports that hybrids account for 7% of U.S. sales this year, EVs for 9%, and internal combustion engine (ICE) vehicles take up over 80%.

According to S&P's prediction, however, by 2028 hybrids will take up 24% of auto sales. EVs will account for 37%, and ICE nearly 40%.

The reason given for this potential increase in demand for hybrids is attributed to EVs growing past their introductory phase as consumers become more aware of the downfalls: the biggest of which being the lack of EV charging infrastructure.

Despite the issues with EVs, many consumers are concerned with climate change and the negative impact their vehicle may have, presenting hybrid and plug-in hybrid vehicles (PHEVs) as a viable solution.

"With the tightening of emissions requirements, hybrids provide a cleaner fleet without requiring buyers to take the leap into pure electrics," AutoForecast Solutions Vice President Sam Fiorani explained to Reuters.

Americans Not Concerned With Use of Fossil Fuels

A recent survey conducted by Pew Research Center found that only 31% of Americans believe that fossil fuels should begin to be phased out, while 68% of those surveyed believe the country should continue with a mix of fossil fuels and renewable energy.

Of those surveyed, younger individuals were the most supportive of phasing out fossil fuels. 48% of those in the 18 to 29 age range believe fossil fuels should be left behind, while 52% believe that the U.S. should continue to use fossil fuels alongside other energy sources.

When divided by political party, only 12% of Republicans believe that the U.S. should move past fossil fuels, compared to 48% of Democrats supporting such a move.

Even among Democrats, however, those in older age ranges are not as worried about the effects of fossil fuels as younger individuals. 58% of Democrats aged 18 through 29 approved of phasing out fossil fuels, with 42% of Democrats aged 65 and older expressing the same sentiment.

Auto Companies Form JV to Create Electric Vehicle Charging Network

Seven automakers including BMW Group, General Motors Corp., Honda Motors Corp., Hyundai Corp., Kia, Mercedes-Benz Group and Stellantis NV created a joint venture to accelerate the transition to electric vehicles (EVs) in North America.

The venture will include the development of a new, high-powered charging network with at least 30,000 chargers, and is intended to make EV charging more convenient, accessible and reliable for potential drivers. The partnership intends to leverage public and private funds to accelerate the installation of high-powered network, with stations accessible to all battery-powered electric vehicles from any automaker using combined charging system or North American charging standard. The network is expected to meet or exceed the spirit and requirements of the U.S. National Electric Vehicle Infrastructure program.

Station plans include placing them at convenient locations offering canopies wherever possible and amenities such as restrooms, food service and retail operations either nearby or within the same complex. A select number of flagship stations will be equipped with additional amenities.

Initial deployment of the stations will be in metropolitan areas and along major highways, including connecting corridors and vacation routes. The network will also allow integration with participating automakers' in-vehicle and in-app experiences, including reservations, intelligent route planning and navigation, payment applications, transparent energy management and more.

The first stations are expected to open in the United States in the summer of 2024 and in Canada at a later date. Each site will be equipped with multiple high-powered DC chargers, which should make long-distance journeys easier for customers. In line with the sustainability strategies of all seven automakers, the joint venture intends to power the charging network solely by renewable energy.

EV Batteries Recycled in U.S. Eligible for Subsidies

Efforts for recycled electric vehicle batteries are growing in the U.S. due to a clause in the Inflation Reduction Act, Reuters reports.

Many companies have become aware of a clause in the IRA that has not received much publicity, which would qualify recycled EV battery materials as American-made and eligible for subsidies, regardless of where the material originated from.

Over a dozen industry officials and experts interviewed by Reuters have said that this has sparked an increase in factories built in the country as well as interest from auto manufacturers in utilizing recycled materials for batteries. It could also eventually make it more difficult to obtain used EVs in developing countries.

Though the materials needed for EV batteries could become more difficult to obtain in coming years, they "can be recycled infinity times and not lose their power," said Louie Diaz, vice president at Li-Cycle, a Canadian battery recycling firm.

Currently, China dominates battery recycling and is expected to gain more business as more EVs are introduced and age out.

However, U.S. companies are motivated to put more focus on domestic recycling as a result of the IRA clause, which will consider recycled materials as being "urban mined" locally, as explained by Redwood Materials CEO JB Straubel.

Autel Launches EV Diagnostic Training Class

Autel has announced the addition of a course covering diagnostics and maintenance for electric vehicles, according to a press release.

The first session for the two-day, 16-hour course will be held October 3 and 4 at the Autel Port Washington, New York, headquarters.

There will be lectures and hands-on lessons to give students an in-depth understanding of how hybrid and electric vehicles function, as well as the tools and equipment needed to work on them.

Topics covered will include in-depth-traction battery pack analysis, Battery Maintenance System controls and converters, inverters, and motor generators.

Current and potential owners of Autel EV diagnostic tablets are encouraged to attend the course. Existing and upcoming vehicle and battery tools will also be looked at.

"There are nearly 3 million plugin electric vehicles on U.S. roads today, with new EV and Hybrid models released yearly by new and legacy brands," said John Forro, Autel trainer and EV diagnostics specialist. "The time is now for shop owners and technicians to start or continue their electric vehicle diagnostics training and expand their customer base to EV drivers."

Are In-House Financing Options For Your Customers Worth It?

Ratchet & Wrench

A five-minute phone call was all it took for a loyal customer to get the financing needed to make a major repair on their family vehicle.

Lynn called up the bank and a few minutes later, the family's previous limit of $1,500 was increased to $8,000 and they were able to make the needed repair to their vehicle. Offering in-house financing allowed Lynn to retain this customer and helped the family budget for a much-needed expense. This is just one example of how offering financing to customers has benefitted both the shop and its customers.

Backstory

Lynn worked at a dealership and in independent shops before purchasing his own shop in 2003. He has been in his current four-bay shop since 2006 and is currently in the process of building a 14-bay shop with a goal of expanding even more in the future.

Problem

Not every customer has a $100,000 per year income, Lynn explains. Because of this, many customers struggle when an unknown expense—such as an unexpected repair to a vehicle—pops up. When COVID hit and the future became even more uncertain for many hardworking customers and the importance of financial assistance became even more clear for Lynn.

Solution

"The main reason I decided to do it was to give customers options," Lynn says. "The more options, the more people we can cater to. We promote it to all customers. It gives our customers a lot more freedom and options."

Lynn estimates that 8%-10% of his customer base takes advantage of the financing option.

He is sure to warn his customers about the crazy interest rate. He doesn't want his customers to get shocked with an overwhelming bill if they're not paying attention to the rules and paying off the repair.

Aftermath

Lynn says that offering to finance has helped with customer retention and loyalty. It's rare that someone will sign up for it the first time they come into the shop, but once they've gone there four or five times or the first time they run into a large repair, they tend to take advantage. It's also helped with the shop's bottom line—Lynn says that it's upped the ticket average.

"Let's say you present $1,500 worth of work that's safety and there's another $800 of maintenance work. People say they'll wait on maintenance. (Financing) allows us to up the average (repair order) because they have more time to pay for it," Lynn says.

Just a week prior, Lynn says a customer came in for an oil change and found out they needed new tires. They didn't have the money at the time, so the financing option was presented to them and they got the tires.

Takeaway

Lynn's advice to anyone on the fence about offering financing options is this - "Absolutely offer it."

Lynn says that it's helped set his shop apart in the community, as he believes he is the only shop in his area that offers it. The one warning Lynn has is to make sure and explain how it works and educate them on the high-interest rate if it's not paid off in time. If you don't do this, he says, you're doing your customers a disservice. After all, it's easy to sell 0% financing, but you have to follow the rules.

"It's a tool to set you aside from others and make the experience for the customer a positive one and make it easier on their checkbook," Lynn says.

Make In-House Financing Work for You

No matter how you decide to offer it, Tony Lynn, owner of Advanced Auto Clinic, shares his tips to make it easy for you and your customers.

- Advertise it on the website
- Make the application available on the website
- Don't be afraid to present it to every customer
- Use it as a tool to separate yourself from your competition

Ford Faces Lawsuit Over Recall Fix Failure

A lawsuit has been filed against Ford after six Ford vehicle owners experienced a defect resulting in fire risks, the Detroit Free Press reports.

Filed this past Tuesday in Detroit, Michigan, the lawsuit alleges that a solution offered by Ford for a past recall did not address prior issues and even worsened the situation.

At least 125,322 vehicles are affected by the defect, including particular models of the 2020-2023 Ford Escape

Hybrid, 2022-2023 Ford Maverick Hybrid, and 2021-2023 Lincoln Corsair Hybrid.

When Ford issued an initial July 2022 recall, Ford's solution was to drill holes in the under-engine shield and remove blinds from the active grille shutter. The lawsuit has argued that this allowed flammable vapors and liquids to spill out of the vehicle, leaving the vehicles "just as likely to blow up and eject parts and flammable fluids and vapors ... as they were before."

These vehicles contain a 2.5L hybrid electric vehicle engine or a plug-in hybrid electric vehicle engine that "were prone to 'blowing' and causing spontaneous fires."

No deaths or burn injuries have been reported, but the lawsuit claims 23 of these fires occurred prior to Ford's recall.

In a statement to the Detroit Free Press, Ford spokeswoman Maria Buczkowski said the company is notifying customers to park their vehicles if drivers detect signs of an engine block breach.

Toyota Recalls Around 168K Tundra Pickups

Toyota has announced a recall of around 168,000 Tundra pickup trucks due to a potential fire risk, the Hill reports.

The voluntary recall was issued after discovering faulty fuel tubes that are prone to leaking if it rubs against the truck's brake line. If a fuel leak occurs, it brings with it the risk of fire.

Vehicles included in the recall include 2022 and 2023 Tundra and Tundra Hybrid trucks.

The automaker has instructed vehicle owners to bring recalled vehicles to a nearby dealer immediately, where parts will be reinforced with additional protection to prevent fuel leaks. New parts will be installed later this year.

According to Toyota, owners of affected vehicles will all be notified by October.

Over 91K Hyundais and Kias Recalled for Fire Risk

Hyundai and Kia have announced recalls on over 91,000 newer model cars due to an issue causing the pump to overheat, Reuters reports.

According to the automakers, the problem stems from electronic controllers for the Idle Stop & Go oil pump assembly, which may hold damaged electrical components that cause the pump to overheat. Besides a fire risk, the heat alone can cause a short circuit and affect other onboard vehicle controllers, Hyundai has stated.

The recall affects around 52,000 Hyundai vehicles and almost 40,000 Kia vehicles. Specific models included in the recall are the Hyundai's 2023-2024 Palisade, 2023 Tucson, Sonata, Elantra, and Kona vehicles, and Kia's 2023-2024 Seltos and 2023 Soul, Sportage.

Kia has received six reports of thermal events potentially related to the recall, with Hyundai receiving four similar reports. No accidents or injuries have been reported.

An investigation was first launched when Hyundai received a report of a 2023 Palisade with heat damage on the wire harness/connector of the electric oil pump. In June, Kia also received a report of a 2023 Soul experiencing melting.

Owners will be notified of the recall in late September and are instructed to not drive their vehicles and to park them away from structures.

FTC Issues Warning Over New Delivery Scams Targeting Food Service

The Federal Trade Commission issued an alert on Friday warning about a new delivery scam that targets food service operations.

The scam could affect convenience-fuel retailers because of their growing interest in offering food delivery and their partnerships with third-party delivery services like DoorDash and Uber Eats.

The agency said scammers are posing as "support" from food delivery services and contacting delivery drivers and restaurants to try to steal personal and financial information.

In one example offered by the agency, a fraudster would tell the restaurant or driver they're sending a free tablet or printer to handle food delivery orders, but they need to verify phone number, email and log-in, social security number and bank account to send the equipment.

Under another, scammers say they need the retailer's email or bank account because they want to refund money from a canceled order. When scammers get the driver or store owner's email, they may ask for an email verification code, "which you never want to share," the FTC said.

"If you think the request is legitimate, contact the business directly. But use a phone number you know is real or a website or app you found yourself," the agency warned. "Never share an email verification code with someone if you didn't contact them first. Scammers are after your information and money. Sharing verification codes makes it easier for them to pretend to be you. Once they're 'you,' they have access to your accounts and can take your money."

-Reporting by Donna Harris

Cybercrime Is on the Rise

NetDriven

Cybercriminals are finding increasingly clever ways to infiltrate your business and compromise your security. Net Driven wants to make sure your shop is protected from harmful digital attacks. You may be thinking, "Cybercrime only targets large corporations. I have nothing to worry about." However, every year one in five small organizations is a victim of cybercrime. Cybercriminals target smaller organizations because they assume that these businesses have fewer defenses in place to prevent cyberattacks.

"Well," you say, "is there anything I can do to avoid a cyberattack if it comes my way?"

Good news, 100% of cybercrime can be prevented through the vigilance of your "human firewall." What is this resource? It's you and your team members, who can form an impenetrable barrier against cybercrime by knowing the types of attacks and how to address them.

Email Fraud

Did you know that 91% of data breaches are conducted through email fraud? Email allows cybercriminals to impersonate another entity as a means to connect with and extort your business. The most common type of email fraud is phishing.

"Phishing" is a fraudulent email that claims to be from a legitimate source in order to access sensitive information such as passwords and credit card numbers. For example, popular phishing angles include security alerts on your professional or private accounts, changes to your health benefits and HR announcements. But when you interact with these fraudulent emails, such as clicking a link or attachment, you could be compromising your private information and putting your shop at risk.

Recognize the Signs of a Phishing Email

Phishing emails have evolved to target specific emails by appearing highly personalized, such as addressing you by name or repeating some information about your position. It's important to always look twice at an email, as it can appear innocent at first but contain some telltale signs of fraud.

Here is a list of signs to identify a phishing email:

- Fake "From" Email: Hackers often try to infiltrate businesses by impersonating a legitimate domain, such as a subscription service or vendor. Always make sure the "From" email is legitimate (e.g., ends in "@netdriven.com"). If you receive an email that seems out of the ordinary for your role (e.g., you work in sales but were billed an invoice), check with a coworker or supervisor to confirm that email is real and was meant for you.
- Generic Greeting: Cybercriminals may not have access to your personal information, so they make do with generic email content. Openers such as "Dear Customer" may be a sign that the email was sent by a hacker.
- Poor Writing: If you receive an email that is riddled with mistakes like misspellings and bad grammar and punctuation. Remember, a credible business would not send you an email that contains poor writing. Now, you may not be surprised to receive this email from your coworker who doesn't use punctuation, but keep your guard up if you receive an internal email has a strange tone or seems out of the ordinary.
- Urgent Content: Urgency is a common cybercriminal tactic, as they're trying to fluster you into making a snap decision and walking into the trap. If you receive an unexpected email whose subject line urges you to open immediately or whose body message tells you to click on a link or download an attachment now, take a step back. Ask yourself, "Is this email asking me to do something out of the ordinary? Is there a legitimate reason I would need to act now?"
- Fake Links & Attachments: Phishing emails use fraudulent links and attachments to breach your security walls and gain access to payment and contact information or slip a virus into your software. Doublecheck any links before clicking to determine the link structure looks normal and matches the email sender. Does the URL represent a real website and start with "HTTPS:"? Similarly, don't click on an unexpected of funny-looking attachment.

Trade Group for Drug Sold at Some C-stores Issues Consumer Advisory

The American Kratom Association last week issued a consumer advisory about kratom, a drug sold by convenience stores.

The warning comes in response to recent wrongful death jury awards in Florida and other states, the trade group said in a news release.

The drug is produced from leaves of the kratom tree, which is native to Southeast Asia. According to the Department of Justice's Drug Enforcement Administration, consumption produces stimulant effects in low doses and can act as a sedative in high doses. The agency also said it can lead to psychotic symptoms and psychological and physiological dependence.

AKA urged the Food and Drug Administration to "immediately" publish product manufacturing standards for kratom products sold to consumers and encouraged removing inadequately labeled products from shelves.

The labels must contain recommended serving sizes, product ingredients and appropriate warnings on how the products are used.

AKA advised consumers not to buy kratom products that have not been certified by an independent third-party laboratory as free of contaminants, are offered for sale with "illegal" therapeutic claims, do not show the name of the distributor allowing consumers to file a complaint against them or are delivered in "unprofessional packaging," such as zip-close bags or packages with handwritten product information.

"Based on the AKA's review of litigation reports, the product liability awards by the courts have been based on the failure of the product manufacturers to provide labeling instructions for responsible use and little or no information on the contents of the potentially adulterated products," said Mac Haddow, AKA's senior fellow on public policy.

"There is no known level of kratom use that would cause any fatality unless it is irresponsibly consumed, adulterated with a toxic drug or used concurrently with a deadly drug substance," he added, saying AKA supports congressional action requiring FDA to set standards for manufacturing and marketing kratom products.

--Reporting by Donna Harris

FDA Warns Texas Company Over Illegal Sale of Nontobacco Nicotine Products

The Food and Drug Administration (FDA) issued a warning to Amarillo Snuff Co. for selling a nontobacco nicotine products without its authorization.

The agency sent a letter to the Amarillo, Texas-based company on Aug. 11 calling out the sale of smokeless nicotine products, including products that are made with corn husks instead of tobacco leaves, without marketing authorization from the FDA, which is required under the Federal Food, Drug, and Cosmetic Act.

According to the FDA, the agency generally sends warning letters the first time an investigation or inspection reveals a violation. Amarillo Snuff Co. has 15 working days to respond with the steps it will take to correct and prevent future violations.

Failure to promptly correct the violations can result in additional FDA actions, such as an injunction, seizure, and/or civil money penalties, the agency added.

It is just the latest move in the FDA's crackdown on the sale of unauthorized nontobacco nicotine products. As of July 28, the agency has issued nearly 600 warning letters to manufacturers of unauthorized tobacco products, with more than 100 of these warning letters being for unauthorized nontobacco nicotine products. Among retailers, as of June 30, the FDA has issued more than 2,800 warning letters and 825 civil money penalties for sales of electronic cigarette products to underage purchasers, including more than 1,000 warning letters and more than 140 civil money penalties for violations in relation to their sale of nontobacco nicotine products to underage purchasers.

Judge Tosses FDA's Rule Over Premium Cigars

The Food and Drug Administration's (FDA) attempt to regulate premium cigars under its 2016 deeming rule has gone up in smoke.

On Aug. 9, Judge Amit Mehta of the U.S. District Court for the District of Columbia issued a ruling that vacates the agency's deeming regulations which pertain to premium cigars. As a result of the ruling, according to the National Association of Tobacco Outlets (NATO), the regulation is cancelled or declared null and void.

Mehta's issued the decision in a lawsuit filed by the Cigar Association of America (CAA), the Premium Cigar Association and the Cigar Rights of America, bringing an end to a seven-year legal battle. Following the ruling cigars which meet the definition of a "premium cigar" would not be regulated by the FDA.

According to NATO, in the lawsuit, the federal district court relied on a definition of "premium cigar" which requires that a cigar meet all of the following eight criteria:

- Is wrapped in whole tobacco leaf;
- Contains a 100 percent leaf tobacco binder;
- Contains at least 50 percent (of the filler by weight) long filler tobacco;
- Is handmade or hand rolled;
- Has no filter, nontobacco tip or nontobacco mouthpiece;
- Does not have a characterizing flavor other than tobacco;
- Contains only tobacco, water and vegetable gum with no other ingredients or additives; and
- Weighs more than 6 pounds per 1,000 units.

The decision comes one year after Mehta issued a ruling that the agency's decision to include premium cigars in the deeming regulations to exert regulatory authority over these products was arbitrary and capricious. In July 2022, the judge said the FDA failed to consider data submitted to it concerning the use of premium cigars and the health effects of such use, NATO said.

Based on that decision, Mehta needed to decide whether to vacate those portions of the deeming regulation that regulated premium cigars or send the issue back to the FDA to correct the deficiencies in the provisions of the deeming regulations related to premium cigars.

As a result of the decision to vacate those portions of the rule related to premium cigars, the FDA does not have an opportunity to correct the deeming regulations. The agency has 60 days to appeal the decision to the U.S. Circuit Court of Appeals, NATO added.

Juul Seeks Approval for Vape
With Age-Verification Capabilities

Juul Labs Inc. submitted its first premarket tobacco application (PMTA) for its next-generation vapor platform to the U.S. Food and Drug Administration. The updated device reportedly uses technology to restrict both underage use and counterfeit pods.

The PMTA submission includes comprehensive science and evidence for a new device and new tobacco-flavored pods at 18 milligram/milliliter nicotine concentration, along with information on novel, data-driven technologies to restrict underage access, the company said.

The next-gen product initially launched in the United Kingdom in 2021 as the JUUL2 System. According to Juul, its features include:

- A mobile and web-based app that enables age-verification technology, including device-locking, and real-time product information and usage insights for age-verified consumers with industry-leading data-privacy protections;
- A unique Pod ID chip that, among other technology capabilities, prevents the use of illicit counterfeit and compatible pods with the next-generation device;
- A more consistent vapor experience that better competes with combustible cigarettes;
- A Bluetooth-enabled device with a larger, long-lasting battery and a "smart light system" that communicates battery life and e-liquid level to the user;
- Newly-designed, tamper-resistant pods that enable improved aerosol delivery; and
- An innovative heating element that improves product performance and temperature-control precision.

Juul claimed that behavioral research in the U.K. showed that more than 32 percent of JUUL2 System users have switched completely away from combustible cigarettes six months after purchasing the product.

Juul noted that the company is also continuing to pursue its administrative appeal of the FDA's stayed decision regarding the JUUL System and believes it will also receive marketing authorization once a decision is made on science and evidence.

Altria Files Complaint Against Juul Labs With International Trade Commission

Altria Group Inc.'s subsidiary NJOY filed a complaint against Juul Labs Inc. with the U.S. International Trade Commission (ITC) seeking a ban on the importation and sale of certain JUUL e-vapor products, including its currently marketed JUUL device and JUULpods.

Specifically, the complaint alleges that the JUUL products infringe certain patents owned by NJOY.

NJOY has also filed a complaint against Juul in the U.S. District Court for the District of Delaware based on the same patent infringement. NJOY ACE is currently the only pod-based e-vapor product to receive marketing authorization from the Food and Drug Administration, which deemed the marketing of the ACE device and three ACE tobacco-flavored pods as "appropriate for the protection of public health."

California Firm to Pay $1M for Selling Emissions 'Defeat' Devices

A California manufacturer of devices that defeat a vehicle's emissions controls will pay $1 million in fines and penalties after pleading guilty to federal criminal charges stemming from the activity, according to the U.S. Environmental Protection Agency.

Truck Parts Manufacturer Sinister Diesel pleaded guilty Tuesday to conspiracy to violate the Clean Air Act and defraud the United States and to violating the CAA by tampering with emission control monitoring devices on diesel trucks.

The plea agreement calls for the company to pay a $500,000 criminal fine and a $500,000 civil penalty. The company also agreed to not manufacture, sell or install any emissions defeat devices, according to an EPA announcement about the action.

The agreement also prevents Sinister Diesel from transferring intellectual property that would allow others to make such products, EPA said.

Although Sinister agreed to pay the criminal fines under the plea agreement, the company could face even higher penalties at its Nov. 14 sentencing, as the deal allows the court to impose a maximum fine of $500,000 for each of the two counts in the plea or twice the gross pecuniary gain derived from the offense, EPA said.

EPA alleged that Sinister had sold defeat devices for nearly 10 years and also bundled its products with products from other companies in "delete kits." The company also advised customers on how to evade emission tests and what products they needed, the EPA said.

"Though Sinister sometimes labeled its delete products for 'racing' and included disclaimers in marketing materials indicating that its products should be used only in off-road settings, the company knew most of its delete products were purchased by diesel truck drivers who used those products on public roads, not racetracks," the EPA announcement said.

Sinister did not respond to a request for comment Wednesday.

The company sold 39,792 defeat devices between Oct. 30, 2015, and July 17, 2017, and at times about a quarter of Sinister's gross revenues stemmed from delete products, EPA said.

There is apparently widespread consumer interest in defeat devices, with a November 2020 EPA report finding that more than 500,000 diesel pickup trucks - about 15% of the U.S. diesel pickup truck fleet - had emission controls that had been tampered with.

-- Reporting by Steve Cronin

Companies to Pay $1 Million Fine For Emission Control Defeat Devices

A pair of Idaho-based auto parts retailers and the companies' owner will pay a total of $1 million in fines after pleading guilty to federal charges involvingvthe sale of diesel emissions defeat devices.

Barry Pierce, owner of GDP Tuning LLC and Custom Auto of Rexburg LLC, dba Gorilla Performance, also faces up to two years in prison, according to an announcement Thursday by the U.S. Environmental Protection Agency.

EPA alleged that GDP Tuning conspired with Pierce to sell "tens of thousands" of devices and software which could be used to override vehicles' on-board diagnostic systems monitoring emissions controls.

The devices allowed owners of diesel vehicles to reprogram or "tune" a vehicle's diagnostic system to allow for removal of the vehicle emissions control equipment without detection, EPA said.

Gorilla Performance and Pierce operated a retail shop and auto repair facility in Rexburg, Idaho, where such work was conducted, EPA said.

Sentencing is scheduled for Nov. 8 in federal court in Idaho.

EPA estimates about 15% of U.S. diesel trucks have emissions controls that have been tampered with.

-- Reporting by Steve Cronin

SNAP Households Cut Back on Food & Discretionary Spending

Supplemental Nutrition Assistance Program (SNAP) ended COVID-19 relief benefits across the United States in March, reducing food and beverage aid by $23 billion annually.

As a result, in the initial months after the benefit cutbacks, SNAP households reduced their monthly food and beverage spending, on average, by about 35 percent of cut benefits. For example, if SNAP benefits were cut by $200, the reduced food and beverage spending would be about $70 less per month, according to Circana, formerly IRI and The NPD Group.

SNAP households have also decreased their spending on nonfood items at more than three times the rate of their spending on food and beverages, which is a reversal from their spending in the early stages of the pandemic when COVID-related benefits, including SNAP benefit enhancements, provided more spending money for these households. The savings from discretionary spending is now subsidizing SNAP households at and away-from-home food and beverage spending, Circana found.

SNAP benefits can only be used for food and beverage purchases at grocery stores and other retail outlets. Still, with the money saved from reducing nonfood purchases, and competitive pricing to making a meal at home, SNAP households have increased their use of quick-service restaurants. Pizza chains represented the largest share of their visits, and hamburger quick-service restaurants represented 18 percent of SNAP recipients' spending and visits. The average eater's check at a quick-service pizza chain is $8, and $6.56 at a hamburger chain, making these restaurants an affordable option for SNAP households. Loyalty rewards and deals also contribute to the affordability of these restaurant meals.

SNAP provides food benefits to low-income families to supplement their grocery budget so they can afford nutritious food essential to health and well-being.

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.

Age Requirements for Sellers of Alcohol and Tobacco

A minor (person under the age of 18) can be employed by a grocery store or drug store licensee (1) to handle and deliver alcoholic beverages, and (2) as a cashier when in the presence and direct supervision of a person of the age of 18 or older, or (3) in a position requiring the handling of empty containers in the direct supervision of a person of the age of 21 or older.

There are no such restrictions for sale of tobacco.

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 516-371-6201

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.

NVYIP Message No. 287

DATE: August 7, 2023

TO: INSPECTION STATIONS

FROM: NYS DEPT. OF MOTOR VEHICLES

SUBJECT: CRITICAL INFORMATION

*****PLEASE READ THIS MESSAGE IN ITS ENTIRETY*****

DO NOT CALL OPUS ASKING ABOUT YOUR NYVIP3 STICKERS AT THIS TIME.

Opus is automatically shipping Print on Demand sticker stock to stations. This process will take several more weeks.

Until your first sticker stock shipment arrives, please continue to use NYVIP2 and order stickers from DMV as you always did, until your NYVIP3 stickers arrive.

Do not contact Opus inspection regarding you first supply of sticker stock unless you have not received your first shipment by 10/01/2023.

As a reminder: Opus staff are <u>NOT</u> completing the initial assembly of the NYIVP3 equipment.

There are videos and common setup FAQ's available on www.NYVIP3.com which should be viewed and tried first if any problems arise during the initial setup and prior to calling or emailing Opus Inspection for assistance.

The NYVIP3 Equipment is shipped with a detailed step by step instruction manual and is designed to be assembled and initialized by the inspection facility.
As always, if you need to contact DMV, you can reach Tech Services or Clean Air at 518-473-0597, option 4.

NYVIP3 MESSAGE No. 288
DATE: 08/18/2023
TO: ALL INSPECTION STATIONS
FROM: NYS DEPT. OF MOTOR VEHICLES
SUBJECT: OPUS Forfeiture of Transaction Fees

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

DMV is aware of frustrations with unacceptable Opus helpdesk wait times regarding the NYS Vehicle Inspection Program.

In response to these concerns, DMV is requiring Opus to forfeit transaction fees collected for five days as a sanction. Those fees will be credited to your station for inspections performed on those days.

** **You do not need to take any action to claim the applicable credit for your station.** **
You will be receiving a separate notice from Opus containing detailed information about the credit for your inspection station.

One of the Department's missions is to provide quality customer service in all areas, including to inspection stations that serve a vital role for all New Yorkers. Complaints, suggestions, and comments are taken very seriously. We are working with Opus to ensure the customer service being provided is the highest quality and is conducive to the day-to-day operations of your business. DMV will continue to hold Opus accountable for providing inspection stations with the expected level of support.

The implementation of NYVIP3 will continue this fall and will conclude December 1, 2023. During the implementation, DMV will ensure minimal disruption to stations pursuant to the State's contract with Opus. We appreciate your participation in NYVIP and will continue to closely monitor implementation and support.

Thank you.

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.