NYS ASSOCIATION OF SERVICE STATIONS & REPAIR SHOPS, INC.

October 2011

6 WALKER WAY, ALBANY, NY 12205
(518) 452-1979 -- (716) 656-1035 – state@nysassrs.com – www.nysassrs.com

Tobacco Registration Fee Increase

The New York State Tax Department is issuing notices for tobacco retailers to pay a retroactive fee increase. It is also making payment of the refunds for those retailers that overpaid.

The 2009-10 State Budget increased from a $100-a-year tobacco registration fee to $1,000, $2,500 or $5,000 a year, depending on the total gross sales of the business.

Our association joined with others and filed a lawsuit. We were successful in obtaining a Temporarily Restraining Order (TRO) keeping the fee at $100 until the case could be heard in court. The TRO remained in effect for the 2010 and 2011 registration years.

In 2011, the new administration and State Senate indicated they had an interest in settling the case. The coalition decided that it was a better choice than to risk losing the case. A loss could has cost millions of dollars in legal fees.

Governor Cuomo and the Legislature agreed to set the fee at $300 per retail license per year, with the increase being retroactive to the 2010. The settlement was included in the 2011-12 State Budget.

For those retailers who paid $100 for 2010 and $100 for 2011, they now owe the Department $200 more for each of those two years. A Demand for Payment is being sent out by State Tax for $400.

For those retailer who overpaid the higher $1,000, $2,500 or $5,000 fee amount for 2010, refunds are being mailed. The Tax Department was directed by the legislature to refund the overpayments without interest. The process is slow because of the lack of an updated computer program.

The Department has said that all payment notices and automated refunds went out between last week and this week, and that the only refunds not yet issued are cases requiring "manual review" due to special circumstances.

The September 20, 2011 deadline for filing a tobacco registration renewal application with the Tax Department and payment of the full $300 fee for calendar 2012 will be sent out shortly. With the 2012 registration some retailer will be paying the Department $700 in tobacco registration fees within a 30-day period.

While the lawsuit did save thousands of dollars in fees, it did not stop the tripling of the original fee. Sorry.

The association asked for donations to help with the legal fees. We have paid our share. However, if you did not contribute to the legal fund please consider sending a $200.00 donation to,

The New York State Association of Service Station
and Repair Shops Legal Fund
6 Walker Way Albany, New York 12205
518 452 4367

INSIDE THIS ISSUE

1	*Tobacco Registration Fee Increase*
1-2	*NRF White Paper On Flash Robs*
2	*Tobacco Companies Sue FDA Over Graphic Warning Labels*
2	*Federal Gas Tax May Expire*
2-3	*Visa Announces Plan To Recoup Revenue*
3	*Visa Boosts Prepaid Interchange Rates*
3	*Gas, Oil Prices Continue To Fall*
3-4	*Survey Indicates Employees Will Pick Up Larger Share of Health Insurance Costs in 2012*
4	*FTC Seeks Public Comment On Magnuson-Moss Warranty*
4	*China Tire Imports*
4	*Massachusetts Attorney General Approves Right To Repair Ballot Question*
4	*Regulatory Reforms Expected to Save Businesses Billions*

NRF White Paper on Flash Robs

To counter a growing threat for retailers, the National Retail Federation (NRF) has released a white paper providing guidelines and protocols for dealing with "flash robs."

The NRF reports that 79 percent of more than 100 retailer companies it surveyed have been victim to a multiple offender crime in the past year. Of those, 10 percent involved flash mob tactics where people suddenly assembled in one location.

A growing number of flash robs involve violence. This past weekend, a Germantown, Maryland, 7-Eleven was a target of several dozen youths storming the store at 2:00 am, fleeing with hundreds of dollars of merchandise.

"The number of people involved in this [shows they] clearly had a plan…They were in control of that store from the minute they were in there taking items off the shelves," said Montgomery County Police Capt. Paul Starks.

Among the NRF's recommendations for dealing with flash robs:

- Consider re-positioning store employees near high-value items;

- Instruct employees and customers to retreat into a secure area of the store;
- Take mental notes of the offenders and the merchandise stolen;
- Preserve areas touched by the offenders to help with collecting evidence; and
- Make security footage available for police.

Download the NRF's white paper, Multiple Offender Crimes: Preparing for and Understanding the Impact of Their Tactics, for more information.

Tobacco Companies Sue FDA Over Warning Labels

Four of the five largest U.S. tobacco companies sued the federal government earlier this week, saying new graphic cigarette warning labels violate their free speech rights, the Associated Press reports.

Citing images of a sewn-up corpse of a smoker and pictures of a diseased lung, the companies — R.J. Reynolds, Lorillard, Commonwealth Brands Inc., Liggett Group LLC and Santa Fe Natural Tobacco Company Inc. — maintain the labels unfairly urge adults to abstain from a legal product, and that the new labels would cost them millions of dollars to produce.

"Never before in the United States have producers of a lawful product been required to use their own packaging and advertising to convey an emotionally charged government message urging adult consumers to shun their products," the companies wrote in the lawsuit filed in federal court in Washington.

The complaint says the warnings go beyond conveying facts that allow people to make an informed decision about whether to smoke, but rather force them to put government anti-smoking advocacy in a more prominent position than their own brands.

The FDA has refused to comment, but when announcing the new labels earlier this year, Health and Human Services Secretary Kathleen Sebelius said the labels are frank and honest warnings about smoking dangers.

The FDA approved nine new warnings that will rotate on cigarette packs. The labels must be printed on the entire top half, front and back, of the packaging, with warnings constituting 20 percent of any cigarette advertising. They also must include a phone number for a stop-smoking hotline.

Federal Gas Tax May Expire

A Politico column has speculated that the federal gas tax — whose renewal is typically assured with a routine Congressional vote — could perhaps be facing a challenge as it is set to expire September 30.

"[A]s the past month of rancorous and intensely partisan debate about raising the debt ceiling has shown, the times are anything but normal," Politico wrote. Indeed, the 18.4-cent federal gas tax per gallon of gasoline is thought by some to be "the next political controversy to spark a brawl in an ever more deeply divided Capitol Hill."

In light of the recent eleventh-hour compromise on the debt ceiling issue and a temporary interruption of the Federal Aviation Administration due to a legislative dispute, "some advocates are worried that the nation's highway fund will be the next victim — while some conservatives sense an opportunity."

The gas talk had been pushed aside during the debt debate, so much so that some legislators are beginning to get nervous. "Procedural delays could cause the tax to lapse even if a sizable majority would vote for renewal, as with the FAA's shutdown," Politico wrote.

Representatives for the American Association of State Highway and Transportation Officials (AASHTO) are concerned, sensing the issue has been ignored for too long.

"I was raising this issue because I consider it pretty important," said Jack Basso, director of program finance and management for AASHTO. "They really don't understand that this thing is expiring."

Politico said that "a handful" of conservative groups, including the Americans for Tax Reform (ATR) group, are looking toward the gas tax expiration as the next "spending and tax fight."

"In general, ATR has always supported the idea of ending the federal tax on gas and having states pay for their own roads," said Grover Norquist, president of ATR, declining to confirm whether he plans to pressure Republicans to let the tax expire.

Funding for the federal Highway Trust Fund comes from the federal gas tax. Some experts maintain that expiration of the gas tax would throw the nation's transportation system into upheaval.

"It's the most important transportation funding source we have," said Carl Davis, an analyst with the group Citizens for Tax Justice. "It would be absolutely devastating to that trust fund."

The Obama administration supports the current level of highway funding, telling Politico that it should be a nonpartisan issue.

"Extending surface transportation authorization, which has received bipartisan support, is crucial to America's long-term prosperity, and we're confident that lawmakers on both sides of the aisle can work together to protect our investment in transportation infrastructure in a fiscally responsible manner," said Meg Reilly, spokesperson for the Office of Management and Budget.

Visa Announces Plan To Recoup Revenue

On the heels of reporting a 40-percent profit gain in its third quarter, Visa outlined a plan to recoup anticipated lost revenue due to the enforcement of the Durbin swipe fee reform that is slated to go into effect Oct. 1 of this year.

In a conference call about the company's earnings, Visa CEO Joseph Saunders said the company will implement new charges in the wake of the Federal Reserve's final debit rules, but also provide promotions for retailers and respective banks, according to PYMNTS.com.

The payment processor said it will introduce a "network participation fee" in the United States for all of its debit, credit and prepaid card services -- a major change from its

current per-transaction fee model, Reuters reported. As part of the new policy, according to Reuters, Visa will lower the variable rate charged for each transaction and add an as-yet-undetermined participation fee that will be based on a merchant's size and its number of locations.

With more than 146,000 sites throughout the country, convenience stores far outnumber any other retail class of trade. Bill Douglass, CEO of Sherman, Texas-based Douglass Distributing, told CSNews Online that "this debit fee increase is on top of the fact [that] our company's credit card fees are up 21 percent year-to-date in spite of lower fuel volume."

The North Texas fuel distributor and operator of 15 Lone Star convenience stores compared today's banking industry to 19th century railroad "robber barons" and 20th century "oil barons."

"With banks presently in control of Congress, I guess the NACS lawsuit is the only real relief retailers can count on," said Douglass, a former NACS chairman who has frequently represented the industry before Congress on credit and debit card issues. NACS is the lead plaintiff in a class-action lawsuit against the credit card companies and their issuing banks on the grounds of anti-trust violations.

Sonja Hubbard, CEO of the Texarkana, Texas-based E-Z Mart Stores chain told CSNews Online she's amazed at the credit card companies' arrogance. "At one point, they even raised fees but claimed to be helping the consumer by relieving 'pain at the pump,'" she said. "Not only was that a lie and overall rates went up, but that was at the same time they were arguing with Congress that if rates were lowered, only the retailers would win [since] the consumers don't pay the fees. If they don't pay, how can their pain be relieved?"

Bloomberg Businessweek reported that these new moves by Visa are tied to its efforts to prevent retailers from switching to other less-expensive networks for debit card transaction processing, which is allowed under the Fed's new debit guidelines.

When asked on the conference call if the fee changes impact Visa's ability to increase pricing in the future, Saunders said the company hasn't done anything "that constrains our ability to take actions in the future that we deem to be appropriate." He added that "right now," Visa has no intention of raising any prices in the United States.

Saunders did not rule out the possibility of additional amendments to the present pricing system, according to Reuters. The CEO also noted that he expects 2010 will be a "low point" for debit card processing charges, according to the report.

"We won't do as well as we have," said Saunders, according to PYMNTS.com.

Visa Boosts Prepaid Interchange Rates

On October 1, Visa's interchange schedule is set to take effect the day new federal debit card interchange price controls also become effective, reports digitaltransactions.net.

The card company is also planning to cut a few rates "for non-regulated debit issuers but clearly encourages issuers to pump out more prepaid cards. Visa also is eliminating volume-based tiers for supermarkets and retailers on its signature debit cards and Interlink PIN-based debit cards."

The news source writes that Visa's new schedule adjusts rates in 19 interchange categories for Visa-branded prepaid cards, with most of them increasing. The basic retail rate, for example, will go from 0.95% plus 20 cents to 1.15% plus 15 cents. On a typical $38 debit card sale, that rate will generate 5% more in interchange: 59 cents versus 56 cents under current rates.

"The biggest increase in the Visa-branded prepaid categories is for automated fuel dispenser transactions, where the rate will go from 0.75% plus 17 cents, with a 95-cent cap, to 1.15% plus 15 cents, with the cap remaining. On a $50 fill-up, the merchant will pay 73 cents versus 55 cents currently, an increase of 33%," reports the news source, adding that service-station prepaid transactions will boost interchange by 29% on a $38 sale.

Visa is also raising interchange rates for small transactions. "The Visa-branded signature and prepaid small-ticket rates will go from 1.55% of the sale plus 4 cents to 1.6% plus 5 cents, which means a 15% increase on a $2 sale and a 9% increase on the $8 sale typical in fast-food restaurants," writes the news source.

Gas, Oil Prices Continue To Fall

Drivers will likely feel relief at the gas pumps in the near future. Oil for September delivery was trading at approximately $78 per barrel on the New York Mercantile Exchange yesterday, down by about $3.50 per barrel to reach the lowest prices since last September, according to a USA TODAY report.

The U.S. government's weekly survey revealed that the national average price of a gallon of regular gasoline was $3.674, having fallen nearly a nickel from the week before. Overall oil prices have dropped by a third since May, according to the report.

"It's clear we're entering, or are on the precipice of, another global financial crisis," NUS Consulting analyst Richard Soultanian told the Associated Press. Soultanian predicted that oil prices will continue to fall until they reach between $55 and $60 per barrel before bouncing back to the mid-$70 range in the fourth quarter of this year.

Survey Indicates Employees Will Pick Up Larger Share of Health Care Insurance Costs in 2012

With health care costs continuing to rise, employers are expected to pass on more of these costs to their employees in 2012, according to a survey by the National Business Group on Health (NBGH). Of the 83 large employers surveyed in the NBGH report, a majority of respondents admitted that they will adopt increased cost-sharing in their approach to budgeting for rising health care costs. For instance, 53 percent of employers will require their workers to pay a higher percentage of health care premiums, but, in most cases, only up to 10 percent more. Additionally, 39 percent

of employers are expected to increase in-network deductibles while 33 percent will increase out-of-network deductibles. Employers are expecting an average increase of 7.2 percent in health care costs in 2012 whereas, in 2011, they expected an average increase of 7.4 percent.

Employers anticipate higher health care costs due to a couple of key provisions in the new health care bill: the requirement to extend dependent coverage to children up to the age of 26 and the removal of annual benefits caps. However, in speaking on the results of the survey, Helen Darling, president, NBGH, pointed out that not all increases in health care costs can be attributed to the new health care act.

"We have serious health care cost problems completely independent of the Affordable Care Act," Darling said.

While requiring employees to pay higher percentages of premiums was rated as the most effective strategy to be used by employers, some have chosen to implement more innovative methods of dealing with rising health care costs. Consumer-directed health plans, which give the employee greater options in terms of choosing a cost-effective plan, as well as wellness incentives to encourage healthier behavior, such as discounts on gym memberships, are becoming more and more common.

FTC Seeks Public Comment
On Magnuson-Moss Warranty

The Federal Trade Commission (FTC) announced on Aug. 18 that it is requesting comments on five key consumer warranty issues concerning: Interpretations of the Magnuson-Moss Warranty Act. Specifically, the FTC is requesting public input on: Rule Governing Disclosure of Written Consumer Product Warranty Terms and Conditions; Rule Governing Pre-Sale Availability of Written Warranty Terms; Rule Governing Informal Dispute Settlement Procedures; and Guides for the Advertising of Warranties and Guarantees and procedural standards for warrantors who want consumers to use a dispute resolution process before filing suit for breach of warranty.

AAIA has been at the forefront in pushing the FTC to take a stronger role in making sure that car companies do not condition their new car warranties on the use of original equipment parts or service. This pressure resulted in guidance issued earlier this year by the agency for consumers regarding their rights under new car warranties. The recently issued request for comments regarding Magnuson-Moss Warranty Act provides another opportunity for the aftermarket to weigh in with the agency regarding consumers being mislead regarding their rights under their new car warranty. Comments must be received by Oct. 24, 2011.

China Tire Imports

Yesterday the World Trade Organization (WTO) released the decision of its Appellate Body, upholding President Obama's decision to provide relief for American tire industry workers under Section 421 of U.S. trade law against surging imports from China of passenger and light truck tires.

The tariffs were placed in each of 3 years by the President after public hearings before the U.S. International Trade Commission in response to a petition filed in April 2009 by the USW on behalf of its members employed in tire plants throughout the country. Chinese tire imports were shown to have surged to record levels in the 5 years prior to the filing of the petition.

The tariffs continue to have restraining effects on Chinese tire imports. In 2010, Chinese tire imports were 34 percent lower compared to 2008. And imports were down another 12 percent in the first 6 months of 2011 compared to the same period in 2010.

SSDA-AT has opposed the tariffs from the beginning, and has expressed disappointment at the latest ruling.

Massachusetts Attorney General Approves
Right to Repair Ballot Question

The Massachusetts Attorney General approved a ballot question on Sept. 7 that could place the Motor Vehicle Owners' Right to Repair Act on the November 2012 ballot in the commonwealth. The proposed law would require automobile manufacturers to provide directly to consumers and their designated repairs shops the service information and tools needed to repair late model vehicles.

The approval by the Massachusetts Attorney General means that the Right to Repair Coalition now has until Nov. 23 to obtain about 70,000 signatures needed to place the question on next year's election ballot. The ballot question is similar to legislation now pending in the state legislature and which enjoys strong support from Massachusetts voters. Consumers across the state have sent more than 50,000 letters of support to their state legislators, and the coalition's Facebook page has received more than 8,000 "likes."

The Right to Repair Coalition includes consumer advocates like AAA, the American Military Society, seniors' groups like RetireSafe and more than 5,000 independent shops, small businesses and retailers in communities across Massachusetts.

Regulatory Reforms Expected to Save Billions

A number of federal agencies, revealed plans on Aug. 23 to streamline or repeal certain regulations with the objective of lessening the burden on U.S. businesses and the public. These plans came in response to Executive Order 13563, which required these executive branch agencies to perform "look-back" examinations of their own regulations and provide solutions to making them more efficient. According to the Office of Information and Regulatory Affairs (OIRA), these reforms would generate $10 billion in savings over the next five years. In addition, there is a concern over the cost of creating new regulations, which can average around $5 billion over one year, and this attempt to streamline and reduce regulations in general is considered a step in the right direction.

Lawley

New York State Association of Service Stations & Repair Shops, Inc.

Declares Dividend

Workers Compensation Safety Group #536
Pays dividend for the 19th consecutive year.

35%

(Applies to Policy Term 5/1/09 - 5/1/10)

Dividend checks will be mailed direct to your address by The State Insurance Fund

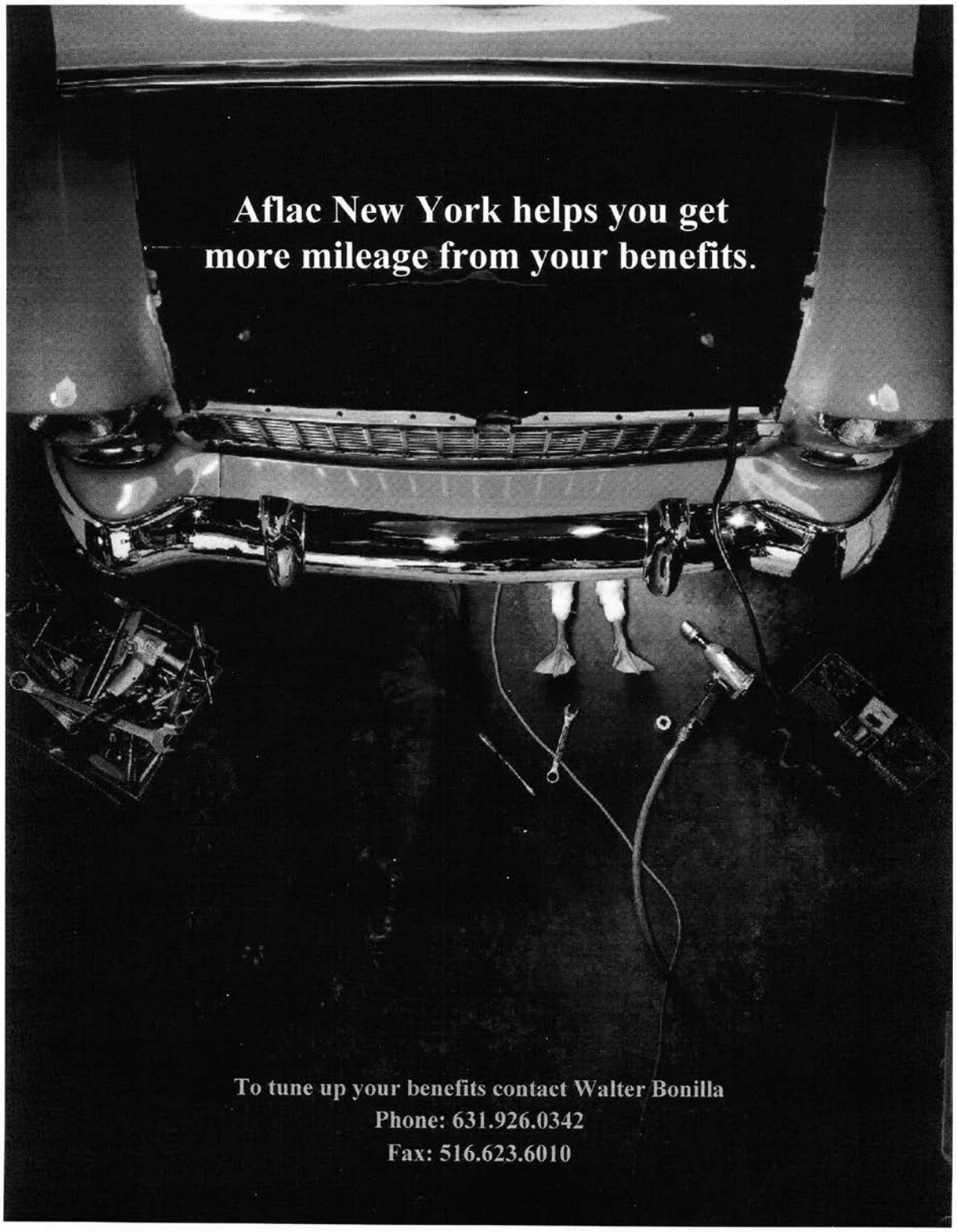
Recent Dividend History

35%	08-09
35%	07-08
30%	06-07
30%	05-06

Lawley – Group Manager
Workers Compensation State Fund Safety Group #536

Jim Propis
716 849 8235
jpropis@lawleyinsurance.com
lawleyinsurance.com

INSURANCE | EMPLOYEE BENEFITS | RISK MANAGEMENT | BONDS


Aflac New York helps you get
more mileage from your benefits.
To tune up your benefits contact Walter Bonilla
Phone: 631.926.0342
Fax: 516.623.6010

Aflac™

HERE'S HOW AFLAC NEW YORK CAN HELP:

Many industries-like specialized auto repair and customization-require highly skilled talent that is not easy to find and retain. Great benefits are a top priority for these talented professionals when considering where to work. With Aflac New York, you can provide a wide range of benefits that gives them coverage in the areas they need most, and with a brand they know and want. You can attract and retain new talent by providing the kind of benefits they'd expect from a bigger company, helping your business stand out from the crowd.

THE BEST PART ABOUT AFLAC!

NO DIRECT COST TO YOUR COMPANY

Aflac New York's insurance policies are paid entirely by your employees; therefore, adding value to your employee benefits plan without incurring direct costs.

OFFERS A WIDE RANGE OF POLICIES

Aflac New York offers a wide range of policies that can help cover health events from accidents to hospitalization. You choose the ones that are best for you, your employees, and your business.

POTENTIAL TAX SAVINGS

Aflac New York's tax-advantaged plan allows employees to use pre-tax dollars to pay for certain benefit costs, through a Section 125 cafeteria Plan. This plan may also reduce your FICA taxes, helping you counterbalance the challenges you face in today's economic environment.

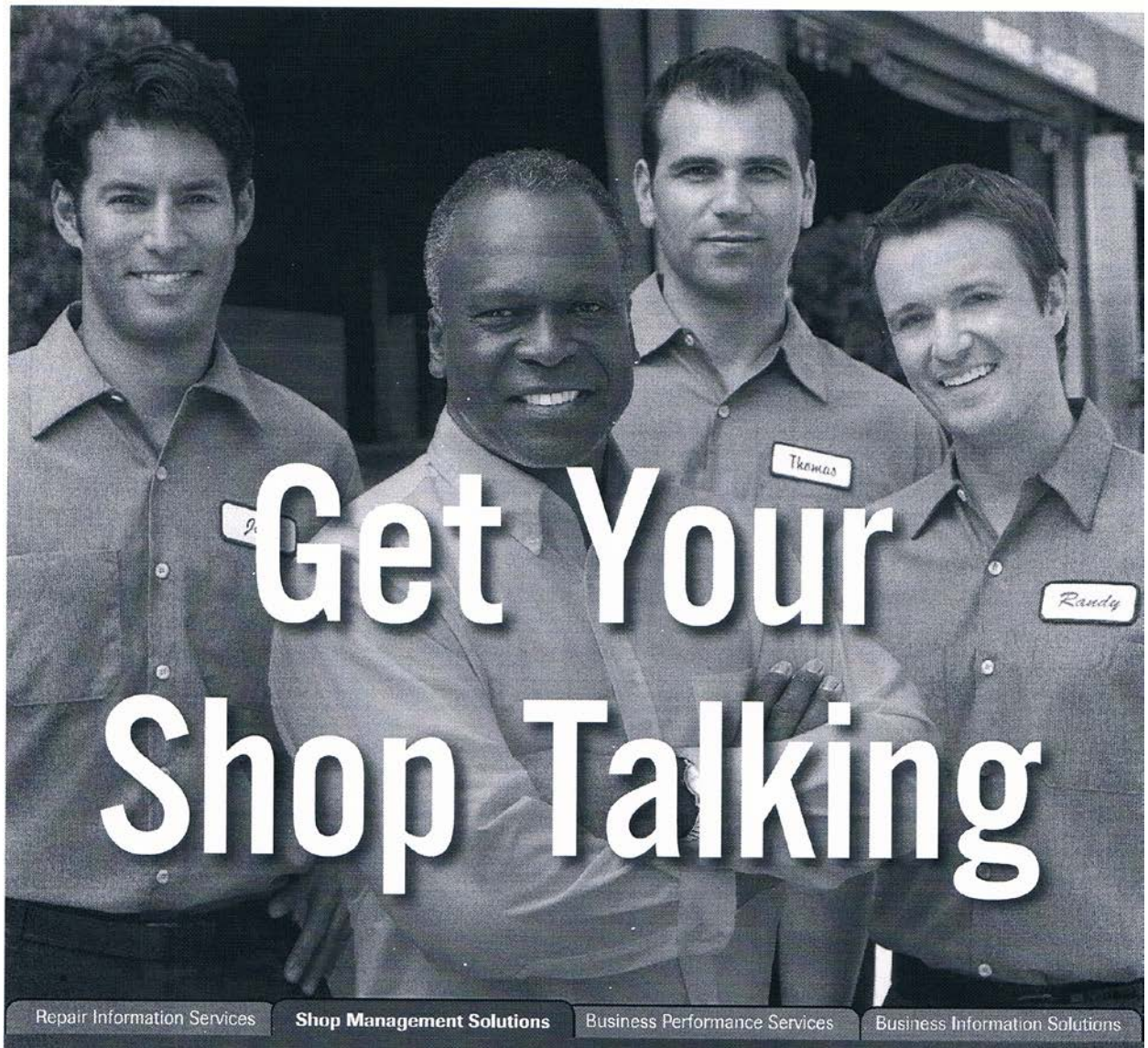
ATTRACTIVE TO YOUR EMPLOYEES

Aflac New York insurance complements your major medical insurance to help you create a more attractive employee benefits package. Our wide range of policies is designed to provide cash benefits to your employees if they become injured or sick. With Aflac New York policies, there are no deductibles, copayments, doctor networks, or pre-authorization requirements.

Join the 16,500 companies* that Already include Aflac New York as an essential part of their benefits package. Find out more:

Walter Bonilla **1.631.926.0342** **walter_bonilla@us.aflac.com**

American Family Life Assurance Company of New York (Aflac New York)



Get Your Shop Talking

Repair Information Services | **Shop Management Solutions** | Business Performance Services | Business Information Solutions

Mitchell1 TeamWorks™

Mitchell 1 TeamWorks combines the features of Manager, Estimator and Repair to seamlessly integrate all parts of your shop. From the moment your customer walks in the door, TeamWorks allows your Service Advisor to look up customer and vehicle information, calculate time to diagnose, check TSBs and prepare an estimate. Parts advisors order and track parts from your favorite vendors. Techs pull up work requested with associated diagnostic and service information, and enter recommended service. That's the kind of shop talk you can turn into profit!

AASP NATIONAL ALLIANCE OF AUTOMOTIVE SERVICE PROVIDERS

888-724-6742
mitchell1.com

Mitchell1 Shop Management Solutions

© 2010 Mitchell Repair Information Company. The Mitchell 1 name is used herein by permission from Mitchell International, which has no ownership interest in Mitchell 1.

Repair Information Services | Shop Management Solutions | **Business Performance Services** | Business Intelligence Services

Mitchell1 eCRM™

Now you can turn customers into loyal, profitable repeat customers easily. Mitchell 1 CRM integrates seamlessly with your shop management system to track your customers' vehicle history and send timely scheduled service reminder postcards and e-mails automatically. You choose the postcards and customize with your logo and message – finally, a way to communicate your message to your customers that they'll be glad to receive.

- Service Reminder E-mails & Postcards
- Consumer Vehicle History Website
- Service Recommendations
- Custom Promotions
- Dedicated Marketing Support Center
- Return on Investment Reporting

AASP NATIONAL ALLIANCE OF AUTOMOTIVE SERVICE PROVIDERS

800.410.0529
mitchell1.com/eCRM

Mitchell1 Business Performance Services

© 2010 Mitchell Repair Information Company. The Mitchell 1 name is used herein by permission from Mitchell International, which has no ownership interest in Mitchell 1.

The NAPA Major Account Program

*** FREE MONEY GIVEAWAY***

Want to put more money in your pocket and do nothing more than you do now?

You already buy parts and supplies for your business so why not buy from NAPA and earn 2% rebate!

The Association and NAPA developed a complete, competitive supply program designed to boost your backroom profits and meet your customer needs. Here's what it includes:

BENEFITS TO ASSOCIATION RETAILER

Quality Products that meet or exceed OEM specifications
Customized Pricing -Reduced Parts Costs
Improved Inventory Turnover
Less Downtime -Higher Gross Profitability
Increased Field Contacts -700 Factory Representatives
Consistent Manufacturers Throughout Our System
Consistent Nationwide Parts Warranty
Availability -Up to 342,000 Part Numbers
Broader Inventory Coverage
Obsolescence Protection
Tailored Local Inventories
Recognized Consumer Brand
More Effective Shop Inventory -Reduced Investment and Higher Productivity
Prolink Internet based catalog, 24/7 parts availability and pricing

PROFIT PLAN

Very competitive pricing on **NAPA** Premium and Value Line products
Special quarterly stocking incentives
Quarterly product discounts to enhance competitive pricing during key selling seasons
Discount on electronically ordered parts from participating stores
Prompt payment discount terms (2% 10, Net 20)

A BRIEF LOOK AT NAPA

Since 1925, **NAPA (National Automotive Parts Association)** has helped businesses expand their parts coverage and maximize turnover and ROI. They offer an unparalleled package for people, products and programs to increase your productivity:

More than 5,800 **NAPA AUTO PARTS** Stores Nationwide

- Strategically located Distribution Centers servicing all 50 states
- Computerized inventory control linked to your station
- Highly trained Factory Reps.
- Training for you and your employees

(O V E R)

Now…what do you have to do to participate in the NAPA Program? It's easy. You just have to:

Register in **NAPA** Major Account Program with the Association
Stock a minimum of four product lines
Designate **NAPA** as first call supplier, and
Purchase a minimum of $7,500 per quarter (Average $2,500 per month)

It couldn't be easier so why not join today. **No risk**….if you don't meet the quota you just don't receive the rebate, nothing lost….but additional profit could be gained!

Name of Your Business:		
Business Address Street:		
City:	State:	Zip:
Phone:	Fax:	E-mail:
Name of NAPA Dealer:		
NAPA Street Address:		
City:	State:	Zip:
Phone:	Fax:	
Additional NAPA Dealer(s) you do business with:		
Name of NAPA Dealer:		
NAPA Street Address:		
City:	State:	Zip:
Phone:	Fax:	
Name of NAPA Dealer:		
NAPA Street Address:		
City:	State:	Zip:
Phone:	Fax:	

FAX this form back to:
518 452-1955