

THE HORN



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Serving the Automotive Aftermarket in North Carolina, South Carolina, and Tennessee
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February, 2017

PRESIDENT'S MESSAGE

Now that 2017 has begun, the AACT Board of Directors, Committees and Staff are anxious to hit the road running and help you, the member, prosper in 2017. Several Association Committees will meet within the first 3-4 months of 2017 and your input is vital. If you have been assigned to a committee, we urge you to attend the meeting(s). If you are not on a committee, and are interested in serving, call me (919-894-2111) or Randy Lisk at the Association Office (919-821-1314).

At this time, I would like to provide you with a list of our Directors. Feel free to contact any of them if you have any suggestions and/or concerns regarding your Association.

- ***Vice-President/ At Large (WD) Director Rick Brown**, ASCO Dist. Co., Inc., Winston-Salem, NC - 336-661-6113.
- ***Treasurer/ Affiliate Director Ron White**, Duragloss, Burlington, NC - 336-229-6480.
- ***Immediate Past President/ District 5 Director Bobby Flowers**, The Flowers Co., Hickory, NC - 828-322-5414.
- ***District 1 Director Mike Edwards**, Edwards Engine & Machine Svc., Goldsboro, NC - 919-735-9784.
- ***District 3 Director Jeff Thomas**, A-1 Auto Parts, Mebane, NC - 919-563-5988.
- ***District 4 Director Eddie Williams**, NAPA American Auto Parts, Lincolnton, NC - 704-735-0411.
- ***District 6 Director Doug Moore**, Superior Parts Co., Inc., Pickens, SC - 864-878-6362.
- ***At Large Director Graham Jenkins**, Jenkins Automotive & Industrial Supply - Rockingham, NC - 910-895-9071
- ***At Large Director Sandy Crews**, Southern Auto Parts, Jacksonville, NC - 910-455-1300.
- ***At Large (WD) Director Steve Lowman**, CARQUEST Auto Parts, Raleigh, NC - 919-573-3468.
- ***Affiliate Director Jack Scholler**, Jack Scholler Equipment, Statesville, NC - 800-553-1549.

You can reach me at Miller Parts & Paint, Benson, NC - 919-894-2111.

– Max Miller, AACT President

LEGAL / LEGISLATIVE

Employers MUST Use the New Form I-9 Starting January 22, 2017

The U.S. Citizenship and Immigration Services (USCIS) rolled out a new Form I-9 in November 2016. Starting January 22, 2017, all employers must use the new Form I-9, which is dated November 14, 2016 (the edition date is on the bottom of the Form I-9). Employers that do not use the new Form I-9 could face civil penalties.

The new form is download-able at: www.uscis.gov/sites/default/files/files/form/i-9.pdf.

DOT Creates CDL Drug and Alcohol Clearinghouse, Imposing Employer Reporting and Query Obligations

By Deitchler and Lazaro, 12/5/16, Highlights by Sherry Robertson, PHR, SHRM-CP

On December 2, 2016, the U.S. Department of Transportation announced a final rule establishing a new "Commercial Driver's License Drug and Alcohol Clearinghouse." The Clearinghouse will provide a central database identifying violations of DOT's drug and alcohol testing program by drivers who operate vehicles that require a commercial driver's license (CDL), and information about whether such a driver has successfully completed the DOT-mandated return-to-duty rehabilitation processes. Creation of the Clearinghouse was mandated by the Moving Ahead for Progress in the 21st Century Act, a 2012 Congressional transportation funding initiative.

Beginning in 2020, the rule will require covered employers to register with DOT and to comply with obligations in two areas: "Reporting" and "Queries".

REGISTRATION AND REPORTING OBLIGATIONS:

Under the new rule, on or after January 6, 2020, covered employers must *register* with the Clearinghouse. After registering, such employers will be obligated to report the following matters to the Clearinghouse by the close of the third business day following the date the employer obtained the information:

- Verified positive, adulterated, or substituted DOT drug test results
- DOT alcohol confirmation tests with a concentration of 0.04 or higher
- Refusal to submit to any DOT-mandated test
- An employer's actual knowledge of DOT-prohibited alcohol and drug use

Employers will have no obligation to report drug and alcohol use that is not prohibited by DOT rules or to report the results of testing that is not mandated by DOT.

QUERY OBLIGATIONS AND REQUIREMENTS:

The new rule will require covered employers to make queries to the Clearinghouse about both applicants and employees. To facilitate such queries, employers will pay a fee that DOT has not yet determined, with options for subscription and batch requests.

Applicant Queries - With respect to applicants, a covered employer will not be permitted to employ a driver subject to DOT drug and alcohol testing rules without first conducting a pre-employment query of the Clearinghouse to obtain information about whether the driver has had verified positive, adulterated, or substituted DOT drug or alcohol test results, has refused to submit to a DOT test, or an employer has reported actual knowledge of DOT prohibited alcohol and drug use. ("Employ" in the DOT regulations means to use the driver regardless of the actual employment relationship. Therefore, the query obligation will apply to independent contractor drivers as well as regular employees.)

Until the Clearinghouse has been operational for three years, employers will also be required to request drug and alcohol-testing histories from previous employers in addition to querying the Clearinghouse. Thereafter, the Clearinghouse query will satisfy the DOT drug and alcohol background check requirement, except where an employee was subject to testing under DOT modalities other than the Federal Motor Carrier and Safety Administration regulations.

Annual Driver Inquiries - Covered employers will also be obliged to make queries at least annually about current drivers subject to DOT drug and alcohol testing rules. Employers that learn of reportable information from a Clearinghouse inquiry may not return a driver to safety-sensitive work until the driver completes the DOT return-to-duty process. In lieu of a full query, an employer may be able to conduct a limited query that will simply tell the employer there is information about the individual driver in the Clearinghouse, without releasing that information to the employer. If a limited query shows that information exists in the Clearinghouse, the employer would then be obliged to make a full query.

Required Consent for Inquiries - No employer will be permitted to query the Clearinghouse without first obtaining the applicant's or driver's written or electronic consent, which must be retained by the employer for three years from the date of the last query. Drivers must also submit electronic consent to the Clearinghouse before an employer may access records about that driver. If a driver refuses to provide consent to the employer and to the Clearinghouse, the driver may not be permitted to perform DOT safety-sensitive work.

Sunset Provision - The Clearinghouse rule provides that when a driver has satisfied all DOT return-to-duty procedures and prescribed follow-up testing, and five years have passed since the violation determination, information about the violation will no longer be available to employers.

Ample Time to Prepare With 2020 Implementation Date - While the final DOT rule will take effect on January 4, 2017, employers will not be obliged to comply with its mandates until over three years later, on January 6, 2020. The

Clearinghouse infrastructure does not currently exist and will not be created for some time. As a practical matter, therefore, employers will not be able to register, report violations or conduct queries until it is established. Guidance to DOT's Commercial Driver's License Drug and Alcohol Clearinghouse Frequently Asked Questions expressly advises that employer obligations will not attach until the 2020 compliance date.

Thus, employers will have ample time to prepare for compliance with the new rule. In doing so, employers should:

- Develop appropriate consent forms
- Decide whether full annual inquiries or only limited inquiries (with any needed follow-up) will be conducted
- Draft and implement policies to ensure compliance with Clearinghouse rule requirements

Important N.C. Sales and Use Tax Update

The following excerpts are from an 11/23/2016 Notice to North Carolina Taxpayers and Others from the Sales and Use Tax Division - N.C. Department of Revenue.

The Sales and Use Tax Division issued additional published guidance to supplement the legislative changes communicated in the annual Form E-505 (dated 09-16) previously provided and available on the Department's website at www.dornc.com. The following are available under "Directives" or "Notices", as applicable, on the Department's website: <http://www.dornc.com/taxes/sales/references.html>.

Repair Maintenance and Installation Services – Effective January 1, 2017

- The sales price of or gross receipts derived from repair, maintenance, or installation services performed to real property by a retailer-contractor are subject to sales or use tax.
- A person who makes sales of or derives receipts from repair, maintenance, and installation services for real property is required to register and collect tax on service transactions to real property.
- Enactment of specific exemptions for certain charges for repair, maintenance, and installation services.
- A person performing repair, maintenance, and installation services is required to collect and remit the tax to the Department, regardless if that is the person's only business activity.
- Separately stated storage charges for a motor vehicle are exempt from sales and use tax.
- Separately stated towing services for a motor vehicle are exempt from sales and use tax.

Directive: Repair, Maintenance, and Installation Services – Issued November 15, 2016

Important Notice: Motor Vehicle Repair, Maintenance, and Installation Services; Storage; and Towing Services – Issued November 15, 2016

Service Contracts – Effective January 1, 2017

- Expands sales and use tax to a contract that is for monitoring or inspecting. (Real property security monitoring contracts are exempt.)
- Provides that a contract may be for a period of time or some other defined measure (i.e. number of hours).
- Expands sales and use tax to a service contract for a pool, fish tank, or similar aquatic feature.
- Clarifies that a home warranty, by definition, is a service contract.
- A definition of motor vehicle service contract is enacted.
- The exemption for service contracts for motor vehicles is expanded to include contracts for one or more components, systems, or accessories of a motor vehicle sold by a motor vehicle dealer or by or on behalf of a motor vehicle service agreement company.

Important Notice: Service Contracts – Issued November 15, 2016

Important Notice: Motor Vehicle Service Contracts – Issued November 15, 2016

Assistance

General questions regarding this notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).

To the extent there is any change in the rate or amount of tax, change to a statute or regulation, or new case law subsequent to the date of this document, the provisions in this document may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance issued prior to the date of this document conflicts with this document, the provisions contained in this document supersede.

MANAGEMENT NOTES

What Sales Teams Can Learn from the New England Patriots

By John Chapin

Even if you hate the New England Patriots, you have to admit they have a formula that works. And the truth is, their secret sauce isn't so secret, in fact, it's rather simple and obvious. While simple and obvious doesn't mean easy, here's how your team can use their formula to dominate their own field of play, provided you've got the stomach for it.

INGREDIENTS OF A DOMINANT, WINNING TEAM

Ingredient #1: A Willingness to Charge into Hell.

"Everyone wants to go to Heaven, but no one wants to die." I'm not sure who said that, but it is the mindset of most people when it comes to achieving almost anything great. When I work with an organization on where they want to go, everyone is all smiles as we create the vision of the Land of Milk and Honey. When we start discussing the plan for what it will take to get there, facial expressions change quickly. Most humans want the weight loss, the great relationship, and the win, without the work. If you want to achieve your version of six straight AFC Championship Games and a record nine Super Bowls, not only do you have to work, but you have to *far outwork* everyone else. You also have to endure great mental and physical pain to grow and become the person and/or team worthy of the reward. There will be long days, tough calls, tough conversations, rejection, failures, and trials and tribulations that will make the grittiest of individuals cower. Yes, the prize will be worth it, but it's going to take a lot of blood, sweat, tears, and pain to get there. Buckle up.

Ingredient #2: A Winning Culture

The winning culture is built on a foundation of working hard and doing your job. As we know, rarely is it the most intelligent or talented that win. It's the person who shows up early, leaves late, and gets the job done no matter what. Julian Edelman, a seventh round draft pick, shows up at 5:30 a.m. before anyone else. Danny Amendola, undrafted, works his butt off too. Same with Chris Hogan, who had only one year of college football experience and about 150 yards receiving. By the way, he had more yards than his entire college career in one game against Pittsburgh, 180, a Patriot AFC Championship record. The culture also includes perseverance, persistence, mental toughness, a positive attitude, and a team-over-individual mindset. The Patriots had to let two great players go this year because they were poisoning the team. Not easy, but they understand that one negative person, no matter how good, hurts the team in the long run. You are only as strong as your weakest link, and the weakest link hurts everyone involved with or touched by the team. Your weakest link is hurting you, your profits, your other workers, and ultimately your customers.

Ingredient #3: A Leadership Team that Isn't Afraid to Lead

Leading includes setting expectations, holding people accountable, being a good example, being willing to work hard and make tough decisions, and not giving in to the whiners and complainers. Recently I was working with a company whose objective was to get all their salespeople to the level of the top two producers. I gave them a process to follow which, when used by other companies, increased their sales by an average of 278% over 12 months. The initial reaction from a member of the management team was, "If we put this together and force our people to learn it, there will be a revolt. They already think we're pushing them too hard." When I asked who would object, I was told it would be the lowest performers. I then asked two pointed questions, one, why are they concerned about the opinions of the lowest performers who probably shouldn't be there anyway and, two, who's running the company them, or the lowest performers?

The biggest issues I see in the workplace are a lack of accountability and letting negative, low-performers poison the environment. This is baffling to me. No leader worth their salt would put up with negative people who continually miss quota while complaining, questioning management, and causing problems in an attempt to do less work for the same or more pay. They should be shown the door ASAP. It amazes me when owners make decisions based upon how much push back they'll get from the negative people and those that don't want to work. How long do you think you're negative in the New England Patriots locker room? How long are you allowed to skirt your responsibilities and not do your job? Exactly. We all know their motto: DO YOUR JOB. That's one key reason they are great. True leadership requires that you are willing to work hard, get your hands dirty, deal with the issues head on, and that you get negative, lazy people on board or out *quickly*. Again, these people kill morale, productivity, the bottom line, and everything you're trying to accomplish. Negativity and people with a poor work ethic are such as cancer, that if all your people fell in these two categories, you're better off getting rid of everyone and starting from scratch as a one-person shop than dealing with even one of them. A key aspect of leadership is to provide people with a positive, professional work environment.

Ingredient #4: A Process that Works and People Who Buy in and are Committed

The New England Patriots have a successful process that works and everyone drinks the Kool-Aid and follows in lock-step like an elite military organization. When you show up in their locker room you're expected to follow and trust in the

process. No questioning, no complaining about the hard work, no distractions from the process, just complete faith that the process works and that those calling the shots know exactly what they're doing. Your only job is to get in line, follow along, do your job, and go to a record ninth Super Bowl.

John Chapin is a sales and motivational speaker and trainer. For his free newsletter, or if you would like him to speak at your next event, go to: www.completeselling.com John has over 29 years of sales experience as a number one sales rep and is the author of the 2010 sales book of the year (Axiom Book Awards): Sales Encyclopedia. For permission to reprint, e-mail: johnchapin@completeselling.com.

INDUSTRY NEWS

Auto Care Association to Host D.C. Legislative Summit October 3-4, 2017

BETHESDA, MD -- January 24, 2017 -- The Auto Care Association will host the 2017 Auto Care Legislative Summit in Washington, D.C., October 3-4, featuring Bob Woodward, two-time Pulitzer Prize-winning journalist and Washington Post associate editor, as keynote speaker.

"While there are other fly-ins and legislative summits in the nation's capital, the Auto Care Legislative Summit is the only summit that is exclusively focused on the specific issues and businesses of the independent auto care industry," said Bill Harvey, president and CEO, Auto Care Association. "Strong participation in the summit will help to promote the economic and political importance of the auto care industry to legislators, many of them new, on Capitol Hill."

INSURANCE NEWS

Workers' Compensation Dividend Distributed

Star Insurance Company ("Star") recently distributed workers' compensation dividend checks to participating members in the AACT/IGONC program.

This dividend represents a 3% return of annual premium and shows that workplace safety is a solid investment with Star. Every time you prevent an injury, you are keeping your profits where they belong and strengthening your bottom line. Fewer accidents mean lower claim costs, which help keep your insurance premiums low. Earned dividends are a great example of how safety pays!

AACT NEWS

For Sale: Auto Parts Store and Service Center

A well-established auto parts and service center for sale . . . includes all current inventory, hardware, and equipment; best offer accepted. Easy operation with well trained employees. Store is well-established and boasts loyal clientele. Located on major avenue allowing easy access for customers from all surrounding areas. Owner looking to retire after cultivating respected business over the past 45 years. Interested buyers should send contact information to: Murphy and Company, P.O. Box 53473, Fayetteville, NC 28305.

AACT North Carolina Capitol Day - April 5, 2017

After a successful 2016 North Carolina Capitol Day, the AACT Board of Directors has scheduled a 2017 Event for Wednesday, April 5, 2017 in Raleigh. Please refer to Page 7 for more details.

Thank You from AACT Scholarship Recipient

Members of the Board,

Once again I would like to thank you so very much for the scholarship award. It was an honor to be chosen again. My family and I appreciate your generosity! I hope this note finds you and all your family members well. Thank you once again and I hope you have a fantastic year!

- Ashley Hemingway, Fayetteville, NC

2017 AACT Membership Drive

At its recent meeting, the AACT Board of Directors approved a 2017 AACT Membership Drive for first-year dues to be \$305.00 for any new Regular or Associate Members joining in 2017 (unless qualified for \$250.00 annual dues ... Regular Member with 1 or 2 employees).

Contact Randy Lisk at 800-849-8037 or apac219@aol.com for him to follow up with prospective member(s). Randy will also gladly send members membership application(s) for prospecting as well.

2017 AACT Membership Drive Begins

The AACT Board of Directors and staff would like to take a moment to express our sincere appreciation to you, our valued member, for choosing to belong to the Automotive Aftermarket Association of the Carolinas and Tennessee. It is our hope AACT has made good on its pledge to return value to your business in exchange for your membership dollars. Whether you took advantage of the various programs and services, resources, networking, served on a committee or supported our advocacy efforts, we thank you for your participation and membership.

AACT has one common goal, to put flags aside and work together to promote the automotive aftermarket industry. Your support, combined with others like yourself, enable your association to offer an extensive menu of member services and programs for the exclusive use of members. Equally important, AACT members are represented at the national level, through our affiliation with the Auto Care Association and the Alliance of State Automotive Aftermarket Associations (ASAAA), as well as at the local level in our three states.

Our success depends on the continuation of your company's backing, both financially and numerically as a member. Show support of your local, non-profit trade association and the automotive aftermarket industry by renewing your AACT membership today. Thank you for allowing us to be of service to you. Best wishes for a healthy and prosperous 2017!

AACT/GAAS Scholarship Application Deadline -- March 31, 2017

The Automotive Aftermarket Association of the Carolinas and Tennessee is proud to announce that applications are now available for the annual AACT Scholarship(s). AACT will make available at least two (2) \$1,000 scholarships. All students who apply must be sponsored by an AACT member in good standing. AACT scholarships are also awarded regardless of the student's planned field of study. Keep in mind that AACT members, and their immediate families, as well as AACT members' employees and their families, are all eligible for the scholarships. AACT owner-members and immediate family members of an AACT Scholarship Fund Trustee are not eligible to receive an AACT scholarship grant.

Again this year, the student applicant may complete the application for the AACT Scholarships online at www.automotivescholarships.com/AACT. This way the student will not only be eligible for the AACT scholarship, but also ones from several other sources within the industry. All applications need to be completed online by March 31, 2017. The AACT scholarship(s) will be awarded by mid-May, 2017. If the applicant desires to apply only for an AACT scholarship, then only the paper application should be completed and returned to AACT... call 919-821-1314 for a copy. But why not apply online and have a chance at multiple scholarships. Please contact Randy Lisk at the AACT office if you have any questions on this process for applying for scholarships.

AACT Roster Listing

Please take a minute to make sure your membership directory listing is correct. If there are any changes, please complete the Roster Listing Form (Page 7) and return it to AACT headquarters. We must receive changes by April 1, 2017 for them to be included in the 2018 directory.

Editor's Note: Thank You, Rita, for everything you've done for the Association and ENJOY RETIREMENT!!!

-- Randy Lisk, Executive Vice President

AAACT North Carolina Capitol Day April 5, 2017



Please join us for our second annual Automotive Aftermarket Association of the Carolinas and Tennessee (AAACT) Capitol Day event on April 5, 2017 at the North Carolina State Capitol in Raleigh, NC.

North Carolina members, you are cordially invited to participate in a full day of legislative sessions and visits with elected officials as we seek to personally advocate for our industry's priorities.

Experience the legislative process first-hand as you travel to North Carolina's capital city and participate in meetings with members of the North Carolina legislature and the Executive branch.

We encourage you to take advantage of this opportunity and join us at the Capitol to promote the industry, the association, our businesses and legislative issues with new elected officials and existing friends of our industry.

For more information, please contact:

Randy Lisk

Phone: (919) 821-1314

Email: apac219@aol.com



AAACT
AUTOMOTIVE AFTERMARKET ASSOCIATION
OF THE CAROLINAS AND TENNESSEE

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Serving the Automotive Aftermarket in North Carolina, South Carolina, & Tennessee

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**AAACT ROSTER LISTING
FOR THE 2017 YEARBOOK / DIRECTORY**

TO: All AACT Members
FROM: Randy Lisk, AACT Executive Vice President

To make your directory listing as complete as possible, please fill out the form below, and

MAIL TO: AACT, Inc., 1720 Hillsborough St., Suite LL One, Raleigh, NC 27605-1657

FAX TO: (919) 821-0753 **-or-**

EMAIL TO: APAC219@AOL.COM.

In order for these **changes** to appear in the 2017 Yearbook/Directory, they **must be received in the office by April 1, 2017**. Please take a minute - look in the 2015 Directory and make sure your listing is correct. If we do not receive an update from your company, you will appear in the Directory as you did last year.

PLEASE TYPE OR PRINT TO HELP AVOID ERRORS.

FULL CORPORATE OR BUSINESS NAME	OWNER/MANAGER
STREET ADDRESS	PHONE NUMBER ()
CITY STATE ZIP	FAX NUMBER ()

1. MEMBERSHIP CATEGORY: REGULAR___; WAREHOUSE___; AFFILIATE___

2. PLEASE **ADD** THE FOLLOWING BRANCH STORES:

Store Name(s)	Address	Manager	Phone No.

3. PLEASE **REMOVE** THE FOLLOWING BRANCH STORES:

Store Name(s)	Address	Manager	Phone No.

NAME **DATE**

- ❖ **DUES must be current in order to be listed in the Directory.**
- ❖ You must be an AACT member to be listed in the Directory -- take advantage of this opportunity to become a member of the Association.