DICK NORDNESS - EXECUTIVE DIRECTOR - NORTHWEST TIRE DEALERS ASSOCIATION

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## **WASHINGTON'S MINIMUM WAGE**

Retailers from around the state gathered to testify in opposition to HB 1355 that would raise the state's highest-in-the-nation minimum wage from \$9.47 to \$12 in four years.

One owner of a retail operation in Lacey, Washington explained to a Senate labor committee the negative impacts of already automatic minimum wage increases on her business, which she has operated for 41 years. Minimum wages increase automatically in the state to match cost-of-living increases, even during times of recession.

Washington Retail Association's (WRA) Small Business Chair, told the committee that she has closed two stores and reduced her payroll from 35 employees to two, due largely to regular annual payroll increases from automatic increase in the state minimum wage.

Minimum wage increases create ripples throughout companies because higher-paid employees then expect wage increases, which only puts more pressure on payrolls. One retailer said she used to pick up the cost of health care insurance for her employees but had to stop, also because of minimum wage increases.

The Washington Retail Association as a whole opposes the bill because of the harm it would do to the economy. Others testified that wage increases force prices to go up, which depresses sales and endangers businesses.

A report from the National Federation of Independent Business (NFIB) predicted Washington would lose \$7 billion in economic output and 16,000 jobs within a decade if the bill passes, said Patrick Connor, the Washington State Director of the Federation.

# IN THIS ISSUE

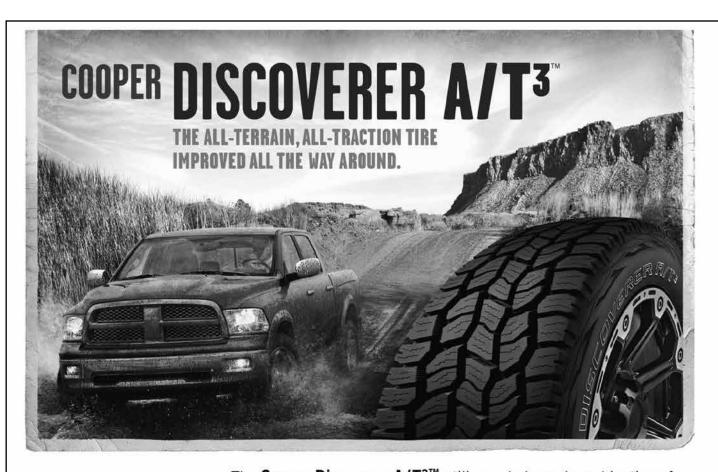
Seattle ATS Trainingpage 3
Tire Factory Meetingpage 3
ETS Training
Goodyear to sell on-line page 6
New NWTDA Officers page 8
TIA Hall of Famepage 10

## **OREGON STUDDED TIRES**

Ken Brown represented NWTDA at the Oregon House Transportation Committee hearings in Salem for two studded tire proposed bills. The first, HB 2552 calls for a permit, authorizing the use of studded tires. The bill promoters were not sure what amount they wanted to charge for the permit, but the proposed legislation did want to charge a penalty of \$500 if you didn't have the permit. This proposed bill is similar to one proposed in Washington State that asked for a \$100 annual fee.

The second bill, HB 3102 wants to ban the use of studded tires state wide. This proposed ban did not look like it had much support. Legislators from the west side of the state sometimes forget the East side needs studded tires for safe driving during the winter.

NWTDA is hopeful that neither of these two proposed bills will pass through the committee and are likely dead for this legislative year.



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## TIA ANNOUNCES ATS TRAINING

The Tire Industry Association has announced a date for its Certified Automotive Training Service (ATS) Instructor Class to be held in Seattle. The course will be held, October 13-16, 2015 at Green River Community College, 12401 SE 320th St., Auburn, WA 98092.

The Certified ATS Instructor Program is a 4-day in-depth classroom and hands-on class that industry professionals must successfully complete in order to return to the dealership(s) to train technicians to prepare them for certification. TIA has used the train-the-trainer approach to train and/or certify more than 93,000 technicians since 1997.

Certified ATS includes safety guidelines and step-by-step procedures for all aspects of passenger and light truck tire service including wheel installation with the proper torque and tire repair. It also includes a full day of instruction on Tire Pressure Monitoring Systems (TPMS), so technicians have a thorough understanding of the requirements for the most popular domestic and import vehicles.

For more information or to register contact Chris Hoogenboom, Director of Training, at 800-876-8372.

## **BFG'S OFF-ROAD TRAILS**

As part of its "Outstanding Trails" program, Michelin's BFGoodrich tire brand is awarding grants in an effort to promote sustainable and responsible off-road driving. Three off-road clubs in North America will receive \$4,000 each to help further their efforts to preserve and protect their hometown trails, Michelin said.

"Off-road communities and clubs that promote and preserve this activity are true driving enthusiasts," said Duane Thomas, brand communications manager for BFGoodrich. "Outstanding Trails allows BFGoodrich Tires and our sponsors to join these clubs in maintaining a robust and responsible off-road culture."

Now in its 10th year, the Outstanding Trails program has awarded more than \$140,000 to help preserve 36 off-road trails.

## TIRE FACTORY MEETING

Over 450 attendees participated in the 2015 Tire Factory Annual Meeting in Portland in February.

In its first year as a co-op, Tire Factory leadership announced \$3.8 million in profits and volume bonus payouts.

Tire Factory CEO, John Kreidel used the 31st annual meeting to address new business concerns, seeking to position the group better for the future. Kreidel and Tire Factory's board of directors addressed members of the group, saying that the business is "growing, profitable and has a strong balance sheet," but is losing buying power with manufacturers because of consolidation in the industry.

Kreidel and Eric Gill, chairman of Tire Factory and president of Nelson Tire Factory, announced that the group will pursue strategic solutions to solve this, including tactics such as expansion, partnerships and adjusting its current business model.

In terms of expansion, Kreidel believes that "there's an opportunity to expand, especially in the Denver area." The co-op, which owns a warehouse in Portland and one is Salt Lake City, currently leases warehouse space in Denver. In total, Tire Factory has 2,850,000 square feet of warehouse space across the three locations.

"We hope to expand in Denver like we did in Salt Lake City," Kreidel said. "First, we leased the space and then grew, grew, grew until we bled. Then we purchased a building for the area."

To fill out the Denver warehouse with tires, Tire Factory will also focus recruiting efforts in the area. Despite missing its goal of 25 new members in 2014, Tire Factory expects to add 25 new members in 2015.

Partnering with other buying groups across North America to increase the group's buying power is also on the table for Tire Factory.

Growth within the co-op has brought about new positions over the course of the past year. The group has hired Todd Watson as its director of merchandising and Clint Young as its director of sales and business development.

The annual meeting concluded with elections for Tire Factory's Board of Directors.

## **ETS TIRE TRAINING**



The Northwest Tire Dealers Association, in conjunction with the Tire Industry Association (TIA), held a 3-day Earthmover Tire Service (ETS) training class in Portland, Oregon on March 9, 10 & 11. Matt White, from TIA's training department, was once again our trainer for the class.

The ETS program is designed for OTR/ETS tire technicians and outlines the minimum skills and safety guidelines for servicing one-piece, three-piece, and double gutter OTR assemblies. The course includes equal amounts of class room and hands-on training. Those who completed the course and passed the 100 question final exam received a Certificate of Completion from the Tire Industry Association. Recently, during the OTR Tire Conference, TIA introduced an all-new certified Earthmover Tire Service (ETS) training program.

The program will follow the same "train the trainer" model that has been successfully employed in TIA's commercial and automotive tire service programs, according to Kevin Rohlwing, TIA senior vice president of training. Designed for instructors and technicians, the program will be taught by TIA staff and industry professionals and the classes will consist of extensive hands-on demonstrations and a written examination, he said. Additionally, the new ETS program has two levels of certification; a "Type 51" for handling tires up to 51 inches in wheel diameter and a "Type 63" for handling larger tires.

The certified ETS program will have minimum qualifications for both the certified instructor and technician courses. Part of the program prerequisites are both the basic/certified CTS class and the basic ETS class. If the CTS course is completed, attendees will not

have to complete the OSHA training part of the certified ETS class, Rohlwing shared.

Class room content will include tire, wheel and component out-of-service requirements, ballast removal and installation, as well as TPMS identification and service. TIA is also exploring on-going education opportunities associated with the certification, Rohlwing said. The certified ETS course is set to roll out late in the third quarter or early in the fourth quarter this year.





The Northwest Tire Dealers Association will have one of the first ETS training classes for 2016 in conjunction with their 2016 Dealer Conference and trade show. NWTDA will offer the basic ETS training the first week in February 2016 and will continue the advance training for "Type 51" and "Type 63" the following week.









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## **GOODYEAR TO SELL ONLINE**

Source: Tire Review

At its annual Dealer Conference, Goodyear made the formal announcement that later this year it would begin selling its Goodyear, Dunlop and Kelly branded consumer tires direct to consumers through its goodyear.com website. The buyers can then have them "installed locally at an authorized retailer of their choice," the tiremaker said. "The consumer will pay for the tires, taxes and standard installation online and the installing retailer will be compensated by Goodyear. Additionally, logistics will be handled by Goodyear with participating wholesale distributors."

The announcement raised a lot of concern among the dealer body, even as Goodyear claimed that nearly 1,100 had "committed" to the program, dozens of dealers stood up in opposition, both at the meeting and later on the comment section of the tire review website. Longtime Goodyear dealer Charley Gowland, founder of Chabill's Tire & Auto Service in Louisiana, wrote an extensive letter outlining his reasons against Goodyear's e-commerce plan, capped with, "I'm hoping that this effort by you fails because of lack of support from dealers like myself. It's not easy to say NO to a major supplier in this tire industry, but if there was a time to do it, that time is now"

To see other comments from dealers check out the March issue of Tire Review.

## FIRESTONE FARM TIRES

Bridgestone Americas Firestone Farm Tires was awarded the 2014 Iowa Recognition for Performance Excellence award. This is the second year in a row the tiremaker has been recognized with a silver-level award. Firestone Farm Tires also received a bronze IRPE award in 2012.

Firestone Farm Tires was recognized by IRPE for its emphasis on being "agricultural people in the business," the tiremaker said.

The IRPE is a state award program aligned with the National Baldrige Performance Excellence program. The award is intended to recognize role model organization for sustainability and maintaining a future focus on performance excellence.

## LES SCHWAB EMPLOYEES COME TO THE RESCUE

Les Schwab workers came to the rescue of a woman who was being assaulted by a man outside a Les Schwab store located in Olympia, Washington. The man is facing multiple assault charges, according to local media reports.

On March 31, officers were called to the Les Schwab Tire Center, responding to an alleged assault. When police arrived, they were told that a man approached a woman near the tire store and asked her if she wanted to smoke. When she declined, he threw a lighter at her and followed her as she tried to walk away, according to reports.

That's when Les Schwab employees stepped in. When she asked him to leave her alone, the man continued to harass her and pulled her toward him. Les Schwab employees surrounded the man, who hit one employee in the face, per reports, and kept the suspect away from the woman. Police officers arrested the man and charged him with multiple counts of assault.

## COLORADO SNOW TIRE REQUIREMENTS

A bill to require all motorists to use snow tires or chains during snowy months on Colorado's major mountain highway has passed its toughest test in the state Legislature.

The measure cleared the Senate Transportation Committee 5-0, but not before the committee chairman and other Republicans on the committee expressed doubts about how effective the requirement would be in improving jammed interstate 70.

Senators have changed the bill to say the requirement would be in effect when designated by state transportation officials, instead of November through May. The measure has passed the House. Commercial vehicles are already under strict chain rules during winter and early spring. The requirement has the backing of Colorado's Department of Transportation and State Patrol, as well as commercial trucking groups. If signed into law, the bill would require drivers to carry tire chains unless they have four-wheel drive and all-season tires.



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### **NWTDA ELECTS NEW OFFICERS**

New officers were selected for the Northwest Tire Dealers Association during their February board of directors meeting. The new officers are:

**Bob Beaver** – President **John Tompkins** – Vice President **Kelly Brown** – Secretary/Treasurer **Bob Thomas** – Past President

Bob Beaver, who is the manager of Pacific Tire Distributors in Pasco, previously held the position of Vice President. John Tompkins, who is Vice President of Retail Operations for Tire Rama previously held the position of Secretary/Treasurer. Kelly Brown, manager of Brown's Parkrose Tire Factory, previously was a board member representing the Portland area. Bob Thomas, General Manager for Six Robblees in Portland, has served as President of the Association for the last two years and will continue on the board as the Past President. The newly elected officers will serve two year terms.

### RMA PREDICTS INCREASES

The Rubber Manufacturers Association is projecting 2015 shipments to be greater than 2014. U.S. tire shipments are expected to exceed 311 million units in 2015, according to the association. OE shipments for passenger, light truck and medium/heavy truck are expected to increase, RMA said. Replacement shipments of passenger and light truck tires are expected to decrease slightly, while medium/heavy truck tire shipments should increase.

<b>Original Equipment -</b>	- 2014 –	2015 Forecast

Passenger	47.8	49.0
Light Truck	4.6	4.7
med/Heavy Truck	5.7	5.9

#### Replacement Tires – 2014 – 2015 Forecast

Passenger	206.5	205.3
Light Truck	28.7	28.5
Med/Heavy Truck	17.4	17.8

*Note:* All shipments in millions, figures are rounded.







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## SEATTLE BUSINESSES GRAPPLE WITH HIGHER MINIMUM WAGE

Now that Seattle's \$15 an hour minimum wage is beginning to phase in, businesses across town are dealing with the uncomfortable ripple effects. The Washington Policy Center reports several examples of the consequences many have repeatedly warned about as it pertains to raising the state's highest-in-the-nation minimum wage.

#### **Among the reactions:**

- Workers at the downtown Seattle Icon Grill will lose paid vacation time to offset the higher costs of the increased minimum wage. Some long-time employees had earned four weeks off, now they'll get a week.
- To some restaurateurs, the higher minimum wage seems unnecessary. The Icon Grill manager said with tips, some of his servers make more than \$30 an hour. "Why do I need to pay them \$15?", he asked. "Why do I need to pay them \$10?"
- Seattle-based Cascade Design, maker of outdoor equipment, announced that it would move 100 of its less specialized jobs to Nevada to escape Seattle's higher wage mandate. This way, the company hopes to keep more jobs in the U.S. as it faces competitors paying far less overseas.
- Famed Seattle restaurateur Tom Douglas at first imposed a 2% minimum wage surcharge on his bills, then quickly reversed ground and decided to increase his menu prices.

Time will tell all the effects of this new minimum wage in Seattle, but we are sure to hear of more businesses making tough decisions in order to keep their businesses alive.

## **NHTSA INCREASES "TIN"**

The National Highway Traffic Safety Administration (NHTSA) has issued a final rule that increases to 13 the number of symbols used in a tire identification number (TIN) on new tires. NHTSA announced last year that it was considering the changes because it was simply running out of two-symbol codes to identify new tire plants. At the same time it proposed to standardize the length of the TIN to 13 symbols for new tires and seven symbols for retreaded tires.

NHTSA said the newly minted rule would expand the manufacturer identifier portion of the TIN from two digits to three, significantly increasing the number of unique alpha-numeric combinations that can be used to identify both the tire maker and the specific plant where a tire was produced.

In addition, the standardization of TINs to 13 characters for new tires and seven for retreads will "eliminate confusion that could arise from the variable length of tire identification numbers".

The lead-time for total implementation will be extended from the originally proposed five years to a full 10 years, giving manufacturers time to convert all current molds.

## 2015 TIRE INDUSTRY HALL OF FAME NOMINATIONS OPEN

TIA is accepting nominations for the 2015 Tire Industry Hall of Fame. The Hall of Fame is open to individuals in the tire industry, including manufacturers, inventors, publishers, equipment suppliers, tire association executives, tire dealers, tire and rubber recyclers, and retreaders. The Hall of Fame may be awarded posthumously.

Inductees are chosen based on the following criteria set by TIA: contributions of new ideas, practices and/ or innovations that promote the health and well-being of the tire industry; exemplary and distinguished service in the tire industry; respect of their peers. Contributions in civic, cultural, educational or charitable endeavors will be considered but are not a primary consideration as attributes for selection.

"The committee looks forward to selecting another group of honorees to induct into the Hall of Fame this year," said TIA Executive Vice President Roy Littlefield.

The deadline for nominations for the Tire Industry Hall of Fame is Monday, July 6. A nomination form is available on tireindustry.org/hall-fame.

The Hall of Fame Inductions will take place on Monday, Nov. 2, 2015, as part of TIA's Tire Industry Honors Awards Ceremony, which takes place prior to the Global Tire Expo - Powered by TIA, Nov. 3-6, 2015, in Las Vegas.

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