

DICK NORDNESS - EXECUTIVE DIRECTOR - NORTHWEST TIRE DEALERS ASSOCIATION Northwest Tire Talk • Kennewick, WA 99338 • Ph: (509) 948-2433 • Email: nwtiredealers@hotmail.com

May / June 2016

NEW STUDDED TIRE FEE

Starting July 1, 2016, tire dealers in Washington must collect a \$ 5 studded tire fee on the retail sale of each new studded tire for vehicles. All tire sellers must collect the full \$5 fee on every studded tire sold. The seller retains ten percent of the fee collected (\$.50 for each tire sold).

Sellers must report this fee on their excise tax return with the Department of Revenue. The amount paid to the Department is \$4.50 per studded tire.

Tire dealers must hold this fee in trust (les the 10%) until paid to the Department. Any seller who uses the fee for any use other than payment of the fee is guilty of a gross misdemeanor.

Tire sellers who fail to collect this fee or pay the fee to the Department, even if the failure is the result of circumstances beyond their control, are personally liable for the amount of the fee. Those who fail or refuse to collect this fee with the intent to gain an advantage or benefit are guilty of a misdemeanor. Any buyer who refuses to pay the fee is guilty of a misdemeanor.

Retail sales tax exemptions do not apply to this fee. Buyers must pay this fee on all retail sales of studded tires unless a specific exemption applies to the fee.

For more information please contact the Department of Revenue at 800-647-7706.



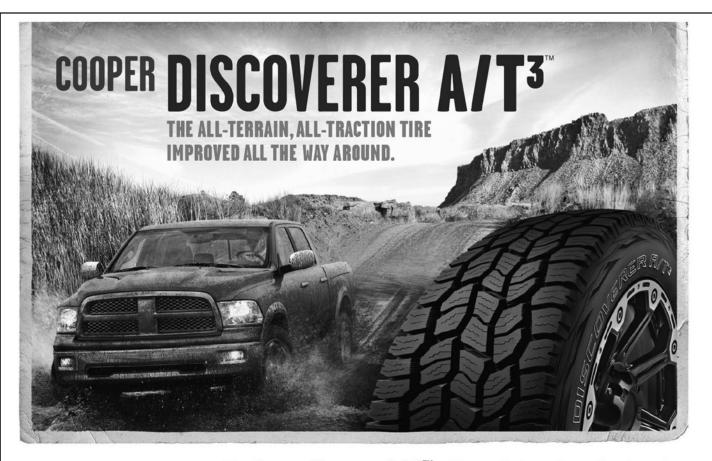
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OREGON RAISES MINIMUM WAGE

Oregon minimum-wage workers will see a 50 cent increase in their hourly pay starting July 1.

At the signing ceremony for the bill, Gov. Kate Brown said increasing the state's \$9.25 minimum wage was her top priority for the 2016 legislative session.

The wage compromise developed among legislators and business and labor lobbyists is novel because it creates three minimum wage tiers for the state. The Portland area tier increases wages to \$14.75 by 2022 while rural areas will see a wages increase from the current 9.25 to \$12.50 by 2022.



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WAIA HEALTH TRUST

Washington members of NWTDA are eligible to participate in the Washington Automotive Industry Association (WAIA) Health Trust, a new Association Health Plan option in Washington State.

WAIA Health Trust is the only automotive aftermarket Association available through Regence BlueShield/Asuris Northwest Health, groups of 2 or more employees are eligible to participate. By participating in the medical plan, groups may also elect dental through Delta Dental of Washington, vision through VSP and group Life benefits through LifeMap (formerly Regence Life & Health).

With WAIA Health Trust, you get power of a large purchasing arrangement and a professionally managed program.

DiMartino Associates is WAIA's General Agent and will work directly with your broker in order to provide you with a WAIA Health Trust Quote.

Quote requests may be submitted electronically to waiaquotes@dimartino.com. For general inquiries, you or your broker may send an email to waia@dimarino.com.

TIA HANDS-ON FARM TIRE TRAINING

The Tire Industry Association will offer three hands-on Basic Farm Tire Service (FTS) training classes in 2016. The classes, sponsored by Stellar Industries, will be held in Garner, Iowa on June 14-16, July 12-14 and August 16-18 and will run from 8:30 a.m. to 4:30 p.m. each day.

For more information contact Chris at TIA online at choogenboom@tireindustry.com or 800-876-8372 ext. 106.

CONGRATULATIONS TO NEW OFFICERS & BOARD MEMBERS.

Congratulations to the new officers and board members who were elected at the NWTDA Board meeting in Portland during the 2016 Regional Meeting in February.

John Tompkins, from Tire Rama in Spokane, was elected President, last year as Vice President John moved in to replace Bob Beaver who had retired. Ed Tuck III of T&T Tire Factory in Tacoma was elected Vice President and Kelly Brown of Brown's Point S was elected Secretary/Treasurer.

New board members include Bruce Pook of Commercial Tire in Kennwick; Alvin Shivers of Industrial Tire in Roseburg, Oregon; Mike Romtvedt of Basin Tire in Klamath Falls, Oregon; and Ryan Weld of Pasco Tire Factory in Pasco, Washington.

Congratulations one and all.

ED McCORMACK

Ed McCormack, 71, passed away March 9 at home after a courageous battle with cancer.

Ed was born in 1944 in Bremerton, Washington and his family moved to Salem, Oregon where he graduated from North Salem High School.

Ed served in the Navy and on his return started his career in the Tire Industry. He worked in Salem, Bend and Enterprise, Oregon before moving to Longview, Washingon in 1984 where he opened his own tire store, McCormack Tire Factory. Ed was on the board of directors of the Northwest Tire Dealers Association for many years and served as Secretary/Treasurer and President. Ed retired in 2011 and his son Mark took over the store, but he was always available whenever the need was there.

Tire Factory / Point S



Tire Factory is rolling out its new name and colors to consumers throughout their 14-state business territory to announce the move to the Point S brand identity.

The conversion process is in full swing and Brown's Tire Factory, now Brown's Point S was one of the first stores to make the identity change. A core group of dealers already have converted over 30 stores and the co-op expects 41 more to be flying the Point S flag and blue/green color scheme by mid-summer.



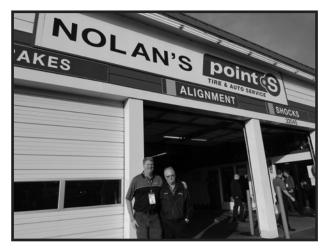
The conversion is a complete makeover inside and out. Here in Brown's Point S is the Brown family, Brian, Kelly, Mary, Bob and Erica Brown. This Park Rose location in Portland has been a great retail location and will continue to do so with the new look.

The group is offering members who convert up to \$25,000 in funds through year-end to cover new signage, repainting and other rebranding measures. The funding will drop to \$12,500 in 2017.

Tire Factory also is offering advice on rebranding/ remodeling, including computer generated mockups and assistance in translating the ideas to reality through local vendors.

Not all members have been quick to make the brand switch. In order to assuage those in the group who still feel strongly about the Tire Factory brand, the group offers a co-branding option through 2019, although it's not encouraged.

The advertising/promotion campaign will feature a number of "What's the Point?" messages, all pointing to what the "S" stands for – service, selection, safety, satisfaction, according to Devin Barr of MBT Marketing, the agency tasked with developing the "What's the Point" campaign.



Among the early converts to Point S is Eric Gill, chairman of the Tire Factory board and owner of 14 Point S stores in Oregon. Above is a photo of Eric along with Nolan Calvin, proud owner of Nolan's Point S Tire in Gresham, Oregon.

The group also disclosed that there will be a Point S-branded winter tire available to Point S dealers in Canada, the U.S. and Scandinavia next winter. Produced in Europe by Continental A.G., the Winter Star will be a studdable tire available in 30 SKU's in a rage of 13 to 17 inch rim diameters.

Continued on page 6

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IRELLI CHANNER





Olson Brothers Point S in Milwaukie, Oregon has recently made the conversion and things are looking good for Dan Baldwin and Brad Olson and crew.

During the groups recent annual meeting it was announced that they would be rolling out training videos covering a wide range of skills.

Also on the agenda, the group will be adding a Point S – dedicated website – Pointstire.com-later this year, will run parallel to the existing tirefactory.com site.

Overall, Tire Factory/Point S ended 2015 with 205 points of sale, including 10 new members. The group is targeting growth of 50 new store this year, then to 305 by 2017, said Walter Lybeck, newly appointed CEO, including dealers in states further east.

Tire Factory/Point S members generated \$92 million in revenue last year through the group's purchases, Mr. Lybeck said. That is expected to grow to \$100 million this year and \$115 million in 2017.

To achieve that growth, Lybeck said management is evaluating larger dealerships-groups with five-plus store- as potential new members.

Tire Factory is now part of an international group comprising 4,680 points of sale in 30 counties, including more than 150 in Canada.

TBC CORP. CELEBRATES 60 YEARS

This year marks an important milestone for TBC Corp., the company has been in business for 60 years.

TBC started in 1956 when a purchasing group of tire retailers was formed and collectively recognized as Cordovan Associates. In 1972, Cordovan Associates changed its name to Tire & Battery Corp. and nine years later it went public under the name of TBC.

"As we reflect on the last 60 years, it's apparent that the TBC story is truly one of hard work, adjusting to meet industry trends, exceeding customer expectations and growth, said Erik R. Olsen, president, CEO & chairman of TBC Corp. "Throughout the years we have worked diligently to remain a tire company ahead of the curve; our history, proven track record of success and continued growth speak to our overall objectives and I am confident that we have the right team in place, nearly 11,000 associates strong, to maintain momentum and to continue our industry leading position for years to come."

Today, TBC operates more than 3,200 franchised and company-operated tire and automotive service centers, with nine proprietary tire brands and more than 50 retail and wholesale distribution centers.

TBC Corp. brands include Big O Tires, Carrol Tire Co., Tire Kingdom Service Centers, NTB Tire & Service Centers, Merchant's Tire & Auto Service Centers, Midas and SpeeDee Oil Change & Auto Service.





TIRE FACTORY'S WALTER LYBECK PROMOTED TO CEO

Walter Lybeck, the former chief financial officer and current interim CEO for Tire Factory, has been named CEO of the co-op.

The position has been vacant since August 2015 when former CEO John Kreidel left. Lybeck joined the company in 2010 as CFO and served as interim CEO during the vacancy.

Prior to joining Tire Factory, Lybeck worked as director of finance and accounting at Rejuvenation and held other financial positions for Nautilus, Oregon Stell Mills, Intel and Delloitte.

"Since joining the company," Lybeck said, "I've been excited about Northwest Tire Factory's business model, the quality of its members, employees, and financial performance; but most of all its potential for profitable growth. I'm looking forward to helping the company achieve its full potential."

TIA BOARD NOMINATIONS

The Tire Industry Association is accepting nominations for its 2016-2017 Board of Directors.

Board members serve three-year terms and may be elected to serve two additional terms, TIA said.

Positions on the board are open to individuals that are employed by a TIA member company and the member company has been a member in good standing for two consecutive years prior to the election. This includes manufacturers, tire dealers, wholesale distributors, suppliers, recyclers and retreaders.

For more information contact TIA at 800-876-8372 or check out their web page at: tireindustry.org

COURTESY AUTO SPONSORS VIDEO CONTEST

Courtesy Auto Service and Tire of Tacoma, a 2015 Top shop finalist, has kicked off a video contest called "Repair My Ride!" to help consumers and local charities.

"The contest is designed to help both the winner and community charitable organization," said Courtesy Auto owner Scott Welsh. "For each of the first 100 videos submitted, Courtesy will donate \$10 to Dream Missions and Tacoma Rescue Mission, and the entrant will receive a \$10 Courtesy Auto Service gift card when we receive their entry and video."

Washington area residents who are 18 years of age and older can enter the contest, with the winner receiving \$1000 in automotive service, repairs and maintenance from Courtesy Auto. To enter, participants need to create a 30-second to 2-minute video stating why they deserve to win or why they are nominating someone else to win.

The contest runs until May 31, and entries can be submitted at tacomanautorepairshop.com and at www.repairmyride.org.

YOKOHAMA ACQUIRING ATG

Yokohama Rubber Co. has reached an agreement with global investment firm KKR and other concerned parties to purchase all of the shares of Alliance Tire Group. The deal is valued at approximately \$1.17 billion and is expected to close July 1, 2016.

This move by Yokohama will help expand the tiremaker's commercial tire business. Currently, YRC does not produce or manufacturer tires for forestry or agriculture machinery, and the purchase of ATG will increase Yokohama's product offerings.

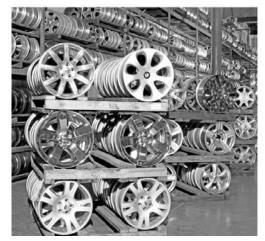


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