

# Dixie Automotive News

News for the Southeast Automotive Aftermarket

Winter 2005/2006

## Congressional Support Reaches 70 for Right to Repair Act

Congressional support for the Motor Vehicle Owners' Right to Repair Act (H.R. 2048) has reached 70 sponsors, by Kathleen Schmatz, president and CEO of the Automotive Aftermarket Industry Association (AAIA) recently announced.

"We have had a positive hearing for the bill before the Subcommittee on Commerce, Trade and Consumer Protection of the House Energy and Commerce Committee; and have added eight legislators as co-sponsors to the Right to Repair Act," Schmatz said. "There is no denying that recent events on Capitol Hill are demonstrating the growing momentum for passage of the legislation by Congress. The new sponsors clearly realize that competition in the vehicle aftermarket is key to preserving the right of consumers to choose where they have their vehicle repaired. AAIA and the coalition of over 40 national and state aftermarket groups are committed to continuing the ef-



fort of building support for the legislation in Congress." Georgia Congressman Nathan Deal was among those joining as a cosponsor of this vital legislation.

The Right to Repair Act, which was introduced by Reps. Joe Barton, R-TX; Edolphus Towns, D-NY; and Darrel Issa, R-CA, would require the car companies to make the same service information and tools capabilities available to independents that they provide their franchised dealer networks. Architects of the Right to Repair Act added new language this year to clarify that car company trade secrets are protected unless that information is provided to the franchised new car dealer. The new language also clarifies the responsibilities of the Federal Trade Commission in enforcing the bill's requirements.

For more information on the Right to Repair Act, visit [www.righttorepair.org](http://www.righttorepair.org). ♦

## Medicare Drug Plans Offer Prescription Coverage



Persons at least 65 years old or who are disabled and on Medicare may be eligible for a prescription drug benefit effective January 1, 2006.

A number of different drug plans offering limited coverage are available.

Medicare participants who do not have prescription drug coverage through their health insurance plan (such as through a re-

tiree plan or a spouse) should consider enrolling in a Medicare Drug Plan.

Participants should carefully review and compare the different Medicare Drug Plans offered by 16 different companies before deciding which plan is best for them. Enrollment ends May 15, 2006.

Medicare participants should refer to their handbook, "Medicare & You 2006" to learn

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# WELCOME, New Members



AAAS Chairman Bobby Chandler wishes to welcome the following seven members into the association. Chandler encourages these and all members to investigate the programs offered through AAAS.

Enclosed is an AAAS Membership Directory 2005 New Members Insert which can be placed with your directory.

Alabama Tractor, LLC .....	Demopolis, AL	Lynn Johnson Auto Collision Repair, Inc....	Pelham, AL
Alabama Tractor, LLC .....	Greensboro, AL	Mike Trammell Body Shop, Inc. ....	Birmingham, AL
Auto Beauty Shops of Alabama, Inc. ....	Selma, AL	Sprayglo .....	Saraland, AL
Buzbee Service Station .....	Birmingham, AL		

## 2006 Aftermarket Financial Symposium Dates Announced

The Automotive Aftermarket Industry Association (AAIA) announced that the 2006 Aftermarket Financial Symposium (AFS) will be held Sept. 26-27, 2006 in Chicago, Ill. The symposium will be geared toward CFOs, financial service providers, investment analysts, CPA firms and others with interests in the automotive aftermarket.

The second annual AFS will provide top speakers and presenters who will address key financial issues and trends in mergers and acquisitions, accounting, fringe benefits, technology, risk management, research, bank financing and other related topics.

"More than 90 percent of this year's attendees said they are interested in having the symposium again next year," said Kathleen Schmatz, AAIA president and CEO. "AAIA is excited to host another outstanding symposium that will bring together the very best minds in the financial community from within and outside of our industry."

The symposium will be held at the Hyatt Regency O'Hare in Chicago on Tuesday, Sept. 26 and Wednesday, Sept. 27. For more information, contact Susan Medick, CFO, AAIA, at 301.654.6664 or e-mail [susan.medick@aftermarket.org](mailto:susan.medick@aftermarket.org).

### HURRICANE SALE

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*"Finish each day and be done with it. You have done what you could; some blunders and absurdities have crept in; forget them as soon as you can. Tomorrow is a new day; you shall begin it serenely and with too high a spirit to be encumbered with your old nonsense."*

~ Ralph Waldo Emerson

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more detailed information and decide which plan best fits their needs.

Other sources of information:

- ⊙ Visit [www.medicare.gov](http://www.medicare.gov) for personalized help.
- ⊙ Call the State Health Insurance Assistance Program (see a copy of the "Medicare & You" hand-book for the telephone number).
- ⊙ Call 1.800.MEDICARE (1.800.633.4227). TTY users should call 1.877.486.2048.

If participants wait until after May 15, 2006, to enroll, their monthly premium for a Medicare prescription drug plan could be much higher than it would have been if they had enrolled prior to that time. After that date, if a Medicare participant goes 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, their premium will go up at least 1 percent per month for every month after May 15, 2006, that they did not have that coverage.

Medicare participants will have to pay this higher premium as long as they have Medicare prescription drug coverage. For example, if a participant goes 19 months without coverage, his or her premium will always be at least 19 percent higher than what most other people pay. ♦

## IRS Announces 2006 Standard Mileage Rates

The Internal Revenue Service has set the 2006 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning Jan. 1, 2006, the standard mileage rates for the use of a car (including vans, pickups or panel trucks) will be:

- 44.5 cents per mile for business miles driven;
- 18 cents per mile driven for medical or moving purposes; and
- 14 cents per mile driven in service of charitable organizations, other than activities related to Hurricane Katrina relief.

The new rate for business miles compares to a rate of 40.5 cents per mile for the first eight months of 2005. In September, the IRS made a special one-time adjustment for the last four months of 2005, raising the rate for business miles to 48.5 cents per mile in response to a sharp increase in gas prices, which topped \$3 a gallon.

"The IRS took the extraordinary step of temporarily increasing the standard mileage rates in the aftermath of Hurricane Katrina," IRS Commissioner Mark W. Everson said. "We promised to continue closely monitoring the situation. The 2006 mileage rates reflect that gas prices have dropped."

The standard mileage rates for business, medical and moving purposes are based on an annual study of the fixed and variable costs of operating an automobile. Runzheimer International, an independent contractor, conducted the study for the IRS.



The mileage rate for charitable miles is set by statute.

For the first eight months of 2005, the standard rate for miles driven for medical or moving purposes was 15 cents per mile, and, except for special Hurricane Katrina rates, the standard rate for miles driven in service of a charitable organization was 14 cents per mile.

For the last four months of 2005, the agency raised the standard rate for miles driven for medical or moving purposes to 22 cents per mile. The standard rate for charitable miles remained at 14 cents per mile—except for charitable miles relating to Hurricane Katrina.

### Special Rates for Katrina-Related Charitable Miles

Congress this year also approved special rates in connection with miles driven in service of charities providing Hurricane Katrina relief.

For the period Aug. 25 to Aug. 31, 2005, the rate for miles driven for charities providing Hurricane Katrina relief is 29 cents, for deduction purposes, and 40.5 cents, for reimbursement purposes. For the months of September through December 2005, the special Katrina-related rates are 34 cents for deductions and 48.5 cents for reimbursements.

For 2006, these Katrina-related charitable rates will be 32 cents per mile for deduction purposes and 44.5 cents per mile for reimbursement purposes.

Revenue Procedure 2005-78 contains additional information and limitations on the use of the standard mileage rates. ♦



## Things To Do...

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**The association office has moved!**

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**Automotive Aftermarket  
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11245 Chantilly Parkway Court  
Montgomery, AL 36117-7585  
334.834.1848  
800.239.7779  
Fax 334.834.1818



## In Memoriam

☞ **Kurt Michel, Sr.** ☞ (December 7, 2005) - Kurt's Truck & Parts Company, Inc., Birmingham, AL



## Background Checks on the Rise!

How much do you *really* know about the person you've just hired? "Once employers understand that over 52% of job applications and resumes are falsified or exaggerated and that the average settlement in negligent hiring and retention cases exceeds \$1.6 million, conducting background checks becomes an essential part of doing business," says Gloria Guy, Chamber Vice President.

Employers are getting the message. In a new survey conducted by ADP Employer Services about 4.4 million background checks were conducted in 2004 (as compared to 3.8 million in 2003). The latest figure is triple the number of background checks conducted by employers in 1996.

ADP found that 9% of the applications contained significant inconsistencies particularly with regard to criminal history, workers' comp claims, credit & driving records as well as reference checks.

### Specifically researchers found:

• **Reference Verifications:** Fifty percent of employment, credential/education reference checks contained inconsistencies between the application and the background check.

• **Credit Reports:** Forty-five percent of credit reports included a judgment, lien, bankruptcy filing or had noted that the applicant had been the subject of a collection agency report.

• **Driving Records:** Twenty-nine percent had one or more violations or convictions contained on the driving record.

• **Workers' Comp Claims:** Eight percent of those applicants reviewed

## Automotive Suppliers Welcome Passage of 'Fight Product Counterfeiting' Act

The "Stop Counterfeiting in Manufactured Goods Act," S. 1699 which passed the Senate on Nov. 10, is an important piece of legislation that will strengthen federal laws against product counterfeiting, according to the Motor & Equipment Manufacturers Association (MEMA), North America's largest and oldest trade association for motor vehicle product manufacturers.

This is the companion bill to H.R. 32, also called the "Stop Counterfeiting in Manufactured Goods Act," which was passed in a unanimous vote by the House of Representatives on May 23.

"MEMA spearheaded this effort from the beginning, supporting both the Senate and House versions from introduction through passage," said Paul Foley, president of MEMA's Automotive Aftermarket Suppliers Association and executive director of its Brand Protection Council.

"We are very grateful to Sen. Arlen Specter (R-Pa.) and Patrick Leahy (D-Vt.), for their leadership on this issue," said Foley. "Passage of this bill by the Senate is vital to

protecting the intellectual property of automotive suppliers and all American manufacturers. Our leaders in Washington understand that counterfeiting is a crime that is stealing good American manufacturing jobs. Also, product counterfeiting undermines U.S. and foreign safety standards, putting consumers at risk. We cannot let this go on, at home or abroad."

The FBI estimates that product counterfeiting costs U.S. businesses \$200 billion to \$250 billion annually. Product counterfeiting is estimated to cost American automotive suppliers approximately \$12 billion in lost sales annually.

The two bills now go to conference committee for resolution, and then will be passed to the president for his signature.

In 2004, MEMA organized its Brand Protection Council to share best industry practices to detect and prevent product counterfeiting, educate law enforcement and media to the problem and lobby for stronger laws and intellectual property rights protection at home and abroad. ♦



reported a previous workers' comp filing.

• **Criminal Records:** Five percent of those applications studied had a previous criminal record within the last seven years.

According to Dean Suposs, General Manager of ADP Screening and Selection Services, "employers consistently face hir-

ing risk including applicant dishonesty, workplace violence, negligent hiring liability, turnover, theft, and fraud. As evidenced by the increased use of pre-employment screening, employers are realizing the value in performing background checks as a way to help ensure a qualified, experienced workforce," he added. ♦