



AUTOMOTIVE AFTERMARKET NEWS

Arkansas · Colorado · Iowa · Kansas · Missouri · Nebraska · New Mexico · Oklahoma · Texas · Wyoming



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APSA NOTES

For the month of June, APSA is giving a 5% discount on our stock plastic parts bags and t-shirt bags. This does not include custom imprinted bags, but don't forget, we have those, too! Our bags flyer is enclosed with this newsletter (along with our early-bird calendar order form—which ends June 30th as well!).



In this issue, we say goodbye to a long-time APSA member and some dear friends. In addition to Joe Buehler and Steve Gerhleim, we also lost Mr. Wayne Romoser of M & M Auto Supply in Houston, TX, on February 20th who owned M & M for 43 years and has been an APSA member over 30 years. His wife and son-in-law will continue running the business as Wayne would have.

We also learned of the passing of former Automotive Wholesalers of Texas field representative, O.D. "Ozzie" Reed.

Farewell to our friends.



JOSEPH G. BUEHLER

APSA friend and supporter, Joe Buehler passed away from complications of Parkinson's disease on April 21, 2011.

Joe's career in the automotive industry started in Great Bend, KS with Sears. He was transferred to Joplin, MO in 1968 and then to Kansas City in 1971. He was also employed with Bumper to Bumper Stores before becoming a part owner of APA Automotive. Joe retired from APA in 1999.

He was also involved in many automotive organizations including MO-KAN Automotive Parts Association where he served as President. Joe was very instrumental in the merger between MAIA and APSA.

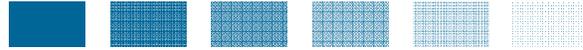
He will be missed.

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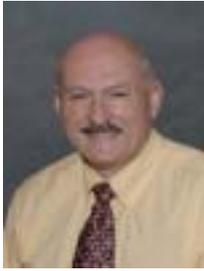
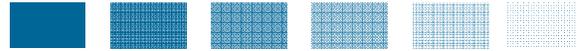




WAREHOUSE, INC. HAYS, KANSAS HOLDS ANNUAL SHOW

April 16th marked the date of the annual warehouse show for APSA member, Warehouse Inc. and their S & W Supply Stores. Customer attendance and vendor booth participation were both well ahead of last year!





INTERNET USE AT WORK

Larry A. Hobbs, M.B.A., SPHR

The problem with having an “Internet Use Policy” is the same as the old predicament of “not being allowed to use the company telephone to make a personal call.” Some of us can remember the days before cell phones, iPhones, and keyboards --- if an employee needed to make or receive a telephone call they had to get permission from their supervisor and use a company telephone; and calls were limited to one or two minutes. Larger organizations even had payphones in the reception area, hallways, and breakrooms (calls were a dime.) The scenery has changed, but the problems have become worse.

Through electronics, employees have unlimited availability to talk, text, listen to music, take photos, read a book, hear the news, conduct personal business, and socialize with friends and relatives. Individuals are paying a monthly fee for their portable personal electronic gadgets, and this increases the belief that they have a right to use them. The social networking sites, such as Facebook, Twitter, MySpace, Mixi, StudiVZ, LinkedIn, Orkut, and blogs, are too tempting for many employees; they cannot resist connecting and communicating. For some it is a cell phone; for others it is the company-provided computer.

Most companies have a policy about using cell phones during working time; and a similar policy about accessing the Internet. However, it is nearly impossible to track and/or enforce these rules. It always gets back to the leaders/supervisors/managers doing their jobs and scrutinizing what their employees are doing. I believe that only the worst offenders will ever get caught or disciplined for spending too much time on a cell phone or the Internet --- the ‘net is the ‘net --- and it will not be going away soon. Electronics are here to stay; and people will play!

There are various ways to enforce policies against “surfing the Internet” or other restrictions on the use of electronics devices: 1) Do not provide Internet service to employees; 2) Make the penalty for surfing or socializing a very severe penalty that no one will dare violate; 3) Enforce the policies without exceptions and, as an example, terminate the first employee who violates the rule; and, 4) Instruct your IT person to monitor and track Internet use during working hours.

Strict rules and strict enforcement typically do not work. The best policy, of course, is self-discipline.

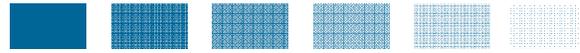
Assistance Available: If APSA Members have questions or concerns about any personnel management issue, call Larry Hobbs at (210) 316-4206 for a free and confidential telephone consultation.

E-TRADE

Don't forget to check the APSA E-Trade section of our website to buy, sell or trade anything - automotive or otherwise! Go to www.apsaassociation.com then click the E-Trade tab.

2012 CALENDARS AND MORE PROMOTIONAL ITEMS

Calendar season has begun and early-bird pricing ends June 30th, so order today! Brochure enclosed—fax, mail, call or email your order! Also, check out our other promotional items at our E-Store on our website!



HOW TO DO A GOOD BACKGROUND CHECK

As a small business owner, you may feel like your company is one tight-knit group of employees. But just because it feels like a family, doesn't necessarily mean you should skip over the background check process when looking for new hires.

Here are tips for conducting a thorough, legally compliant background check.

No. 1: Be consistent. Every small business should have a consistent policy on background checks. Make sure you are running the same checks for everyone in the job category.

No. 2: Consider outsourcing. Doing background checks can be a lot of work for small business owners to tackle on their own. It's easier to outsource so you're not recreating the wheel every time. Use a reputable vendor that complies with the Fair Credit Reporting Act.

Small businesses are not exempt from compliance with the act, which requires they get a signed waiver from candidates before checking their credit report.

No. 3: Give employees notice before checking their references. Make sure you have a signed waiver from them before doing any employment, criminal or credit checks. If employers know you have permission, a lot of times they will be more forthcoming with information.

No.4: Confirm information is accurate. With identity theft being a common occurrence today, check that the information you are receiving about their criminal and credit history is accurate.

It is good practice to let them know if you take an adverse action, like not hiring someone because of a criminal background check. Ensure that if the potential hire has a bad credit background that it is actually them, and up-to-date, before jumping to conclusions.

BIG SHIFT IN SERVICE BAY COUNT & SHARE

There were 50,000 fewer car and light truck bays in the U.S. at mid-year 2010 compared to ten years earlier.

While Service Stations and Garages suffered a loss of 48,000 bays from 2000 to 2010, Repair Specialists, Foreign Specialists, and Tire Stores each operated significantly more car and light truck service bays last year than ten years earlier.

Foreign Vehicle Repair Leads Service Market

Foreign cars and light trucks generated over 75% of Service (DIFM) market product growth from 2000 to 2010. This changed the population of service bays among major groups of service outlets.

Outlets with Service Bay Growth Repair Specialists (outlets which offer a limited menu of vehicle service and maintenance jobs) added 30,000 service bays between 2000 and 2010, boosting their total bay share.

The success of Repair Specialists in expanding foreign vehicle repair enabled them to increase their bay count at a time when total car and light truck service bays shrank nearly 5% nationwide.

Other Bay Gainers

Foreign Specialists (outlets focusing on the repair and maintenance of foreign nameplates), recorded the greatest percentage gain in service bays (over 20%) as they added 13,000 bays from 2000 to 2010.

Tire Stores

Tire Stores also increased their service bay count during this ten-year period. Service bay growth by Tire Stores largely resulted from their expanding foreign vehicle Service market share.

Service Stations and Garages

Service Stations and Garages suffered nearly 70% of non-Dealer bay losses between 2000 and 2010.

Service Stations and Garages, despite increasing their overall Service market product share in the past two years, still lag in the foreign vehicle DIFM market.

Although Service Stations and Garages are increasing foreign vehicle repair, their foreign vehicle service ticket volume is growing at a slower pace than the total foreign nameplate DIFM market in the U.S.

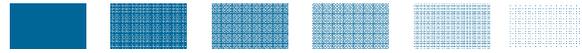
Foreign Repair and Bay Growth

Repair Specialists, Foreign Specialists, and Tire Stores each expanded their share of the foreign nameplate aftermarket. This enabled each outlet group to increase their bay population despite the total bay count shrinking 50,000 between 2000 and 2010.

Service Bay Population and Share Change

With foreign vehicle nameplate Service market product volume growing at an annual rate over three times that of domestic light vehicles during the next five years, the population of service bays and service bay share by major type of repair outlet will largely be determined by the success of service outlets in the foreign nameplate DIFM market.

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CREDIT CARD CORNER

Jeff Wurstner, First National Merchants Solutions®, LLC

What's in a name? A lot, actually.

Just ask the Marketing team at TSYS Merchant Solutions. They have been hard at work completing a major rebranding project to update and replace First National Merchant Solutions reports, web pages and everything else to our new TSYS Merchant Solutions name and logo.

As I mentioned in the last newsletter, First National Bank of Omaha completed the sale of its 57-year old merchant processing division to Total Systems Services (TSYS) of Columbus, GA in January.

The bank faced challenges meeting new financial regulations in a difficult economy, choosing to sell assets to raise the necessary funds. At the same time, longtime partner TSYS was looking for an acquisition to bring them closer to merchants. A great fit.

For members in the APSA Credit Card Acceptance program, any initial changes should be slight and often short-lived. For example, you will need to log into a different web page to look at your reports.

Over time, as we begin to expand our offerings to customers as part of a much larger organization, APSA members will benefit from those. We've already added mobile payment solutions; we're testing next-day funds availability and we have much more on the horizon.

Few people like change, but this one should be almost transparent to APSA members. Those in the program have already been through the bulk of them. New program participants will have nothing to change. Either way, the same team of hard-working people are here to support you. If you have questions, call me any time.

APSA fair and honest credit card acceptance. Your member-owned APSA program offers members fair and honest payment processing. To learn more, call the APSA office today at (800) 375-2968.

How has accepting credit cards affected your business? Send me an email at jwurstner@tsys.com or call me at (402) 602-4059 and tell me what you think.

More Info: www.apsaassociation.com/17.html

www.tsysmerchantsolutions.com



STEVE GERHLEIN

Popular San Antonio car expert and radio personality Steve Gehrlein has passed away.

Gehrlein, the owner of Cambridge Auto Center on Fredericksburg Road in San Antonio, was

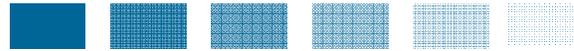
known for his friendly personality and sense of humor.

Gehrlein, 62, hosted "The Automotive Show" on weekends at KTSA Radio and was listened by tens of thousands of South Texans.

Author of "Save \$\$\$ on Car Repairs," Gehrlein offered trustworthy tips to consumers he helped avoid overspending or being ripped off from mechanic scams.

The 4th Circuit Court of Appeals and 150th District Court has even recognized him as an expert, with Gehrlein testifying in over 250 court cases involving automobile claims.

Steve was a member and very strong supporter of APSA, mentioning the benefits of membership during his radio show. He will be missed.



**"The more corrupt the state,
the more it legislates"
- Tacitus**

2011 AFTERMARKET LEGISLATION SUMMIT POSTPONED

Based on a crowded congressional and aftermarket calendar, AAIA has decided to postpone The 2011 Aftermarket Legislative Summit, which was slated to take place on June 20-21. The continued priority for legislators in addressing America's skyrocketing deficit and the debate over raising the debt ceiling created a situation in which members of the aftermarket would have faced an uphill battle in effectively communicating our agenda to elected officials during the Summit. In addition, the proximity of this year's Summit with several other industry events was making attendance challenging for many AAIA members. AAIA apologized for any inconvenience this decision may cause.

PRESIDENT OBAMA SIGNS 1099 TAX REFORM REPEAL INTO LAW

President Obama signed legislation on April 14 to repeal Form 1099 reporting requirements originating from his comprehensive health care law. The legislation, H.R. 4, eliminates the requirement that businesses must file a Form 1099 for any payment to corporations for goods and services more than \$600 each year for each vender involved. The passing of this legislation marks the first successful attempt by the U.S. Congress to modify President Obama's health care law. The \$24.7 billion price tag of the Form 1099 repeal is paid for through changes to the amounts required for repayment of advance premium assistance tax credits for health insurance.

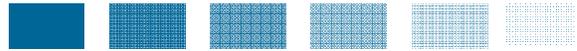
EPA DEFINES *USED OIL BURNED AS FUEL* AS EXEMPT FROM NEW, RESTRICTIVE CLEAN AIR ACT EMISSIONS STANDARDS

EPA announced that it will postpone issuing the package of rules that would require boilers, process heaters, and incinerators to control emissions of toxic air pollutants. This action is in direct response to the hundreds of comments received by EPA opposing this proposal – including those submitted by you.

The Agency will consider additional emissions data collected during the public comment period as well as respond to concerns expressed in a letter signed by 41 Senators and over 100 House members that these proposals could impose onerous burdens on businesses, leading to significant job losses.

It is expected that EPA will propose additional subcategories of boilers and incinerators based on the material burned. ARA will continue to urge EPA to retain the existing definition of used oil as not solid waste and therefore not subject to emissions requirements.





A NEW ALTERNATIVE TO WORKERS' COMPENSATION IN OKLAHOMA!

A group of local and national employers have formed the "Oklahoma Injury Benefit Coalition" in order to help provide an alternative to Workers' Compensation in the state. The OIBC is very active as we near the end of the current OK Legislative Session.

In summary, legislative leaders in the OK House, Senate and Governor's office now have the OIBC's proposed bill language.

- Qualified Employers must provide for payment of benefits under ERISA that are very similar to OK workers' compensation benefits. - This program will include much improved medical management and dispute resolution features that will result in better medical outcomes for injured workers and providers, and savings for employers.

- These ERISA injury benefits will be the employee's exclusive remedy, except in the case of an intentional tort or employee death.

MISSOURI GOVERNOR SIGNS LEGISLATION ABOLISHING CORPORATE FRANCHISE TAX

Missouri Governor Jay Nixon signed legislation into law on April 26 that will phase out Missouri's corporate franchise tax over a five-year period. The legislation passed the Missouri House on a 105-51 vote and the Senate by a vote of 28-4. The Missouri franchise tax is imposed only on companies whose shares and surplus exceed \$10 million. The current franchise tax rate is 1/30th of 1 percent of the corporation's outstanding shares and surplus.

According to Governor Nixon's office, the Missouri state government collected about \$87.5 million in revenue from the franchise tax in 2010 and roughly 3,000 Missouri businesses will benefit from this tax elimination. Governor Nixon declared that elimination of the tax will create jobs, encourage investment and strengthen economic growth for Missouri.

MISSOURI EMPLOYERS WILL BE RESPONSIBLE FOR PAST NON-WORK RELATED INJURIES

All current Second Injury Fund (SIF) claims would be moved into the Workers' Compensation system, including original injuries and pre-existing conditions (obesity, diabetes, etc.) that are not related to work in any way. If your employee breaks his/her leg at age 8, then has a work injury at 48, you the employer, will be financially responsible for the childhood injury in the same manner the SIF injuries are handled today. A direct result of this language would be higher workers' compensation premiums in the range of \$100 million!

A New Tax Will be Assessed on all Employers of up to 4% on Workers' Comp Premiums.

This surcharge, in addition to the 3% tax employers already pay, will be used to pay the legal obligations of the SIF. The 4% tax would result in an \$80 million increase for Missouri employers.

RIGHT TO REPAIR REINTRODUCED IN HOUSE

Reps. Todd Platts, R-Penn., and Edolphus Towns, D-N.Y., introduced the Motor Vehicle Owners' Right to Repair Act (H.R. 1449) into the 112th Congress on April 9. Similar to legislation introduced into the last Congress, H.R. 1449 protects motoring consumers from an expensive and growing vehicle repair monopoly by requiring that car companies provide full access at a reasonable cost to all service information, tools, computer codes and safety-related bulletins needed to repair motor vehicles. The pro-consumer, pro-small business bill is intended to level the competitive playing field for motoring consumers and between new car dealerships and independent repair shops. The legislation further provides car companies with strong protections for their trade secrets, only requiring them to make available the same non-proprietary diagnostic and repair information they provide their franchised dealers.





Association News



MEMBERSHIP ANNIVERSARIES

5 YEARS

Bailey Auto Supply—Tyler, TX
Harris Automotive Sales & Marketing—Bixby, OK
Princeton Auto Parts—Princeton, MO
School of Automotive Machinists—Houston, TX

10 YEARS

ARC Commercial Warehouse—Houston, TX
Accelerated Automotive, Inc.—Nacogdoches, TX
B & D Auto Parts Corp., Nevada, IA
J D's Auto Supply & Repair—Wellington, TX
NAPA Auto Parts—Mount Ayr, IA
National Lube Express—Pharr, TX
Reese Automotive Warehouse—Monticello, AR
Town & Country Parts—Guthrie Center, IA

15 YEARS

Holmes Auto Supply—Midland, TX
Mannford Auto Supply—Mannford, OK

20 YEARS

Colfax Auto Parts Corp.—Colfax IA
Continental Battery Co.—Dallas, TX
Quality Parts Warehouse—Garland, TX
Tommy's Auto Parts, Inc.—Baytown, TX

25 YEARS

Bep's Auto Supply & Service—Ganado, TX
Breneman Auto Parts, Inc.—Girard, KS
Carlisle Auto Air—San Antonio, TX
Edna Auto Supply—Edna, TX
Haskin's Auto LLC—Woodward, OK
Mid-Coast Rebuilders, Inc.—Houston, TX

30 YEARS

Amarillo Auto Supply & Off Road, Inc.—Amarillo, TX
Borgenson Sales, Inc.—Cedar Rapids, IA
Discount Auto Parts—Fulton, TX
Freeport Auto Supply—Houston, TX

Gayle's Automotive—Comanche, TX
Kiser Auto Parts Co.—Plainview, TX
Newsom Auto Supply—Quanah, TX

35 YEARS

Elgin Motor Supply—Elgin, IA
House of Parts—Dallas, TX
MACO—Des Moines, IA
Magnolia Auto Parts—Magnolia, TX
Orvil W. Carter Automotive Warehouse—Coffeyville, KS
Tex Brite—Houston, TX

40 YEARS

Ace Auto Supply—West, TX
Ken's Auto Supply—Grand Prairie, TX
Morse Implement Co.—Morse, TX
Tri Wholesale Co.—Port Lavaca, TX

45 YEARS

Fred's Auto Supply—Electra, TX
Southwest Auto Parts Co.—St. Louis, MO
Tucky's Auto Parts Supply—Plainview, TX

50 YEARS

Paul's Supply—Hallettsville, TX

55 YEARS

Austin Brake & Clutch Service—Austin, TX
Wahlberg-McCreary—Houston, TX



WELCOME NEW MEMBERS!

Fort Worth Auto Parts—Fort Worth, TX

S&S Auto Supply—Fort Worth, TX