WMDA CAR NEWS

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An Official Publication of the Washington DC, Maryland & Delaware Service Station & Automotive Repair Association

OCTOBER 11
EXPO & BULL ROAST
DETAILS ENCLOSED!

The savings add up when you let your membership work for you!

WMDA/CAR Endorsed Member Benefits & Services Providers

see page 16

ALSO IN THIS ISSUE:

WE'RE MOVING CLOSER TO YOU!

REGISTER TODAY!

WMDA/CAR One-Day Expo, Bull Roast & Award Presentations

Wednesday, October 11, 2017

Martin's West
6817 Dogwood Road • Baltimore, MD

ONE-STOP SHOP

SOMETHING FOR EVERYONE

DOOR PRIZES

FUN

DJ

SCHEDULE OF EVENTS

Tabletop Expo: 2:00 p.m. - 6:00 p.m.

Light Lunch: 2:00 p.m. - 5:00 p.m.
(Expo floor)

Cocktail Reception: 5:00 p.m. - 6:00 p.m.
(Expo floor)

Bull Roast & Award Presentations: 6:00 p.m. - 9:00 p.m.

WMDA CAR

TABLETOP EXHIBITORS
(as of July 24, 2017)

Automotive Training Institute (ATI)
Benjamin F. Brown Insurance Agency
Bolt On Technology
Carroll Motor Fuels
Century Distributors, Inc.
Chesapeake Automotive Equipment
Crompco LLC
Crovato BG Products & Services
DANA Insurance & Risk Management
Day, Deadrick & Marshall Insurance, Inc.
Eastern Shore Coffee & Water
Eco Heating Systems Inc.
Enovative Technologies
Ewing Oil Company, Inc.
First Merchant Services
Hunter Engineering Company
Intelicom, Inc./PAI
Jones & Frank
Meadowbrook Insurance Group
Mitchell 1
MTD Services, Inc.
NAPA Auto Parts
Net Driven
New Auto Solutions
Parts Authority
Patriot Capital
Petroleum Marketing Group
PPC Lubricants/Castrol
Repair Shop Websites
R.O. Writer
Spigler Petroleum Equipment, LLC
Sprague Operating Resources
Sunoco
The Wills Group
UpSide-Service
Utica National Insurance Group
WMD TRADING INC.

ALL YOU CAN EAT BULL ROAST MENU

SOUPS
Homemade Beef Vegetable Soup
Homemade Soup du Jour

SALADS
Cucumber Salad
Garden Salad
Macaroni Salad
Tomato & Mozzarella Salad

ENTREES
Chef Carved Pit Beef
Chef Carved Turkey
Chef Carved Ham
Bar-B-Que Beef
Bar-B-Que Pork Ribs
Bar-B-Que Chicken
Steamed Shrimp
Fresh Fried Fish
Italian Meatballs (all beef)
Baked Ziti (vegetarian)

SIDES
Corn on the Cob
Macaroni & Cheese
Rice
String Beans

DESSERTS
Assorted Cakes
Fresh Fruit
Ice Cream Sundae Bar

BEVERAGES
Ice Cold Draft Beer, featuring Blue Moon, Coors Light, & Natty Bohemian
Assorted Soft Drinks, Iced Tea, Regular & Decaf Coffee
Cash Bar for Wine & Cocktails

subject to change

FREE EXPO ADMISSION (2:00 p.m. – 6:00 p.m.)

Free admission is restricted to owners and personnel of service stations and repair shops only. Requests submitted by suppliers not exhibiting in the Expo, will not be accepted. A one-day Expo pass is available for a fee of $75. Soliciting on the Expo floor is prohibited, and is strictly enforced. Violators will be removed, and registration fee will be forfeited.

❑ I will attend the Expo.
No charge to attend the Expo for Members in good standing. Please list names below:

Primary Contact: ______________________ Guest Name: ______________________
Guest Name: ______________________ Guest Name: ______________________

CONTACT INFORMATION

Company: ______________________
Mailing Address: ______________________
City: ______________________ State: __________ Zip: __________
Phone: ______________________ Email: ______________________

BULL ROAST TICKETS (6:00 p.m. – 9:00 p.m.)

❑ Individual Tickets ....$55.00 x #________ = $__________
❑ Table of 10 ....$500.00 x #________ = $__________

PAYMENT INFORMATION

❑ Check Enclosed ❑ Visa ❑ MasterCard ❑ American Express

Zip Code of Billing Address for Charge Card__________
Account # ______________________
Expiration Date __________ CVV Code __________

Total Amount Due ....$ __________
Account Name (print) ______________________
Signature ______________________
❑ Checking box is my Electronic Signature and payment authorization

Mail to:
WMDA/CAR
1532 Pointer Ridge Place, Suite G
Bowie, MD 20716

Fax to:
301-390-3161

Email to:
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Push Toward Tax Reform

by Roy Littlefield

On July 17, 2017, WMDA/CAR and the Small Business Legislative Council (SBLC) sent comments to members of the Senate Committee on Finance, as the committee prepares for the upcoming push towards tax reform.

While WMDA/CAR strongly supports efforts to make the tax system simpler and more manageable, it is critical that tax reform not come at the expense of small businesses and their employees. Already, in the House Blueprint and the President's outline, there have been proposals that are deeply concerning for small business and could undermine small business' role as a critical driver of growth and job creation in this country. As discussed further below, WMDA/CAR urges the Committee to reject these problematic ideas and use tax reform as a vehicle to help, rather than hinder, small businesses.

While WMDA/CAR strongly supports efforts to make the tax system simpler and more manageable, it is critical that tax reform not come at the expense of small businesses and their employees.

TAX RATES FOR PASS-THROUGH ENTITIES

Greater parity is needed between the tax rates for pass-through entities and C corporations. However, if a new system is created for taxing pass-through entities, the applicable rules should be clearly outlined in the legislation itself and should be structured to ensure that they do not have the unintended effect of disrupting the small business retirement plan system.

Under the current tax laws, pass-through businesses, which constitute the large majority of business enterprises and employ over half of the employees in the United States, are at a disadvantage when compared to publicly and privately held C corporations. Unlike pass-through entities, regular C corporations separately report their taxable income and pay income tax on that taxable income. Under current law, the top marginal rate for C corporations is 35%, whereas the top marginal rate for income earned through S corporations, partnerships and sole proprietorships is 39.6% (passive investors are also subject to an additional 3.8% net investment tax). This gap needs to be narrowed or eliminated. If the C corporation rate is going to be reduced through tax reform, the rate for income from pass-through entities must be as well.

Both the President's outline and the House's Blueprint include proposals to reduce the tax rate for pass-through entities by creating a distinction between "active business income" and "reasonable compensation for services." This proposal would require owners of pass-through entities to take "reasonable" compensation for their services, which would be taxed at their personal income tax rate, and then allow them to receive other business income subject to a much lower tax rate. Provided that the reservations discussed below are adequately addressed, the WMDA/CAR strongly supports this concept.

First and foremost, if a new structure, like the one noted above, is going to be introduced for taxing pass-through entities, it is essential that the rules for its application be clear and outlined in the legislation itself. While the concept of distinguishing between "active business income" and "reasonable compensation for services" sounds relatively simple, the rules for determining what constitutes reasonable compensation for services has the potential to become very complex.

Small businesses do not have the same financial or administrative capacity to navigate complicated rules that their larger counterparts do. It is therefore critically important that the rules be clear and easily understood and applied. To ensure that this is the case, it is important that Congress clearly articulate the framework in the law itself rather than delegating the power to the IRS to do so.

Even if the current Administration has given assurances that new tax regulations will not be overly complex, delegating authority to the agencies to add detail to a tax reform law leaves open the possibility (and we would argue makes it likely) that, over time, the law's goal of simplification will be lost amidst increasingly complex regulations.

Another consideration that WMDA/CAR urges the Committee to address in considering a new tax system for pass-through entities, is the implications that a reduced tax rate for business profits could have on the small business retirement plan system. Most small business owners view the administrative costs associated with maintaining a plan and the meaningful contributions that they make for non-key employees as the price of being able to save in a qualified retirement plan for themselves.

If the small business owner has the opportunity to take profits out at a rate that is significantly lower than his or her individual tax rate that would apply to retirement funds at the time they are withdrawn, the small business owner is going to take the money out of the business at the reduced rate and invest it elsewhere. In turn, if the small business owner has no financial motivation to save in a retirement plan, the small business is much less likely to create a new plan or continue to offer an existing plan. This would be a significant blow to employees and be counter to the goal of encouraging increased retirement savings.

To avoid this problem, if a small business owner is going to be required to take a certain amount from the business as "reasonable compensation for services" before the reduced tax rate will apply, it is important that the contributions towards the retirement plan count towards reasonable compensation for services. Logically, this makes sense as the idea behind the distinction is to ensure that a certain amount of the business' income is being taxed at the business owner's standard individual rate and anything that is saved in a retirement plan will be subject to the individual rate when it is withdrawn. Additionally, it will continue to motivate small business owners to sponsor retirement plans that will allow them, and their employees, to save for the future.

BUSINESS INTEREST DEDUCTION

Small businesses rely on debt financing not equity to establish themselves and survive. The elimination of the business interest deduction would therefore be severely damaging to small business growth and success.

Both the President's outline and the House Blueprint have proposed to eliminate the business interest deduction. This proposal in the House Blueprint seems to be linked with a proposal to allow full and immediate expensing. WMDA/CAR does not believe there is any reason for these two proposals to be linked together. While WMDA/CAR supports immediate expensing, eliminating the business interest deduction would result in dramatic loss of financing options for small businesses, making it much more difficult for new businesses to start and existing businesses to thrive.

Small businesses rely heavily on traditional debt financing. Unlike equity financing, debt financing allows small business owners to maintain their ownership of, and control over, their businesses. Moreover, many alternative or creative funding options aren't available to small businesses, particularly in their early years. Eliminating the business interest deduction would result in a double tax on the interest itself.

Without the business interest deduction, before being paid as interest, the amount would be taxable to the business, but then would still be taxed as income to the lender. As the result of this treatment, and the increased costs and decreased gains that it will cause, those lenders that traditionally service small business clients, like community banks, are likely to reduce their borrowing options. This will make it more difficult for small businesses to get the debt financing they need and will strike a significant blow to the small business economy on which a huge part of the national economic stability depends.

THE ESTATE TAX AND THE STEP-UP IN BASIS

WMDA/CAR is in favor of repealing the estate tax but only if the step-up in basis at death is maintained.

Although many small businesses fall below the current estate tax exemptions, some small business owners still find themselves subject to the estate tax. WMDA/CAR supports a repeal of the estate tax to encourage these small businesses to grow and survive across generations. While some small businesses would be favorably impacted by estate tax repeal, far more small businesses would be negatively impacted, catastrophically, by a repeal of the step-up in basis at death.

Under the current law, family members who inherit a business take the business at its value as of the date of the original owner's death. However, if the step-up in basis were eliminated, the family members would be required to pay capital gains taxes on the original owners' gains in the business. In short, rather than bequeathing his or her descendants a legacy, a successful small business owner who grew his or her business from scratch, would be bequeathing his or her descendants a large tax burden, which many families may be unable to pay without selling the business.

There is absolutely no reason for the repeal of the estate tax and the repeal of the step-up in basis to go hand in hand. However, in the past, there have been too many proposals to repeal the estate tax that are either silent on the step-up in basis or seek to use the repeal of the step-up in basis as a leveraged trade-off for the elimination of the estate tax. WMDA/CAR urges the Committee to reject any proposal to eliminate the step-up in basis as doing so would be extremely detrimental to a large number of America's small businesses.

THE AMT

To promote simplification in the tax code, the AMT should be eliminated.

The AMT is the epitome of our overly complex tax code because it essentially requires taxpayers to calculate their taxes twice. Particularly for middle and upper middle income taxpayers, which many small business owners are, this means that they have to expend precious funds on engaging a professional to help them make the calculations. To achieve greater simplicity in the tax code, and relieve this undue burden on the taxpayers, the WMDA/CAR urges Congress to eliminate the AMT.

HEALTH INSURANCE PREMIUM DEDUCTION/EXCLUSION

The current system which allows employers to deduct health insurance premiums and employees to exclude health insurance premiums from their income, has the very positive effect of encouraging employers to contribute towards health insurance premiums, and should be maintained.

Under the current system, an employer contribution towards an employee's health insurance premium provides a win for both the employer and the employee. The contribution helps the employee get health insurance without it being included in the employee's income. In turn, the employer gets to deduct the contribution, so, although it is providing a huge benefit to its employees, it is able to do so at a relatively low cost to itself.

If the tax laws are changed in a way that would eliminate or reduce the benefit that employers get from contributing towards employee health insurance or reduce the benefit of these contributions to employees by making them taxable, it would cause many small business employers to give second thought to making such contributions. Employer contributions towards health insurance premiums are critical to helping many Americans afford health insurance and any change that would deter employers from making these contributions would be a move in the wrong direction.

THE SMALL BUSINESS RETIREMENT PLAN SYSTEM

The qualified retirement plan system, has been very successful in providing retirement security for a significant number of Americans. It is important that those provisions that have encouraged plan sponsorship among small businesses and saving by small business employees are not negatively impacted by tax reform.

Most small business owners are motivated to establish plans, and to make contributions for their employees, by a desire to save for their own retirement. If the tax laws are changed to reduce the ability or appeal of saving in a retirement plan, small business owners will be much less likely to continue an existing plan or start a new plan.

Accordingly, so as not to disturb the current successful small business retirement system, WMDA/CAR urges Congress to:

- Reject attempts to decrease the amount that can be saved in a qualified plan. If the amount that small business owners can save in a qualified plan is reduced, small business owners will be motivated to freeze or terminate plans once they themselves have hit that cap. This will mean that fewer small business employees will be offered a plan.

- Avoid changes that would quickly force savings out of a plan after the owner's death or otherwise do anything to make owners concerned about saving too much in a retirement plan. If small business owners are concerned that their descendants who inherit their plans assets will be forced to take the money out over a short period of time and therefore face negative tax consequences, the owners are likely to save less in the plan, which will not only impact their retirement security but that of the other employees of the business as well.

- Protect the deductibility of employer contributions. If the deduction for the employer contribution is eliminated, employers will be far less likely to contribute towards an employee's retirement savings.

- Reject proposals to try to limit how much can be saved in a defined contribution plan pre-tax, (i.e. to force some or all of the defined contribution retirement plan system towards Roths). If employees are taxed on contributions to a plan, they will be less likely to save, which, given that people are far more likely to save in employer-sponsored retirement plans than in any other vehicle, would reduce retirement savings overall. ◆

WMDA/CAR

Political Action Committee

The Political Action Committee for the Service Station & Automotive Repair Industry.

WMDA/CAR is your voice in state and federal government – make sure your voice is heard!

Your contribution and support can make a difference!

For more information, please contact:

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www.wmda.net

LEGISLATIVE UPDATE
Federal Update

by Roy Littlefield IV
Government Affairs Assistant

WMDA/CAR had a busy month attending fundraisers, meetings on Capitol Hill, coalition meetings, holding conference calls, and at the end of the month we met with NHTSA officials to discuss the tire registration study.

At the beginning of the month we attended a political fundraiser for Congressman Steny Hoyer who serves as the Minority whip in the House of Representatives. We discussed with Congressman Hoyer the important issues impacting the tire industry. Many other members of Congress, especially from Maryland, attended the event and we were able to make contact with them as well.

As transportation funding continues to be a topic of discussion, WMDA/CAR met with Alan Pisarski who serves as a transportation and funding advisor on the Trump transition team. Pisarski lead a discussion on funding and finance in our new world, with reauthorization behind us for a change, and a trillion dollar program of infrastructure in the wings. His particular concern has been the weaknesses in the idea of tolling the interstates as part of our future and the loss of credibility with the public as expressed in a recent special issue of Public Works Finance. The discussion was especially timely given the elements of the Trump Administration's infrastructure program revealed recently in the President's Budget. We look forward to having more conversations with Pisarski in the future.

In mid-June, WMDA/CAR attended a Family Business Coalition meeting to discuss small business priorities in tax reform, the upcoming Senate healthcare bill, timelines for legislation/deadlines facing Congress, death tax repeal, 2704 regulations, and regulatory reform efforts.

At the meeting, WMDA/CAR spoke with staff from House Speaker Ryan, the House Committee on Ways and Means, Congresswoman McMorris Rodgers, Senate Majority Leader McConnell, and Senator Thune. These members have championed our issues on tax reform and other business initiatives.

In June, WMDA/CAR attended a Save LIFO coalition meeting. As tax reform discussions begin to heat up, so do the possibilities of repealing LIFO. With the border adjustability proposal facing backlash, there is a possibility it could be off the table, with all other areas of revenue back on the table, including reforming or eliminating the LIFO system. It is expected that repealing LIFO could bring the federal government $70-105 billion on a one time hit. We will remain active in the coalition and in tax reform discussions in Washington.

At the end of the month, we joined a large coalition signing on to a letter to the Senate about the tax treatment of health benefits, including preserving the income exclusion for employer-paid group health premiums. And recently, we participated in the National Small Business Forum which featured presentations from, and dialogue with, high-level staff from the Internal Revenue Service.

WMDA/CAR looks forward to participating in upcoming discussions this year on tax reform, healthcare, and transportation funding. Please let us know your thoughts on different proposals. ◆


DASH IN


GRILL BAR

Electric vs. Internal Combustion

by Kevin Rohlwing
WMDA Staff

When Ferdinand Porsche unveiled his Lohner Porsche at the 1900 Paris World Exhibition, the world got its first glimpse at an electric car. Porsche utilized wheel-hub motors on the front wheels and it evolved in the Lohner-Porsche Semper Vivus, which was the first functional internal combustion and battery-powered hybrid car. The founder of Volkswagen was definitely ahead of his time and if it wasn't for the ample supply of domestic oil at the dawn of the automobile era, the transportation industry could be a completely different place.

Despite low gasoline and fuel prices, the demand for hybrid and electric cars continues to grow. In fact, Ulrich Eichhorn, the head of research and development for Volkswagen, predicts a massive shortage of the lithium ion battery cells that are at the heart of every electric and hybrid automobile. During a June 30 presentation at Volkswagen's proving ground in Germany, Eichhorn predicted that the industry would need the capacity equivalent to 40 Telsa gigfactories by 2025 to meet demand. On July 5, 2017, Volvo became the first mainstream automaker to announce a shift to hybrids or electric cars starting in 2019. While Volvo will continue to produce models with conventional internal combustion engines after 2019, all new models after that date will be hybrid or electric with a possible complete phase out occurring around 2024.

In a recent report from Bloomberg New Energy Finance, they estimate that electric vehicles will account for 54% of new car sales by 2040, up from a previous forecast of 35%. This will replace 8 million barrels of fuel per day and add 5% to the global consumption of electricity. Bloomberg, and other industry experts, are predicting that the tumbling prices of lithium-ion batteries will take a huge plunge in the second half of the 2020s eventually falling by as much as 70% by 2030. The average cost of lithium-ion batteries has already dropped by two-thirds since 2010, a trend that is expected to continue as companies like Tesla ramp up their production.

The wild cards at the center of this debate are the nonferrous metals and minerals like lithium, cobalt, nickel, manganese, graphite, copper and aluminum that are the primary raw materials for the battery cell assemblies. Naturally, the most important raw material in that list is lithium, which is a rare element found in low concentrations in rocks and brines. According to a 2008 study from Meridian International Research, approximately 70% of the world's lithium deposits are found in a small area of South America where the borders of Chile, Bolivia and Argentina meet. This "Lithium Triangle" is the new Middle East for electric vehicle and hybrid fuel.

So, what does all of this mean for gas stations and automotive repair shops? Let's start with the gas stations. In the traditional supply and demand model, reduced demand with higher supplies typically suppresses the price. According to the U.S. Energy Information Administration (EIA), gasoline and diesel fuel prices are expected to remain stable through 2018. As the fuel economy for internal combustion vehicles improves and more of those vehicles are replaced with electric and hybrid technology, oil consumption is not expected to increase in the immediate future. EIA annual projections to 2050 reflect the same relatively flat supply and price trends.

The good news is that there are still a number of obstacles for the electric and hybrid vehicle industries. With a limited range and charging infrastructure, the purely electric vehicles are best suited for cities where there are enough charging stations to keep people moving. However, the dense urban areas with street parking and limited charging options present a whole new set of challenges for the electric car buyer. Then there is the time factor of waiting for the battery to charge as opposed to filling the tank with fuel. Gas stations are relatively easy to find and fueling takes a few minutes. Just imagine a classic Baltimore-Washington traffic jam where the batteries are draining with each couple of feet that the electric car advances. And what happens if the battery dies on the middle of a beltway in rush hour traffic?

The Bloomberg report estimates that there will still be more internal combustion engines on the road in 2040 than there are today at the global level. Even with government incentives to reduce greenhouse gas emissions, Exxon Mobil estimates that electric vehicle sales will account for only 10% of the new vehicle market by 2040. Chelsea Sexton, an auto industry consultant, was quoted as saying, “We’ve seen a lot of announcements about electric vehicles, but that doesn’t matter if automakers are just building these cars for compliance and are unenthusiastic about actually marketing them.” Since they require less maintenance, which makes them less profitable for service departments, the new car dealerships are also reluctant to push electric vehicles.

On the repair shop side, there should be plenty of internal combustion and hybrid vehicles to fix and maintain in the coming decades. For most Americans, the hybrid technology makes the most sense because there is always a reliable back-up when battery power gets low. Most shops are already servicing hybrid vehicles so there shouldn’t be any major shifts from an operational standpoint in the near future. The other thing to remember is that the pickup and delivery truck business (which is booming thanks to low fuel prices) should not be affected by the electric or hybrid movement. So, while electric cars do not need the same level or frequency of maintenance/repairs as their hybrid or internal combustion counterparts, it doesn’t look like there will be enough of them on the road to have a significant impact.

The final wild card is, of course, the government. Debating the impact or validity of global warming can be a never-ending exercise in futility, but the fact remains that it is a hot topic that is not going away. If the government decides to subsidize electric vehicles or place heavy taxes on internal-combustion and/or hybrids, the needle could easily shift away from traditional forms of transportation. And while trucking and aviation would be safe because lithium-ion battery technology is nowhere near the levels of power and charge retention required in those areas, passenger vehicles will always be an easy target. Norway is a perfect example of how the government can promote electric vehicles with subsidies and taxes judging by the fact that 37% of all new light vehicle sales are now electric, which was just 6% in 2013.

Electric vehicles are going to change some business models. Whether it’s adding charging capability to traditional gas stations or adapting to improved fuel economy, the long-prospects for the fuel industry appear to be relatively flat from a growth and income perspective. Oil-rich countries like Venezuela, Russia and the oil sands of Canada are perfect examples of the changes related to the new model for a petroleum powered society. That being said, there will always be a place for the internal combustion engine and the network of fuel suppliers that keep it running. Likewise, the repair shop business will feel the pinch to some degree, but the gas-powered and hybrid vehicles that are the bread and butter of the industry should still be around in large numbers for at least the next couple of decades, despite the messages sent by the stock price and market value of companies like Tesla. And finally, the dependence on rare elements with a long supply chain could experience sudden catastrophic interruptions that would cripple the lithium-ion battery industry in an instant (think about a major earthquake in a region with a history of major earthquakes). In other words, the electric car “revolution” may make a lot of noise in the media and the markets, but in the real world, there are more than enough obstacles that should maintain the status quo for years to come. ◆

ENDORSED SUPPLIER'S SPOTLIGHT:
PPC and Castrol's Oil Program

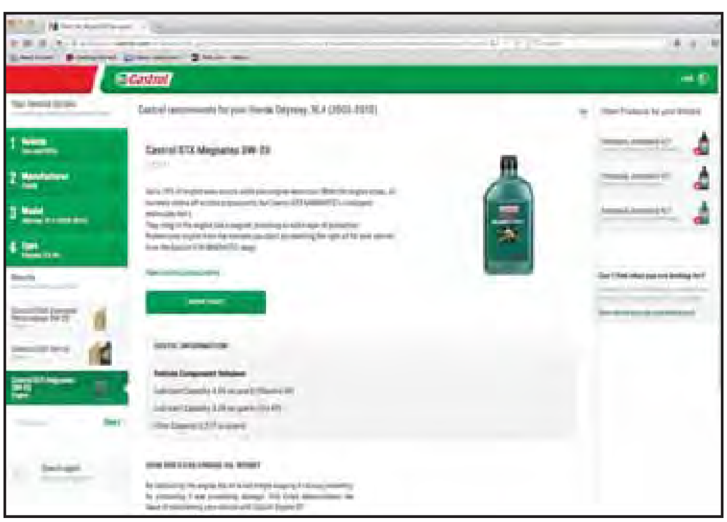
by Sandi Weaver, British American Auto Care
and Stephen Powell, Thoroughbred Transmissions & Auto Care, Inc.

PPC's program will put enough money back in your pocket to pay your WMDA/CAR dues and have some left over.

How it all started: Clyde McLaughlin former owner of Chesapeake Import Services attended a CAR round table and asked "why can I get oil from Walmart or Costco cheaper than my supplier." This question started the processes of finding an oil supplier who could offer WMDA/CAR members good quality oil at a great price.

Enter Gene Nace of PPC and Gerald Abrams of Castrol/BP. Gerald heard WMDA/CAR was shopping around and went to Castrol to propose working with this group of small auto repair shops knowing a few hundred small shops buying 200 gallons of oil is just as profitable as having one large repair shop buying 5000 gallons of oil. Gerald and Gene came up with numbers and proposed their offer to the CAR committee. PPC/Castrol offered more than just competitive prices on high quality oil; they offer so much more including consultations and welcome feedback from their customers.

Four years ago Ken Quasney of Autosense in Millersville asked if Castrol had an app available to show what oil is needed for any vehicle. Castrol came out with a mobile friendly website accessed via www.mycastrolrewards.com where members can put in the year, make, model and type of vehicle and the results show the types of Castrol oil that can be used in the vehicle including capacity, technical documents and the type of transmission fluid the vehicle calls for.



This website will become more useful as engines become more high tech, needing stricter oil specifications. Putting the wrong oil in a car could cause severe problems. The days of stocking only one or two types of oil has come and gone. Depending on what makes of vehicles your shop works on, you could need 10 or more types of oil.

Castrol is the only oil company who has their engineers work side by side with the auto maker's engineers to make sure the best oil possible is in the vehicle when it's manufactured. Castrol is currently the factory fill oil for Volkswagen, Audi, Land Rover, Volvo, Jaguar, Mazda, Austin Martin and Lamborghini.

Another member wanted an alternative chemical supplier for Throttle body services and such. PPC stepped up to the plate and now offer a huge selection of products including Full Throttle.

While speaking with Gene and Gerald we noticed what a truly cohesive relationship the two companies have. Their customer service is second to none and they truly want to deliver quality oil, at everyday lower prices and they want to make it easy for shop owners. PPC's Service Consultants take care of everything.

> *"Oil is the one thing I never have to worry about. Mike Smith checks our inventory, stocks it to the correct amount and always checks in to make sure everything is going well," says Brian England, President of British American Auto Care in Columbia.*

The program Castrol and PPC came up with for WMDA/CAR was so successful they have duplicated it in California, Chicago and New England. Gerald projected WMDA/CAR members would buy approximately 20,000 gallons per year, well WMDA/CAR members buy 12 times that amount annually!!

11-year-old "Mini" Timmy Tyrrell (left), 2016 Late Model Stock Car Champion Shenandoah Speedway, and Gerald Abrams of Castrol at WMDA/CAR Summit in April 2016.

Member benefits of the PPC/Castrol Oil Program include:

- **Pricing and Rebates:** Not only is their everyday pricing competitive, they also give quarterly rebates to their customers. The pricing and rebates alone make this the best oil deal around.

- **Points Program:** Castrol in 2016 launched a Castrol rewards points program. You as a customer will receive points for every gallon of oil you purchase. These points have real value. Only 42% of current Castrol customers have redeemed their points. 1300 gallons of Castrol Edge oil converts to 6000 points which is enough for a round trip airline ticket to Israel. Or any number of places and items. To check your points go to www.mycastrolrewards.com and log in and view your points, merchandise, trips and more. All for buying oil you are already buying.

- **Consulting:** A PPC Sales Consultant reviews your shop's process and offers products and programs to increase profits, work smarter and to open up new opportunities.

- **Advertising Promotions:** Each quarter Castrol has a promotion. Their most successful promotion so far was the mini wireless NFL team speakers. This quarter is another very successful promotion offering customers up to $15 off their next oil change with you.

- **Inventory Management:** PPC's Sales Consultants take care of the ordering and keeping stock to the correct level.

- **The Oil Truck:** Castrol has a van that travels up and down the East Coast to help technicians, service advisors and owners learn more about Castrol products. The van will be available in the fourth quarter. Please schedule the van or shop oil training with your Castrol representative as needed.

"If your business is not taking advantage of the WMDA/CAR endorsed supplier programs, you are leaving a lot of profit dollars in the parking lot. Get involved and put those dollars in your bank account," says Clyde McLaughlin, Chesapeake Import Service.

Castrol and PPC have been supporters of WMDA/CAR for over 7 years. They help make events like Training Day and the Expo possible. If you have any questions or would like to sign up with PPC Lubricants, contact Gene Nace at 717-215-7253.

(See the PPC Lubricants ad on the inside back cover.) ◆

Gerald Abrams from Castrol, former Baltimore Oriole Cal Ripken, Matt DiPaulo from Castrol, Ken Quasney of Autosense, and Gene Nace from PPC stole a photo op with Cal who was dinning at Hella's.

KIRK'S KORNER

Around the Horn – Delaware, District of Columbia and Maryland

by Kirk McCauley
Director of Member Relations & Government Affairs

DELAWARE

Effective September 1, 2017, the tax on Delaware cigarettes will be increased to $2.10 (currently, $1.60) per pack of 20 cigarettes. The tax on all tobacco products other than vapor products, moist snuff, and cigarettes is increased from 15% of the wholesale price to 30% of the wholesale price, and the tax on moist snuff is increased to 92 cents per ounce (currently 54 cents per ounce). In addition, effective January 1, 2018, vapor products are added as a type of tobacco product and a new tax is imposed at the rate of 5 cents per fluid millimeter of vapor product.

The General Assembly set out to raise the minimum wage, enact a gas tax hike, and add personal income tax, but in the end all that failed. What forced them into extended session was not having a budget bill passed. In extended session they agreed on the tobacco tax and an alcohol tax increase to help with the budget.

The minimum wage stays at $8.25 per hour, Delaware gas tax will remain at 23 cents for gas and 22 cents for diesel. The Delaware General Assembly will come back in January of 2018.

DISTRICT OF COLUMBIA

Chairman of the Transportation and the Environment committee council member Mary Cheh and council member Jack Evans introduced bill B22-70 "Emissions Amendment Inspection Act of 2017." The bill would let full service stations that perform repairs to correct failures issue valid inspection stickers.

WMDA/CAR asked for an amendment to include any repair facility that had a certified emission technician and proper equipment. We think the whole emission process should be taken over by independent service stations and repair facilities. This bill is currently under council review.

Decommission of Stage II vapor recovery in the District of Columbia is like watching grass grow. Talks with the DOEE (Department of Energy and Environment) Air Quality Division have been on going for two years with little results. EPA and independent studies all say the same, vacuum assist Stage II is in conflict with Onboard Refueling Vapor Recovery (ORVR) and can result in up to 10% loss in efficiency when the two are combined.

We have members in the District of Columbia that would like to make renovations and replace old worn out pumps and equipment, but are waiting for Stage II decommission like Maryland and Virginia. Stage II is costly and totally unnecessary. I have already talked to a few of the council members on this subject and if you have a council member as a customer of yours, please talk to them about decommissioning.

MARYLAND

Earlier in the year we heard new car dealers were going to participate in a pilot program for emission testing. Upon investigating, we found that the Department of Transportation (DOT) was going to run the pilot program and we responded that independent repair facilities needed to be included. DOT agreed that we would be included.

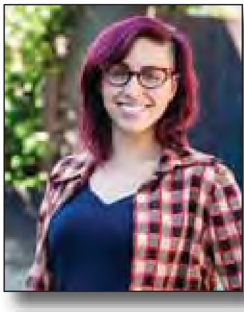
Before our first meeting the program was canceled. I understand it was canceled because of conflict between Maryland Department of Environment (MDE) and DOT over who should run the program and/or someone didn't like independent repair facilities being included. I am working on getting the program opened back up.

A periodic Maryland inspection would be on our wish list and we have been laying the ground work since 2003 or earlier. We will have to keep laying ground work because no one is going to vote for a bill, nor would the governor sign one in an election year. Even a lower cost inspection program would be seen as a non-starter in an election year.

The emission program and the inspection program might not be big money makers, depending on cost. They might not be for all shops. I can promise you this – the shop's that embrace the changes will have car count galore and opportunity for any sell-through that's needed. A big plus is the way electronic inspections are now being done. Data collected on repairs could be a big boost to our efforts to show need.

I hope to see you all at the 2017 Expo at Martin's West on October 11. No excuses, support your association and have a great time. Look for more information in this issue.

If you have any questions about the information in this article, email me at kmccauley@wmda.net Have a great summer! ◆



CALL TRACKING:
What Is It and Why Should You Have It?

by Stephanie Santore
Net Driven

With call tracking, you get a clear picture of the effectiveness of your marketing efforts and how successful they are at driving phone calls and generating sales.

Phone calls to businesses are increasing by over 19% each year, and are expected to reach 79 billion by 2018. How come? Well in today's world, it's easier than ever for people to contact a business with just the tap of a button. This increase in mobile search behavior means greater potential for searches to result in phone calls. If people are calling more than ever before, then shouldn't every call count? Let's talk about call tracking and what it can do for your business.

WHAT IS CALL TRACKING?

Call tracking is analytics for your phone calls. It can be used as a tool to optimize your customer service and marketing efforts. It also helps to fill in the gaps left behind by traditional analytics, tracking phone leads beyond Click-to-Call. Businesses are now able to take a closer look into who their customers are and how customer service is provided at their business.

With call tracking, you get a clear picture of the effectiveness of your marketing efforts and how successful they are at driving

phone calls and generating sales. You are able to gather a wealth of information that can not only optimize your marketing strategies, but coach your team and improve customer service, turning more phone calls into sales.

HOW DOES IT WORK?

The most common way to use call tracking is through what is called DNI, which stands for Dynamic Number Insertion. For example, if your business is interested in installing call tracking on your website, you get to keep your original phone number which stays hard-coded on your website. DNI allows for a unique phone number to display temporarily and dynamically via a snippet of JavaScript (code) installed on every page of the site. This number will then be forwarded to your main business phone number, allowing your staff to answer as if the call were made directly to that line.

WHAT ARE THE BENEFITS OF CALL TRACKING?

There are many benefits to integrating

call tracking on your website and within your advertising and marketing campaigns. With call tracking you can:

- **Review Call Recordings:** By reviewing phone calls, you gain valuable insight into your customers as well as your staff's customer service skills. In what ways do they excel at customer service? Where do they need improvement? Call tracking can double as a training tool, enhancing your team's skills and strengthening business.

- **Review Call Type Classifications:** Call type classifications let you see how many calls were answered, which ones went to voicemail, if there were any abandoned calls, and more.

- **Review Call Analytics:** Call Analytics let you see where your calls are coming from, it tracks how many new and repeat callers contact you, tracks peak call periods to know when your company is at its busiest, monitors call durations, all while highlighting trends and patterns

- **Review Reports:** Generated reports allow you to review phone leads and see where and when they are generated. You can even get phone numbers from missed calls so you can recapture those leads! Incorporate your call tracking data with your existing Google Analytics or Google AdWords account and see a stronger picture of how your website and marketing efforts are progressing.

With the ease of adding a snippet of code onto your website, you gain a greater understanding of both your customer and your team and how best to sell to your target audience. You can put into practice all that you glean from the call tracking reports, making changes based on assessable data that can improve your team's performance and client relations along with your marketing efforts. Many industries rely on phone calls as a top lead source. If calls are the best leads out there, why wouldn't you want greater insight into your biggest lead generator? ◆

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If your business needs any of the following products or services, be sure to check out these companies endorsed by WMDA/CAR.

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Email: sbailey@partsauthority.com

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"PPC Lubricants give me a great price on Premium Castrol branded products and a bulk program that will knock your socks off and then I get this check in the mail for a quarterly rebate...What's not to like?" - **Ken Quasney Auto Sense**

"I have hear it before, best price, largest selection, good service and a quarterly rebate, but I said 'what the hell... WMDA did the homework, I will give it a try'. Boy I am glad I did! PPC Lubricants delivered in spades, plus a big check!"

- Dave Taggart Superior Auto Service

"We work on a lot of high end cars and needs a supplier that we can depend on, not only for service but a broad range of quality products. PPC not only supplies that product, but they supply it at a price that makes sense. The quarterly rebate and the amount was a complete surprise!"

- Clyde McLaughlin Chesapeake Import Service

Call Gene Nace Today! 717-215-7253

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