



# TirePAC

The Political Action Committee for the Tire Industry

**Dear TIA Member:**

We are currently facing a threat from manufacturers who are pushing legislation that would return tire registration to a mandatory system with fines of up to \$700,000 per location for non-compliance. The system is currently voluntary and responsibility lies with the consumer to register the tires. The Tire Industry Association (TIA) opposes tire registration language in the “Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act” or “GROW AMERICA Act” (H.R. 2410).

If passed, the amendment would give the Department of Transportation (DOT) and the National Highway Traffic Safety Administration (NHTSA) the authority to make changes to 49 CFR Part 574. TIA believes that NHTSA intends to reinstate some form of a mandatory tire registration system.

Given the fact that more tire manufacturers appear to be moving toward selling tires directly to the consumer via the Internet, there is an increased level of concern about dealers submitting contact information, especially if it includes an email address.

TIA believes the risk of email addresses and mobile phone numbers being misused by a manufacturer to the detriment of distributors or dealers is genuine. First, the dealer or dealers would have to file a complaint that the manufacturer in question was misusing the data. In order to make that claim, they would need to collect evidence over a period of time. After the complaint has been communicated to NHTSA, the Agency would then have to investigate and subpoena records from the manufacturer. If the manufacturer in question did misuse the information, the time between the claim and the ruling would be measured in months, if not years. As a result, a return to mandatory tire registration that includes this information could only further harm independent tire dealers. And if such data collection and submission were required by law, the tire manufacturers would have yet another way to cut the dealer out of the purchase altogether.

There are far too many variables and unanswered questions to sit back and hope that the voluntary tire registration system remains in place. Between NHTSA and RMA, there are two influential organizations that have a clear-cut agenda to reinstate mandatory tire registration. But the only way that can happen is for Congress to give NHTSA the authority to make that change. The GROW AMERICA Act is the first attempt at a regulatory solution and TIA is certain that there will be future attempts to solve the problem of low tire registration rates with new legislation.

TIA's lobbying and educational efforts on Capitol Hill are having a positive impact, but we must launch a national grassroots effort in order to fight the tire registration amendment in the GROW AMERICA Act. Our strength comes from you and our PAC. Now more than ever, we need your support. Please consider supporting the TirePAC but more importantly get involved by writing letters and making calls to your elected officials on behalf of not just your business but the entire tire industry.



Thanks,



Dick Gust  
Government Affairs Committee Chairman



## GROW AMERICA ACT INTRODUCED WITH 27 CO-SPONSORS – TIRE REGISTRATION LANGUAGE INCLUDED

### GRASSROOTS ALERT!

Congressman Peter DeFazio (D-OR-4), the chamber's top Democrat on the transportation policy panel, introduced President Obama's transportation plan (Grow America Act- H.R. 2410) with 26 other House Democrats as legislation on the same day passed the House approving a two-month funding patch for highway programs.

#### The following Democrats co-sponsored the "Grow America Act":

Rep. Eleanor Holmes Norton (D-DC-At Large)  
Rep. Jerrold Nadler (D-NY-10)  
Rep. Corrine Brown (D-FL-5)  
Rep. Eddie Bernice Johnson (D-TX-30)  
Rep. Elijah E. Cummings (D-MD-7)  
Rep. Rick Larsen (D-WA-2)  
Rep. Michael E. Capuano (D-MA-7)  
Rep. Grace F. Napolitano (D-CA-32)  
Rep. Steve Cohen (D-TN-9)  
Rep. Albio Sires (D-NJ-8)  
Rep. Donna F. Edwards (D-MD-4)  
Rep. John Garamendi (D-CA-3)  
Rep. Andre Carson (D-IN-7)  
Rep. Richard M. Nolan (D-MN-8)  
Rep. Ann Kirkpatrick (D-AZ-1)  
Rep. Dina Titus (D-NV-1)  
Rep. Elizabeth H. Esty (D-CT-5)  
Rep. Lois Frankel (D-FL-22)  
Rep. Julia Brownley (D-CA-26)  
Rep. Chris Van Hollen (D-MD-8)  
Rep. Peter Welch (D-VT-At Large)  
Rep. Mark Pocan (D-WI-2)  
Rep. Paul Tonko (D-NY-20)  
Rep. Jared Huffman (D-CA-2)  
Rep. Gwen Moore (D-WI-4)  
Rep. Charles B. Rangel (D-NY-13)  
Rep. G.K. Butterfield (D-NC-1)

TIA is concerned with the Grow America Act because located in Section 4112 is a provision titled "Tire Registration by Independent Sellers" which attempts to amend subsection (b) of section 30117 of title 49, United States Code. The proposed revision of paragraph (3) is as follows:

*(3) The Secretary may initiate a rulemaking to consider requiring a distributor or dealer of tires that is not owned or controlled by a manufacturer of tires to maintain records of the name and address of tire purchasers and lessors and information identifying the tire that was purchased or leased, and any additional records the Secretary deems appropriate. Such rulemaking may also consider requiring a distributor or dealer of tires that is not owned or controlled by a manufacturer of tires to electronically transmit such records to the manufacturer of the tire by secure means at no cost to tire purchasers or lessors.*

If passed, the amendment would give the Department of Transportation (DOT) and the National Highway Traffic Safety Administration (NHTSA) the authority to make changes to 49 CFR Part 574. According to the language in Section 4112 of the "Grow America Act", it's reasonable to assume that NHTSA would require the distributor or dealer to maintain the records and electronically transmit the information to the manufacturer at no cost to the customer. Based on those assumptions, TIA believes that NHTSA intends to reinstate some form of a mandatory tire registration system.

The "Grow America Act" has hundreds of amendments included in the 361 page proposal, including Section 4112 on tire registration which is buried on page 189. There is no way that TIA or any other organization can predict which ones will be included as part of the final markup if it even makes it that far. Therefore, we ask our membership to take part in our grassroots efforts to inform members on the House Energy and Commerce Committee to remove Section 4112 from the "Grow America Act."

The time is now to get involved and fight against this burdensome proposal. If passed, a dealer could be fined up to \$700,000 per location for not registering tires.

TIA's lobbying and educational efforts on Capitol Hill are having a positive impact, but we must launch a national grassroots effort in the event that GROW AMERICA or any other proposed regulatory solutions surface. TIA is also calling for tire dealers in every state to educate themselves so they understand the ramifications of a mandatory tire registration system. Elected officials in the House of Representatives and Senate are approached by lobbyists and special interest groups on a daily basis, but the most powerful voices on Capitol Hill always belong to the voters who put them there.

We ask that you call, write, and reach out to members on the Committees to voice your concerns with Section 4112 in the "Grow America Act" (H.R. 2410).

We need your help with outreach, phone calls, and letters in a grassroots campaign to inform the Committee members how important this issue is to residents in their district. *(You will find a sample letter you can use on page 4 of this Newsletter.)*

On the next page is the full roster for the House Energy and Commerce Committee and the Senate Environment and Public Works Committee broken down by state. To contact a member of Congress by phone please call the switch board operator at 202-224-3121 and ask for the office of your Representative.

If you make contact with anyone, please let Government Affairs Manager Roy Littlefield IV (rlittlefield2@tireindustry.org) know so we can better account for what contacts have been made and the feedback we have received. We need to do all we can do build support among Committee members.

Please join us in these efforts and contact your Representative today!

**HOUSE ENERGY AND COMMERCE COMMITTEE BY STATE****California**

Anna G. Eshoo (CA) (D)  
 Lois Capps (CA) (D)  
 Doris O. Matsui (CA) (D)  
 Jerry McNerney (CA) (D)  
 Tony Cardenas (CA) (D)

**Colorado**

Diana DeGette (CO) (D)

**Florida**

Gus Bilirakis (FL) (R)  
 Kathy Castor (FL) (D)

**Illinois**

John Shimkus (IL) (R)  
 Adam Kinzinger (IL) (R)  
 Bobby L. Rush (IL) (D)  
 Jan Schakowsky (IL) (D)

**Indiana**

Larry Bucshon (IN) (R)  
 Susan Brooks (IN) (R)

**Iowa**

David Loebsack (IA) (D)

**Kansas**

Mike Pompeo (KS) (R)

**Kentucky**

Ed Whitfield (KY) (R)  
 Brett Guthrie (KY) (R)  
 John Yarmuth (KY) (D)

**Louisiana**

Steve Scalise (LA) (R)

**Maryland**

John Sarbanes (MD) (D)

**Massachusetts**

Joseph P. Kennedy III (MA) (D)

**Michigan**

Fred Upton (MI) (R)- Chairman

**Mississippi**

Gregg Harper (MS) (R)

**Missouri**

Billy Long (MO) (R)

**New Jersey**

Leonard Lance (NJ) (R-7th)  
 Frank Pallone, Jr. (NJ) (D)- Ranking Member

**New Mexico**

Ben Ray Lujan (NM) (D)

**New York**

Chris Collins (NY) (R)  
 Eliot L. Engel (NY) (D)  
 Paul Tonko (NY) (D)  
 Yvette D. Clarke (NY) (D)

**North Carolina**

Renee Ellmers (NC) (R)  
 Richard Hudson (NC) (R)  
 G. K. Butterfield (NC) (D)

**North Dakota**

Kevin Cramer (ND) (R)

**Ohio**

Bob Latta (OH) (R)  
 Bill Johnson (OH) (R)

**Oklahoma**

Markwayne Mullin (OK) (R)

**Oregon**

Greg Walden (OR) (R)  
 Kurt Schrader (OR) (D)

**Pennsylvania**

Joseph R. Pitts (PA) (R)  
 Tim Murphy (PA) (R)  
 Michael F. Doyle (PA) (D)

**Tennessee**

Marsha Blackburn (TN) - Vice Chairman (R)

**Texas**

Joe Barton (TX) (R)- Chairman Emeritus  
 Michael C. Burgess (TX) (R)  
 Pete Olson (TX) (R)  
 Bill Flores (TX) (R)  
 Gene Green (TX) (D)

**Utah**

Peter Welch (VT) (D)

**Virginia**

Morgan Griffith (VA) (R-9th)

**Washington**

Cathy McMorris Rodgers (WA) (R)

**West Virginia**

David McKinley (WV) (R)

**SAMPLE TIRE REGISTRATION LETTER**

*(Be sure to include your business, title, job description, and any personal stories, ties, or concerns you may have.)*

Dear \_\_\_\_\_,

I am writing you to express my opposition to the tire registration language in the “Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act” or “GROW AMERICA Act” (H.R. 2410). Section 4112 is titled “Tire Registration by Independent Sellers” and attempts to amend subsection (b) of section 30117 of title 49, United States Code. The proposed revision of paragraph (3) is as follows:

*(3) The Secretary may initiate a rulemaking to consider requiring a distributor or dealer of tires that is not owned or controlled by a manufacturer of tires to maintain records of the name and address of tire purchasers and lessors and information identifying the tire that was purchased or leased, and any additional records the Secretary deems appropriate. Such rulemaking may also consider requiring a distributor or dealer of tires that is not owned or controlled by a manufacturer of tires to electronically transmit such records to the manufacturer of the tire by secure means at no cost to tire purchasers or lessors.*

If passed, the amendment would give the Department of Transportation (DOT) and the National Highway Traffic Safety Administration (NHTSA) the unlimited authority to make changes to 49 CFR Part 574. According to the language in Section 4112 of the GROW AMERICA Act, it's reasonable to assume that NHTSA could require the distributor or dealer to maintain the records and/or electronically transmit that information to the manufacturer at no cost to the customer. Based on those assumptions, it appears that NHTSA intends to reinstate some form of a mandatory tire registration system.

For the past 30+ years, tire registration has operated under a voluntary system where the consumer is ultimately responsible for submitting the Tire Identification Number (TIN) to the manufacturer for every new tire purchased. Child restraints (car seats) are registered under a similar system where the retailer plays no role the process. Section 4112 is a thinly veiled attempt by the tire manufacturers to shift their liability for recalled products to small companies like mine. If mandatory tire registration is enacted under Section 4112, independent tire retailers would be the only businesses required by law to register products on behalf of the manufacturer.

My company is already burdened with recording the TIN for every new tire that is purchased and providing the consumer with a registration card that I have to purchase because the manufacturers do not supply them (which is in violation of Part 574). Under a mandatory system, that burden would increase exponentially and I could be subjected to large fines and penalties that would have the potential to financially ruin my business if someone makes an innocent mistake. Coincidentally, retailers owned or controlled by a manufacturer would not be subjected any fines or penalties for making the same mistake, which is blatantly unfair. The tire manufacturers have done nothing to leverage technology and reduce the burden on my business. Their solution to low registration rates is to make it mandatory and penalize small companies like mine while locations under their control are not held to the same standard.

The tire manufacturers have also indicated that they would like to add email addresses and mobile phone numbers to the personal information that consumers would need to provide under a mandatory tire registration system. Again, the burden will be on me to collect all of the information from my customers and submit to the manufacturer. Besides the obvious privacy concerns, there is also the risk that the information could be misused for marketing purposes. Tire manufacturers could compile extensive customer databases under the guise of a tire registration system and use the information to cut me completely out of the tire buying process.

I totally understand and agree with the need to register new tires so consumers can be notified in the event of a safety recall. However, it's important to note that the tire manufacturers and NHTSA have made very few, if any, efforts to educate motorists on the importance of registering their tire purchases under the current voluntary system. I am positive that a legislative solution is unnecessary, especially when all of the burden and liability falls on small businesses like mine. Section 4112 of the GROW AMERICA Act unfairly targets small businesses while relieving the tire manufacturers of their responsibility to notify consumers when their products are the subject of a recall.

On behalf of my company and the thousands of independent tire retailers across the country, I am asking you to strike to strike the tire registration language in the GROW AMERICA Act if it is introduced in your Committee.

Sincerely,

**COMMENTS TIA SUBMITTED TO NHTSA ON TIRE REGISTRATION****Tire Industry Association Comments on Reports, Forms, and Recordkeeping Requirements  
U.S. DOT Docket Number NHTSA-2014-0116  
March 23, 2015**

On February 19, 2015, the National Highway Traffic Safety Administration (NHTSA) published a request in the Federal Register for public comment on the extension of a currently approved collection of information regarding tire identification and recordkeeping. The Tire Industry Association (TIA) is submitting these comments on behalf of its members.

TIA is an international association representing all segments of the tire industry, including those that manufacture, repair, recycle, sell, service or use, new or retreaded tires, and also those suppliers who furnish equipment, material or services to the industry. TIA has a history that spans more than 90 years and now has over 7,000 members that operate nearly 15,000 locations. Most of these members are tire dealers with less than 5 locations and 20 employees so they definitely qualify as small businesses.

According to 49 U.S.C 30117(b), tire manufacturers are required to collect and maintain the records of the first purchasers of new tires. Specifically, 49 CFR Part 574 outlines the requirements for registering new tires with the manufacturer or a designated third party so purchasers can be notified in the event of defective or nonconforming tires. Part 574.7 requires the tire manufacturer or new tire brand name owner or its designee to provide tire registration forms to every distributor and dealer. While NHTSA appears to be under the impression that these forms are being provided, it is our experience that the tire manufacturers are not in regular compliance with this section of Part 574.

Dr. Jack Chern with NHTSA's Office of Vehicle Safety Compliance testified that the current system for registering tires is burdensome for tire dealers during the recent Tire Safety Symposium held by the National Transportation Safety Board (NTSB). Dr. Chern provided an example where a tire dealer that sells 20 different brands would need 20 different cards from each of the manufacturers. The fact is that the tire manufacturers do not regularly provide their own brand-specific registration cards to dealers or wholesalers, so the likelihood of a dealer having 20 different cards is incredibly slim. Even though Dr. Chern was still under the assumption that the cards were being provided, he acknowledged that this system is complex and therefore prone to mistakes.

For the past 40+ years, Computerized Information Management Systems (CIMS) has been the primary third party designee for the tire manufacturers. Since the tire manufacturers do not provide the registration forms, independent dealers must *purchase* them from CIMS. In order to simplify the system and limit the potential for mistakes described by Dr. Chern at the NTSB Symposium, CIMS provides an all-brand form that dealers can *purchase* in order to comply with Part 574.8 of the tire recordkeeping regulation. The cost for these all- brand registration forms ranges from \$110 for 1,000 to \$245 for 10,000. CIMS has also partnered with several point-of-sale software providers to establish an interface that will enable tire dealers to automatically register new tire purchases and complete the registration process. Like the all-brand registration forms, retailers must *purchase* this software upgrade. Again, since the tire manufacturers have failed to fulfill their legal obligation to provide the registration cards, independent tire dealers are forced to pay the designated third party in order to comply with Part 574.8 of the regulation.

NHTSA and the Office of Management and Budget (OMB) have asked for comments on several questions. The first is “whether the proposed collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility.” TIA strongly believes that registering new tire purchases with the manufacturers is absolutely necessary. In the event of a safety-related recall, motorists must be informed that the tires on their vehicle need to be replaced as soon as possible. Failing to replace recalled tires has resulted in serious and fatal accidents in the past, so it is imperative that they are removed from service in a timely fashion.

NHTSA and OMB are also asking for comments on “the accuracy of the Department’s estimate of the burden of the proposed information collection.” Since the estimate does not take into account the actual costs for retailers to purchase all-brand registration cards or software upgrades, TIA is positive that the proposed burden on tire dealers is underestimated. The Association recently asked for input regarding the costs for complying with the current voluntary registration requirements. One large dealer with hundreds of locations in multiple states estimated that aside from the costs associated with the POS system upgrades, it takes about 1 minute to register each tire. Their loaded labor rate is \$24/hour. Which means for every 100,000 tires that they sell, it costs them \$40,000 in labor alone to comply. Another large dealer with multiple stores in multiple states estimates that it costs them more than \$10,800 on an annual basis between labor and the software. A smaller dealer with 8 stores within the same state recently paid a \$200 set up fee followed by a monthly fee of \$150 for all of the locations. And a single location dealer pays \$250 annually for electronic registration linked to the POS.

TIA believes that the estimate of 1 minute per tire is an accurate representation for the total labor burden to write down the Tire Identification Number (TIN) for each tire and then enter all of the necessary information in the POS. That being said, we feel the total registration hours are

**COMMENTS TIA SUBMITTED TO NHTSA ON TIRE REGISTRATION (continued)**

underestimated at 225,000 and should be 900,000. If we use the loaded labor rate of \$24/hour, the cost to independent tire dealers is \$21,600,000 for labor. And if we average the costs for electronic registration associated with the POS at \$18 a month per location, the annual cost would be \$216. Using the estimate of 59,000 new tire dealers and distributors, small businesses would spend more than \$12,744,000 each year to comply with Part 574.8 and electronically register every tire for the customer. When labor and expenses are combined, TIA estimates that it would cost small businesses \$34,344,000 if every retailer utilized an electronic registration system linked to the POS.

Additionally, if all 59,000 new tire dealers and distributors *purchased* all-brand registration cards (because the tire manufacturers do not supply them) at the volume price of \$0.0245 per card for every 10,000 *purchased*, it would cost tire dealers \$330,750 for 13,500,000 cards assuming all of the tires were purchased in sets of four. And if tire dealers were required to mail those cards on behalf of the purchaser and we once again assume that all of the tires were purchased in sets of 4, it would cost the industry an additional \$6,615,000 in postage. TIA estimates that the total cost for a paper registration form system where all dealers *purchased* cards and mailed them on behalf of the consumer would be \$28,545,750. Without the cost of postage, the burden on small businesses is still \$21,930,750 for all- brand forms and labor.

Even when the total estimated economic burden is calculated with anecdotal cost examples, it should be obvious that the financial impact on new tire dealers and distributors is significant under the requirements outlined by the current voluntary system. Retailers are responsible for all of the labor costs associated with collecting the necessary information as well as the fees for *purchasing* the all-brand forms or the POS software upgrades. Since the tire manufacturers have not complied with Part 574.7 by failing to provide the registration forms, small businesses are forced to bear all of the expense to collect and submit the information. As a result, TIA believes the burden is grossly underestimated.

Finally, NHTSA and OMB have asked for comments on “ways to enhance the quality, utility and clarity of the information to be collected and ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology.”

Before we can suggest any solutions, we feel it is important to outline the limitations with the current system. First, the entire process is dependent on humans. Dr. Chern admitted in the NTSB Symposium that human involvement is an invitation for mistakes. If the tire manufacturers actually provided the cards, then the possibility of grabbing the wrong brand at the retail level would definitely exist. Likewise, a human can misread a number or letter in the TIN and record/submit the wrong information. The dependence on human perfection is an obvious flaw in the current system because mistakes are going to happen.

Another limitation is related to changes of address and ownership. There are no mechanisms to update the information following the purchase of new tires. If the vehicle owner moves, then the recall notice will be sent to the address at the time of the transaction. NTSB reported at the Symposium that one of the serious accidents related to recalled tires that they investigated was a situation where the tires were registered at the time of sale but the owner had moved so they were not notified. Likewise, a transfer in ownership does not take tire registration into account under the current system. If a vehicle is sold, then the new owner will not receive the recall notice. On the other hand, the former owner will be notified of the recall and disregard it altogether because they are no longer in possession of the vehicle. There are no provisions or mechanisms in the current regulations to account for these situations. Dr. Earl F. Weener, the NTSB Board Member that presided over the Symposium commented, “that maybe some imagination is required” when addressing issues related to tire registration/recalls and TIA agrees.

During the NTSB Symposium, the Rubber Manufacturers Association (RMA) suggested that linking tire registrations to the Vehicle Identification Number (VIN) might help solve part of the problem. TIA is in total agreement with the RMA on this point and believes that the best solution is to electronically link the TIN to the VIN. If the tire manufacturers were to encode the TIN into a barcode, then the retailer could scan the barcodes to capture all of the information. This would greatly reduce the labor burden on small businesses and eliminate the possibility of human error. After scanning the TIN information, the retailer could then scan the VIN to automatically link it to the registered owner. Again, this greatly reduces the labor burden and eliminates human error on the part of the retailer or the consumer. More importantly, it closes the gaps where changes of address or ownership prevent the notification of a safety-related recall. Motorists are required to notify the Secretary of State when they change address. The database could automatically update the information with the manufacturer when an owner changes their address. Likewise, if the title is transferred to a new owner, the database would automatically update the information and the tire manufacturer would be able to notify the new owner in the event of a recall.

Electronically linking the TIN to the VIN would overcome most of the obstacles and burdens for registering tires. Dealers could scan the barcodes on the sidewalls and the VIN in seconds and then simply download the information on the scanner to a central database. In a seamless and paperless system like TIN to VIN, there is little room for error and most of the financial burden would be upfront with regards to the programming and the physical cost of the scanners.

**COMMENTS TIA SUBMITTED TO NHTSA ON TIRE REGISTRATION (continued)**

The tire manufacturers have had a virtual free ride when it comes to tire registration over the past four decades. Most of the burden falls on the retailer to collect the information and submission either falls on the tire dealer or the consumer. Tire manufacturers have done nothing to leverage technology or close the gaps to increase tire registration rates. In fact, the only solution that the RMA has proposed was a return to the old mandatory system where retailers are fined thousands of dollars for every tire that was not registered. Tire manufacturers are unwilling to share any of the costs associated with collecting or submitting information so **they** can notify consumers when one of **their** products is the subject of a recall. The absurdity of putting a greater burden on the backs of small businesses to solve the problems of billion dollar manufacturers is incomprehensible. And the RMA's proposal of returning to a mandatory tire registration system using the same antiquated paper forms and collection techniques epitomizes Albert Einstein's definition of insanity by doing the same thing over and over again but expecting a different result.

As a result of TIA's recent push to raise awareness of tire registration, more independent dealers are being proactive and taking steps to make sure they are compliant with 574.8. There have been very few, if any, efforts to increase registration rates under the current voluntary system over the past few decades, so the Association is making it a priority to educate retailers on their responsibilities. However, it's important to note that there are thousands of small service stations and automotive repair facilities that may sell only a few tires a week. While these businesses are still required to comply with 574.8, TIA doubts that tires sold through these distribution channels are ever registered. Additionally, if the burden related to registering tires remains the same, we expect future registration rates for service stations and automotive repair facilities will not improve.

TIA believes it's time for the tire manufacturers to step up to the plate and share the responsibility for tire registration. The tire companies should bear all of the technology costs for adding barcodes to electronically encode the TIN and developing the scanners to read them. They should fund the development of universal software to access the VIN within every state so the owner's information can be linked to the TIN. And the tire manufacturers should provide the scanners and the database to the retailers at no cost. Tire dealers are not responsible for the recall in the first place so they should not be required to spend even more money to solve the manufacturer's problem. The tire manufacturers have not made any investments to increase registration rates in the independent dealer channel for decades. We believe that by working with the dealer network to use their collective resources and provide the industry with a seamless system that minimizes the burden for the collection and submission of tire registration information, we can get recalled tires off the road in a timely fashion.

While the information technology is available to have a positive impact on tire registration rates, it's going to take more than scanners and barcodes to solve the problem. TIA fully recognizes that a TIN to VIN system will take years to develop. The tire manufacturers will need ample time to find a way to add barcode labels to the sidewalls during the manufacturing process. They will also need time to develop universal software and scanners so one tool will be able to read every brand and link with the VIN databases of each state. And TIA also understands that such an undertaking will not come without a cost to the manufacturers, so they will need time to allocate the necessary funds to develop, test and release the TIN to VIN system.

Even if this new seamless and paperless tire registration process were to be developed and released in the next few years, there are still hundreds of millions of tires that are not currently registered and won't be registered in the immediate future. NHTSA and the industry must do a better job of educating motorists on the importance of tire registration beyond the cursory mention on websites. Everyone agrees that recalled tires must be removed from service as soon as possible, but lack of communication and education means there will always be drivers who are at risk. TIA has developed a series of short consumer education videos including ***Tire Safety Starts with Tire Registration***, which was released a few months ago and is viewable on our YouTube channel, **[tiresafetystartshere](#)**. It's going to take a collective effort between the government, the tire manufacturers, tire retailers and industry organizations like TIA to educate consumers on the role that they play when it comes to tire safety, including issues like inflation, rotation, registration and tire repair.

In conclusion, TIA fully recognizes the limitations of the current voluntary tire registration system. When it is left up to consumers to register their tires, it's perfectly reasonable to expect the continuation of low registration rates. And while the RMA believes a return to the old mandatory system will yield different results, TIA is certain that it will not solve the problem. The industry must leverage technology and take the burden off of small businesses if NHTSA expects to see an increase in tire registrations. Tire manufacturers have the expertise and resources to develop an electronic TIN to VIN system that would make it easy for retailers to register new tire purchases. It will also increase the possibility of getting small service stations and automotive repair facilities that only sell a few tires a week to start registering new tire purchases as well. Independent tire dealers have been shouldering the burden alone for decades, so they shouldn't be expected to bear any more costs related to problems they did not create.

Respectfully,

Kevin Rohlwing  
Senior Vice President of Training

## HIGHWAY FUNDING GETS TWO-MONTH EXTENSION

Nearing the May 31 extension, Congress voted to extend federal Highway Trust Fund financing for two months, another in a series of short-term extensions. The temporary reauthorization, which passed 387-35 in the House, also passed by a voice vote in the Senate and was later signed by the President. This 33<sup>rd</sup> extension keeps highway and transit funding flowing through the end of July without the need for new revenue. The bill (H.R. 2353) calls for no new tax increases and did not include an amendment on tire registration.

The short-term measure gives Congress time to negotiate toward a longer extension.

TIA acknowledged that the two-month extension was not the preferred path forward for steady and long-term funding, but we settled for the short-term extension as keeping the Highway Trust Fund solvent until Congress can agree on a long-term funding solution is essential.

While the extension allows the Highway Trust Fund to keep spending money, it doesn't provide additional money because the fund is expected to remain solvent with existing resources during the two-month period.

TIA was pleased that a provision on tire registration was not added to the bill but be reminded that this is Round 1 in a fight that might go 12 Rounds.

Other proposals still being considered in a long-term bill include:

- Reinstating the FET on passenger tires
- Reinstating the FET on tread rubber (between 5 cents and 15 cents a pound)
- Increasing the FET on truck tires by 10%

- Increase the FET on new trucks and on truck parts by 10%
- Increase the Federal Motor Fuel Tax

Therefore, please continue writing letters, making calls, and engaging in grassroots efforts to ensure that mandatory tire registration and other harmful proposals aimed at the tire industry are not included in future proposals.

On the subject of the short-term extension, Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA), said, "Unfortunately, we were unable to reach an agreement on a seven-month extension, so we are left with a two-month patch."

If Congress doesn't pass the measure, he said, "Over 4,000 U.S. Department of Transportation personnel will be furloughed, states will not be able to be reimbursed, transportation projects and jobs across the country will be at risk."

The Congressional Budget Office estimated on May 18 that the Highway Trust Fund would spend about \$10 billion during the two-month period.

"We will more than likely have to pass another short-term patch" before August, Shuster said.

President Barack Obama's administration in response said that Congress needs to "end the era of short-term patches and chronic underinvestment" in highways and mass transit.

"This continuing pattern of uncertainty has already caused several states to cancel or defer projects during the height of summer construction season," the administration's budget office said in a statement



## TIA MEETS WITH MARYLAND'S CONGRESSIONAL DELEGATION

Recently, Roy Littlefield and Roy Littlefield IV attended the Maryland Congressional Dinner at Martin's Crosswinds in Greenbelt, Maryland. The event featured: Senator Barbara Mikulski (D-MD), Senator Benjamin Cardin (D-MD), Rep. Andy Harris (R-MD), Rep. A. Dutch Ruppersberger (D-MD), Rep. John Sarbanes (D-MD), Rep. Donna Edwards (D-MD), Rep. Steny Hoyer (D-MD) who spoke at TIA lobby day, Rep. John Delaney (D-MD) who spoke at TIA lobby day, Rep. Elijah Cummings (D-MD), and Rep. Chris Van Hollen Jr. (D-MD).

At the event, the elected officials shared their goals for the 2015 Congress citing job creation and economic growth as their top priorities. Rep. Andy Harris (R-MD) spoke about the majority in Congress and some of their top initiatives moving forward. Senator Barbara Mikulski (D-MD) also spoke and was honored for her service as her retirement announcement came just weeks before. At the event we also thanked Congressman John Delaney (D-MD) and Majority Whip Steny Hoyer (D-MD) for speaking at our Federal Lobby Day. TIA continues to maintain a strong relationship with the Maryland delegation.



Rep. Chris Van Hollen Jr. (D-MD) and TIA Executive Vice President Roy Littlefield.



Rep. John Delaney (D-MD) and TIA Executive Vice President Roy Littlefield discuss the latest transportation proposals.



TIA Government Affairs Manager Roy Littlefield IV and Democratic Whip Steny Hoyer (D-MD).



The Maryland Delegation.

## HOUSE PASSES DEATH TAX REPEAL

Culminating a 10 year effort, on April 16 the U.S. House of Representatives passed TIA-supported legislation to fully repeal the estate tax. The final vote was 240-179, with 7 Democratic members voting in favor, three Republicans voting against, and 12 members not voting. They were:

### Democratic Ayes (7)

Brad Ashford (NE)  
Sanford Bishop (GA) (who also spoke in favor of the bill on the floor)  
Jim Costa (CA)  
Henry Cuellar (TX)  
Collin Peterson (MN)  
Dutch Ruppersberger (MD)  
Kirsten Sinema (AZ)

### Republican Nays (3)

David Jolly (FL)  
Walter Jones (NC)  
Scott Rigell (VA)

### Not Voting (12)

Marsha Blackburn (VA)  
Jeff Duncan (SC)  
Ana Eshoo (CA)  
Lois Frankel (FL)  
Paul Gosar (AZ)  
Tom McClintock (CA)  
Scott Perry (PA)  
Paul Ruiz (CA)  
Adam Smith (WA)  
Scott Tipton (CO)  
Peter Welch (VT)  
Ed Whitfield (KY)

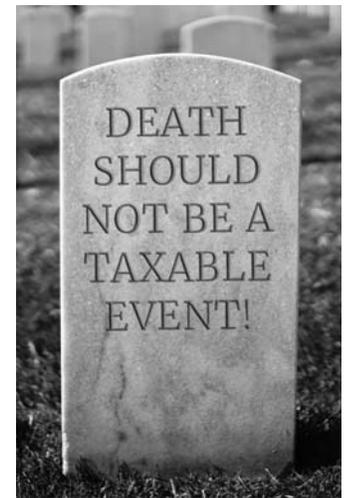
Thank you for all of your help bringing death tax repeal front and center during this tax week! This was a big win for our team and a positive step forward for the death tax repeal movement.

Democrats “flip-flopping” on previous death tax repeal votes: Butterfield (NC), Capps (CA), Clay (MO), Susan Davis (CA), Eshoo (CA), Farr (CA), Hinojosa (TX), Honda (CA), Israel (NY), Jackson Lee (TX), Larsen (WA), Lofgren (CA), Pascrell (NJ), Tim Ryan (OH), Loretta Sanchez (CA), Schiff (CA), David Scott (GA), Adam Smith (WA), Thompson (CA), Velazquez (NY).

Under the current estate tax system, the first \$5.53 million (indexed for inflation) of an individual’s estate is exempt from taxes. Anything above \$5.43 million is subject to federal estate taxes with a top tax rate of 40%. The GST tax applies to transfers that an individual makes during his or her life, or upon death, to individuals who are more than one generation below them (the classic example being transfers to grandchildren). Similar to the estate tax, each individual may make up to \$5.43 million of exempt generation skipping transfers. Any generation skipping transfers beyond the \$5.43 million exclusion rate

are subject to the GST tax which also has a top tax rate of 40%. The provisions of H.R. 1105 are a stark contrast to President Obama’s 2016 Budget Proposal. The President’s proposal would both reduce the estate tax exemption to \$3.5 million and eliminate the “step-up in basis” at death.

Under current law, the step-up in basis provides that property transferred at an individual’s death will not be subject to capital gains taxes on the appreciation that occurred during the individual’s lifetime. Under the President’s proposal, each individual would be able to exempt up to \$100,000 of any type of capital gain, plus an additional \$250,000 of capital gains on a residence, from being taxed at death. On the business side, the President’s proposal would provide that “inherited small, family-owned and operated businesses” would not be subject to the payment of the capital gains taxes until the business is sold and would permit closely held businesses to pay the capital gains taxes due upon death over a period of 15 years. Anything over the exemption amount would be subject to capital gains taxes, which currently have a top rate of 20% but which the President’s proposal would increase to 28%.



TIA recently submitted written testimony to the House Ways and Means Committee opposing the President’s proposal to eliminate the step-up in basis and reduce the federal estate tax exemption.

Recent efforts to repeal the estate tax have traditionally broken along partisan lines, and the current debate appears to be no different. On March 25, 2015, H.R. 1105 was voted out of the House Way and Means Committee by a party-line vote of 22 to 10.

Given the President’s proposal on the estate tax, it is almost certain that, even if passed by the Senate, this bill would be vetoed. Recent data from the Joint Committee on Taxation indicates that a full repeal of the estate tax would increase the deficit by \$294.8 over the next ten years. Particularly in light of the fact that there are no offsets or revenue raisers included in H.R. 1105, the strong Democratic opposition to this bill is unlikely to waiver. Thus, there is no expectation that there would be sufficient votes to override a veto of this bill. Instead, this bill is being cast as more of a campaign issue or talking point for the Republicans.

While an all out repeal of the estate tax is highly unlikely, there has recently been some bi-partisan discussions and interest, particularly on the House side, of developing an estate tax exemption for small businesses and farmers. The White House has yet to weigh in on whether it would support something like this.

**DEATH TAX (continued)**

TIA supports the Death Tax Repeal Act of 2015 (H.R. 1105) for the following reasons:

[Repealing the death tax would spur job creation and grow the economy.](#)

Many studies have quantified the job losses caused by the death tax. Last year the Tax Foundation and Heritage Foundation both found that the US could create over 100,000 jobs by repealing the death tax. A 2012 study by the House Joint Economic Committee found that the death tax has destroyed over \$1.1 trillion of capital in the US economy – loss of small business capital means fewer jobs and lower wages. Lawrence Summers, former Secretary of the Treasury under President Clinton; Alicia Munell, member of President Clinton’s Council of Economic Advisors; Joseph Stiglitz, a Nobel laureate for economics; and Douglas Holtz-Eakin, former CBO Director have all published work on the death tax’s stifling effect on job growth and the economy as a whole.

[The death tax contributes a very small portion of federal revenues.](#)

The death tax currently accounts for less than half of one percent of federal revenue. There is a good argument that not collecting the death tax would create more economic growth and lead to an increase in federal revenue from other taxes. A 2014 Tax Foundation analysis found repeal of the death tax would increase federal revenues by \$3.3 billion per year using a more realistic, “dynamic” economic analysis. In addition, the death tax forces family businesses to waste money on expensive insurance policies and estate planning. These burdensome compliance costs make it even harder for business owners to expand their businesses and create more jobs.

[A super-majority of likely voters support eliminating the death tax.](#)

Poll after poll has indicated that a super-majority of likely voters support repealing the death tax. Typically, two thirds of likely voters support full and permanent repeal of the death tax. People instinctively feel that the death tax is not fair.

[The death tax is unfair.](#)

It makes no sense to require grieving families to pay a confiscatory tax on their loved one’s nest egg. Often this tax is paid by selling family assets like farms and businesses. Other times, employees of the family business must be laid off and payrolls slashed. No one should be punished for fulfilling the American dream. The negative effects of the death tax make permanent repeal the only solution for family businesses and farms.

For many family-owned businesses to keep operation after the death of the owner, they must plan for the estate tax. Planning costs associated with the estate tax are a drain on business resources, taking money away from the day to day operations and business investment. These additional costs make it more difficult for the business owner to expand and create new jobs. Protecting family business from the estate tax is important in order to keep these businesses operating for future generations.

We believe the Death Tax Repeal Act of 2015 will help America’s family businesses, create jobs, expand operations, and grow the economy.

**LIFO UPDATE**

TIA continues to actively lobby Congressional members to save LIFO. We are very active in the LIFO coalition and have been conducting visits on the Hill to express to members the importance of keeping this accounting system alive for tax purposes. LIFO repeal continues to be looked at as an option in tax reform discussions and it is important that we let our elected officials know how important this issue is for many businesses in the tire industry.

Repeal of LIFO would hurt TIA members and other American businesses. It would significantly hinder the competitiveness of U.S. businesses in the worldwide marketplace by placing a significantly increased tax liability on those companies that use LIFO.

The majority of the businesses using the LIFO inventory method are organized in the form of pass-through entities, such as partnerships or S corporations. The real owners of these entities are taxed at individual tax rates. Any reduction in corporate income tax rates that might accompany a repeal of LIFO would not provide any offsetting relief for pass-through entities. Should this proposal be enacted, the consequences for LIFO taxpayers would be more devastating than any other change to the tax rules.

The “new revenue” that is touted by supporters of LIFO repeal comes in the way of retroactive taxes. Businesses using LIFO would have to pay retroactive income taxes on deferrals they took while using LIFO in the past. Unlike ANY other tax expenditures that have been discussed for elimination, repealing LIFO is the only proposal that would require a business owner to pay taxes retroactively.

Any proposed tax rate reductions would not compensate LIFO taxpayers for the damaging effects to their businesses. Taking LIFO reserves and turning them into taxable income, even spaced out over time, would wreak havoc on cash flows, capital reserves, expansion opportunities and job creation for American businesses using this method of accounting.

Saving LIFO remains a top priority for TIA.



## BUY A SQUARE ON THE TIREPAC BOARD

**Your support helps protect the future of the tire industry!**

**Contact information**

Name \_\_\_\_\_

Home Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Country (other than US) \_\_\_\_\_ Postal Code \_\_\_\_\_

Company Name \_\_\_\_\_

Occupation \_\_\_\_\_

**For just \$25 per square, you could win:**

- First place - \$500 cash
- Second place - \$250 cash
- Third place - \$100 cash



**I would like to purchase:**

- 1 square - \$25
- 2 squares - \$50
- 3 squares - \$75
- 4 squares - \$100

Desired numbers (1-100): \_\_\_\_\_

**Method of payment:**

- Personal Check (payable to TirePAC)     Cash

**Please return this form and payment to:**

TIA TirePAC  
 Attn: Roy Littlefield  
 1532 Pointer Ridge Place, Suite G  
 Bowie, MD 20716-1883

Only personal checks or cash are accepted. Corporate donations are prohibited by federal law. Contributions to TirePAC are for political purposes. All contributions to TirePAC are voluntary. Contributions to TirePAC are not deductible for federal income tax purposes.

Federal law requires TIA to use its best efforts to collect and report to the Federal Election Commission the name, mailing address, occupation and the employer's name of those whose contributions exceed \$200 total in a calendar year. A copy of our report is filed with and available from the Federal Election Commission, 999 E. Street, NW, Washington, DC 20463, or at [www.fec.gov](http://www.fec.gov).

TIA complies with all federal election laws and regulations concerning the solicitation and acceptance of PAC contributions, and all other aspects of PAC operations.

# TirePAC Prior Approval Form

Federal law requires that the Tire Industry Association (TIA) receive your company’s permission before we solicit your officers and employees for contributions to TIA’s TirePAC, our federal political action committee. This *Prior Approval Form* is not a solicitation and does not obligate you (or other officers or employees of your company) to contribute to TirePAC, and does not in any way limit contributions you may make to political candidates or parties. However, your company may not provide authorization (to solicit your officers and employees for federal PAC contributions) to more than one trade association in the same calendar year. As indicated below, solicitation authorization may be given to TIA for more than one year in advance. Please complete the form, signing for each year you are providing authorization, and promptly mail or fax it to the address or number shown below.

*For federal campaign contributions only, I understand that my company’s approval is necessary before TIA may solicit contributions from my company’s officers and employees to TirePAC, and understand that my company may not authorize federal PAC solicitations by more than one trade association in the same calendar year. By my signature below, I hereby provide authorization to TIA to solicit my company’s officers and employees for voluntary contributions to TirePAC during the calendar years so indicated:*

**Contact Information (Please PRINT clearly)**

Name \_\_\_\_\_

Title \_\_\_\_\_

Company Name \_\_\_\_\_

Company Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip+4 \_\_\_\_\_

Country (other than U.S.) \_\_\_\_\_ Postal Code \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_ Website \_\_\_\_\_

**Please sign below to authorize for one year, or up to five years:**

*Authorizing Signature Required for 2015* \_\_\_\_\_

*Authorizing Signature Required for 2016* \_\_\_\_\_

*Authorizing Signature Required for 2017* \_\_\_\_\_

*Authorizing Signature Required for 2018* \_\_\_\_\_

*Authorizing Signature Required for 2019* \_\_\_\_\_

**By Mail:**

TIA TirePAC  
 Attention: Roy Littlefield  
 1532 Pointer Ridge Place, Suite G  
 Bowie, Maryland 20716-1883

**By Fax:**

301-430-7283



# TIREPAC ENROLLMENT FORM



***Yes, I want to join TirePAC to help protect the future of my business and the tire industry!***

## CONTACT INFORMATION (please print)

Name \_\_\_\_\_

Home Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip+4 \_\_\_\_\_

Country (other than U.S.) \_\_\_\_\_ Postal Code \_\_\_\_\_

Company Name \_\_\_\_\_

Occupation \_\_\_\_\_

## SUGGESTED CONTRIBUTION LEVELS FOR 2015

\$25       \$50       \$100       \$250       \$500       Other \_\_\_\_\_

## METHOD OF PAYMENT

Check (make payable to TirePAC)       VISA       MasterCard       AMEX

Credit Card Number \_\_\_\_\_ Expiration Date \_\_\_\_\_

Card Holder Name (please print) \_\_\_\_\_

Card Holder Signature \_\_\_\_\_ Date \_\_\_\_\_

**Please mail this form to:** TIA TirePAC  
Attn: Roy Littlefield  
1532 Pointer Ridge Place, Suite G  
Bowie, MD 20716-1883

**or fax to:** 301-430-7283

Only **personal checks** and **personal credit cards** are accepted. Corporate donations are prohibited by federal law.

Payment guidelines are merely suggestions, and you may contribute more or less than the guidelines suggest. TIA will not favor or disadvantage anyone by reason of the amount contributed or a decision not to contribute.

Contributions to TirePAC are for political purposes. All contributions to TirePAC are voluntary, and pledges can be revoked at any time prior to the time at which contributions are made. Contributions to TirePAC are not deductible for federal income tax purposes.

Federal law requires TIA to use its best efforts to collect and report to the Federal Election Commission the name, mailing address, occupation and the employer's name of those whose contributions exceed \$200 total in a calendar year.

A copy of our report is filed with and available from the Federal Election Commission, 999 E. Street, NW, Washington, DC 20463, or at [www.fec.gov](http://www.fec.gov).

TIA complies with all federal election laws and regulations concerning the solicitation and acceptance of PAC contributions, and all other aspects of PAC operations.

# GLOBAL TIRE EXPO

POWERED BY TIA

THERE'S NO PLACE LIKE IT.

## NOVEMBER 2-6, 2015

### TIA PRE-SHOW SPECIAL EVENTS

November 2, 2015 • Tropicana Las Vegas

COCKTAIL HOUR • TIRE INDUSTRY HONORS  
WELCOME RECEPTION

### GLOBAL TIRE EXPO – POWERED BY TIA

November 3-6, 2015 • Las Vegas Convention Center

TRADE SHOW • EDUCATIONAL SESSIONS



[www.tireindustry.org](http://www.tireindustry.org)