

DIRECTIONS



May 30, 2010
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Felmy Featured at AMRA Spring Meeting

A presentation on **Facts Addressing Energy Policy** by **John Felmy**, Chief Economist of the American Petroleum Institute in Washington, DC, was the highlight of the AMRA Spring Membership Meeting, held May 26 in Elk Grove Village, IL.



Felmy is responsible for overseeing economic, statistical and policy analysis at API, and he has over 25 years of experience in energy, economic and environmental analysis. He holds degrees from The Pennsylvania State University and a Ph.D. in Economics from The University of Maryland.

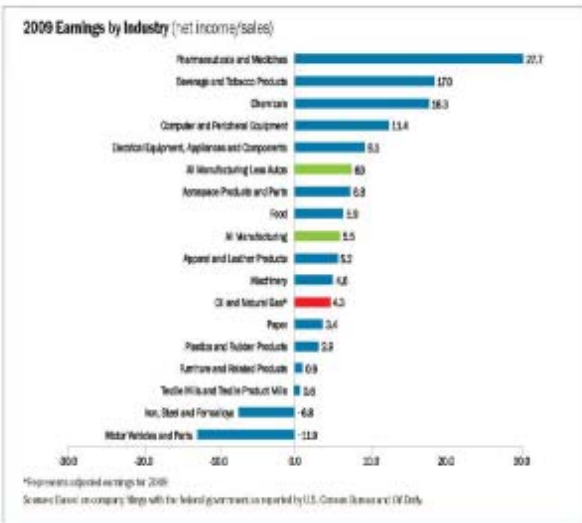
In his presentation, Felmy related how every U.S. citizen is touched by America's oil and natural gas industry. Farmers use fertilizer made from natural gas, truckers use diesel fuel to ship goods to market, and businesses rely on oil and natural gas to make and sell their products and provide their services.

It may seem surprising that oil and natural gas earnings are typically in line with the average of other major U.S. manufacturing industries. This fact is not well understood, however, in part because reports usually focus on only half the story – the profits that are earned.

Profits reflect the size of an industry, but they're not necessarily a good reflection of financial performance.

Profit margins, or earnings per dollar of sales (measured as net income divided by sales), provide one useful way to compare finan-

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Welcome New Members!

Since April 30, 2010

Virginia Auto Service

Phoenix, AZ

Contact: Matt Allen

Phone: (602) 266-0200

AMRA/MAP Membership Profile

(as of May 30, 2010)

Serv. Provider Companies 37
Serv. Provider Locations 8,621
Bays Offered 51,726
MAP Qualified Assoc. 50,000+



Upcoming Events

AMRA/MAP Technical Committee Meeting

September 14-15 in Chicago area

CARS/NACE Expo

October 10-13 in Las Vegas, NV
Mandalay Bay Conv. Center

AMRA/MAP Annual Membership Meeting

November 1 in Las Vegas, NV
Monte Carlo Hotel & Casino

Automotive Aftermarket Industry Week

includes AAPEX, SEMA, TIA
Nov. 2-5 in Las Vegas, NV

AMRA/MAP Technical Committee Meeting

January 19-20, 2011 in Orlando, FL



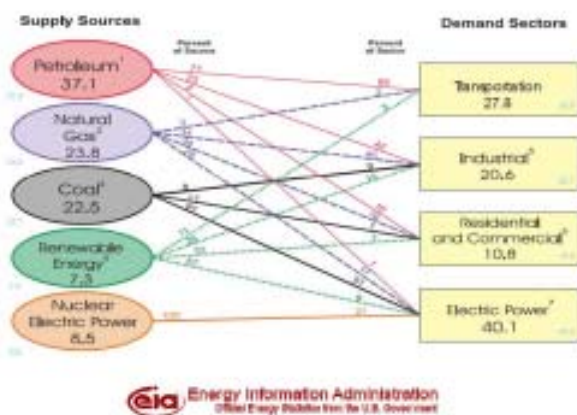
The Motorist Assurance Program is a consumer outreach program of the Automotive Maintenance & Repair Association

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cial performance among industries of all sizes. The latest published data for the third quarter of 2009 shows the oil and natural gas industry earned 5.4 cents for every dollar of sales. In comparison all U.S. manufacturing earned 7.1 cents for every dollar of sales and 8.3 cents for U.S. manufacturing, excluding the financially challenged auto industry.

Contrary to popular belief, America's oil companies aren't owned just by a small group of insiders. Only 1.5% of industry shares are owned by corporate management. The rest is owned by tens of millions of Americans, many of them middle class, through mutual funds and personal retirement accounts.



Today, oil accounts for 37% of U.S. energy use and 94% of our transportation energy needs. Although ethanol and other biofuels are expected to grow rapidly in the future and steadily displace some oil use, EIA forecasts oil will continue to account for the largest share of our energy needs, filling 33% of total energy demand and 85% of our transportation needs in 2035.

In the business portion of the meeting prior to Felmy's presentation, **Dave Baier** (Monro Muffler/Brake), AMRA Chairman, welcomed members and guests and introduced **Jerry Lott** (Bridgestone Retail Operations) as a new AMRA Board member to complete the term of the departed **Alex Kolosiwsky**. Other presentations were made by **Len Vogt** (Lenco), Technical Committee Chairman; **Helen Mac Murray**, AMRA legal counsel; and **Barry Soltz**, AMRA President.

The next **AMRA Membership meeting** will be the Annual Meeting in Las Vegas, kicking off Industry Week. The meeting will once again be held at the **Monte Carlo Hotel & Casino on Monday, November 1**. More information will be coming soon. ✨

Tell a Colleague!

If you are aware of another automotive professional who would be interested in receiving this newsletter, tell him/her to send an e-mail request to map@motorist.org with **SUBSCRIBE** in the subject line. His/her e-mail address will not be used for any other purpose, nor will it be given to anyone else. ✨



AMRA Panel is Highlight of 2010 GAAS Event in Chicago

One of the highlights of the 15th annual Global Automotive Aftermarket Symposium (GAAS), held May 18-19 in Chicago, was a well-received panel discussion consisting of AMRA members.

Discussing "**How Automotive Repair Service Chains Are Gaining Traction in Today's Market**," the panel featured **Larry Magee** (Chairman, CEO and President, Bridgestone Retail Operations), **Joe Biggie** (Vice President of Strategy & Development, Just Brakes) and **John Warzecha** (Senior Vice President of Franchise Business Development, Midas International). AMRA/MAP President **Barry Soltz** served as moderator.

Magee said the repair business is a fragmented one, and he noted the rise in commodity prices affects everything the repair business does.

"No one has the lion's share" of the market, Magee said. "It's a very low-interest business. No one's going to get up in the morning to find the latest Bridgestone tire. It's not a very sexy or glamorous business to begin with. Everything we do is petroleum-based and commodity-based. A lot of things keep me up at night."

Warzecha said he's seen consumers change their behavior in small measures. He added that in the stores, the age-old problem of finding and retaining good, qualified technicians continues. Warzecha said Midas is currently looking for more career-oriented technicians.

"They've been a little more assertive," Warzecha said of consumer behavior. "They're extending the maintenance cycle a little. Now they're waiting until it's a safety issue to have repair work done. We're seeing a consumer who's more value-conscious and less patient."

Biggie sees a consumer who is more informed than ever before, with the availability of information that permeates life.



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"We're basically working in a problem-oriented business," Biggie said. "Consumers only come in when they have a problem. With miles driven down and new technology, we're seeing the brake repair life-cycle being extended. Previously, work was done at 25,000 miles. Now we're seeing vehicles at 90,000 miles."



The net proceeds of the event benefit the GAAS Scholarship Fund, which contributes to the education of young people pursuing a career in the automotive aftermarket. The Scholarship Committee announced 81 \$1,000 scholarships will be awarded this year. Also, five \$2,000 scholarships from the Breslow Foundation will be awarded to U.S. students, and eight GAAS scholarships will go to Canadians. *Source: Staff reports and AftermarketNews.com.* ✨

API Takes Lead with Motor Oil Matters

The American Petroleum Institute (API) announced in early May it will assume the leadership role in Motor Oil Matters from Pennzoil-Quaker State Company (PQS), with the goal of expanding this successful industry and consumer initiative.

PQS launched Motor Oil Matters through a number of consumer and trade initiatives to increase consumer awareness about the importance of using high-quality motor oils. Motor Oil Matters provides clear, concise and insightful information about motor oil and the vital role it plays in vehicles. While PQS pointed to its brands, including Pennzoil and Quaker State, as examples of the quality products consumers should seek, its quality message has great appeal to other manufacturers of API-licensed motor oil.

API will work with its members and licensees to further develop Motor Oil Matters as a resource to educate consumers about the importance of using high-quality motor oils. **Kevin Ferrick**, manager for



engine oil licensing at API, noted this will help consumers receive the engine protection

and performance they expect when purchasing high-quality motor oils. In addition to consumer education, API will work to improve its Engine Oil Licensing and Certification System.

"From the outset, our goal for the program was to see it transform into a true industry-wide initiative led by a top industry association," said **Elizabeth Boehm-Miller**, growth manager for PQS and

Marketing Manager at Shell Lubricants. "We are thrilled to see the vision come true with the transition to the API."

Boehm-Miller added that Shell is very pleased that API is taking over the program because "we share the same purpose, values and commitment to quality. API has a long history of successfully shepherding industry initiatives and is well positioned to take Motor Oil Matters to the next level."

PQS will continue to support Motor Oil Matters, and it will continue its proprietary Certified Installer Program that was launched as part of Motor Oil Matters. The program identifies installers that pour high-quality Pennzoil and Quaker State products.

Motor Oil Matters was a major topic at the recent AMRA/MAP Technical Committee meeting, held April 13-14 in Rolling Meadows, IL. Nearly 50 people from 32 auto industry companies participated in the two-day meeting.

Ferrick, Boehm-Miller, Stefan Von Lukawiecki (Analyst, Technical & Marketing) of Safety-Kleen Systems, and **George Zhang** (Sr. Product Specialist) of Valvoline participated in the panel discussion.

The group noted that oil which is "out of specification" causes long-term damage in vehicles, not immediate engine failures, and that oil change intervals should be based on vehicle usage, not simply time and mileage.

The panel also suggested testing/sampling bulk oil, while in the supply chain, for viscosity/grade and API performance level. The goal would be to establish a paper trail from origin to Point of Sale (POS), and also to establish best practices for distributors to avoid cross-contamination of grades.



Another suggestion would be if a product claims to meet an API standard and it does not comply, it would be considered a fraudulent claim. API then would post the names of non-compliant companies on its web site (<http://api.org>) and would be able to pursue other actions.

AMRA/MAP holds three Technical Committee meetings per calendar year, with gatherings in January, April and September. For more information, contact **Ben Trittipoe** at ben@motorist.org.

Source: Staff reports and API. ✨