

TIA fights against mandatory tire registration

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By: Miles Moore

The Tire Industry Association said it will “do everything in its power” to defeat legislation to re-establish mandatory tire registration.

TIA is organizing both its members and state tire dealership associations in a grassroots effort to prevent passage of a mandatory registration bill, either as stand-alone legislation or -- more likely -- as a provision in the transportation funding reauthorization, which must pass by July 31.

“I haven't seen our phones light up like this in 30 years,” Roy Littlefield, TIA executive vice president, said in a telephone interview regarding the issue. “The small dealers are worried about the fines, and the large dealers are worried about having to give up their customer lists to the manufacturers.”

S. 1741, the Tire Efficiency, Safety and Registration Act, was introduced in the Senate July 9. Among other things, S. 1741, which has the strong backing of the Rubber Manufacturers Association, would require independent tire dealers to register the tires they sell.

The Senate bill came closely on introduction of the GROW AMERICA Act, the Obama administration's six-year, \$478 billion transportation funding bill. The GROW AMERICA Act also contains a provision mandating tire registration by independent dealers.

TIA is on record as opposing both bills because of their mandatory registration provisions. A return to mandatory registration, it said, will leave tire dealers liable for fines of up to \$700,000 per location for violations.

“We are 100 percent against mandatory tire registration,” Littlefield said in the July 13 issue of TIA's *Weekly Legislative Update*. “We plan to fight it. We also plan to reach out to the industry and talk about it.”

However, the RMA has shown no desire to work with TIA on this issue, according to Littlefield. “I've been around since 1979, and I can't believe that on a market solution, the RMA and the manufacturers are supporting legislative action,” he said.

In supporting S. 1741, the RMA argues that since voluntary registration became law in 1982, tire registration rates fell from nearly 50 percent to only about 15 percent.

However, Littlefield said the RMA's figures don't account for tire dealers who register the tires they sell and keep the numbers in order to contact customers directly in case of a recall.

“Only the smallest, mom-and-pop dealers have any trouble with registration,” he said. “Tire manufacturers haven't done nearly enough to inform them of the law, and I would bet very few of them have ever received registration cards from the manufacturers.”

Other provisions OK

Littlefield said TIA doesn't oppose the other provisions of S. 1741, to create minimum tire fuel efficiency and wet traction standards, and to establish a consumer-friendly tire recall database on the National Highway Traffic Safety Administration website.

TIA also supports the basic premise of the GROW AMERICA Act, including its provision to use a one-time, 14% tax on the profits U.S. corporations keep overseas to replenish the Highway Trust Fund. This is similar to the bill sponsored by Rep. John Delaney, D-Md., which TIA has long supported.

However, TIA is opposed to GROW AMERICA's Section 4112, which would require tire dealers and distributors to maintain tire registration records and transmit the information electronically to tire manufacturers at no cost to the consumer.

TIA has urged its members to write their federal legislators opposing Section 4112 since its introduction in May, and it is now asking its members to oppose S. 1741 as well.

Dealers' greatest fear, according to Littlefield, is that Section 4112 or S. 1741 will be in the transportation bill that makes it to the House and Senate, where, because of the July 31 deadline, all votes will be up-or-down.

“There are 498 pages in the Senate bill alone,” he said. “This puts us in a very difficult position, especially since we can't sit down with the manufacturers to talk about it. The lack of communication on such a far-reaching bill is just disappointing.”

In a July 13 news release issued jointly by TIA and the NY Tire Dealers Association, tire dealers were told that the Subcommittee on Consumer Protection of the Senate Commerce Committee is pushing the full committee to include a mandatory tire registration provision in its highway bill.

Furthermore, the Subcommittee for Commerce, Manufacturing and Trade of the House Energy and Commerce Committee is likely to add mandatory tire registration language to the full committee's transportation legislation, TIA and NYTDA said.

“Such language could drastically change the industry in terms of liability, fines and the turning over of customer lists to the manufacturers,” the release said.

Sample letter available

TIA and NYTDA offered their members a link to a sample letter they could send to their House members opposing mandatory registration.

“Section 4112 is a thinly veiled attempt by the tire manufacturers to shift their liability for recalled products to small businesses like mine,” the letter states.

“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.”

Another state organization warning its members about mandatory tire registration is the New Jersey Gasoline-Convenience-Automotive Association (NJGCA).

In a July 14 release, the NJGCA urged members to write their senators -- Cory Booker and Robert Menendez, both Democrats -- to oppose any return to mandatory registration.

The mandatory registration standard of the 1970s left small dealerships facing hundreds of thousands of dollars in fines, the release noted.

“Businesses were literally forced to close, which is why the requirement was eliminated and replaced with voluntary registration,” it said.

TIA and its allies will fight to the end against mandatory registration, according to Littlefield.

“We don't have the money the tire manufacturers do,” he said. “But what we have is grass-roots, and we will put our best foot forward for as long as we can.”

Congress is scheduled to recess for the summer July 30, the day before the deadline for passage of a transportation bill.