

TIRE BUSINESS

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INSIDE

Tire makers in S. Africa face price-fixing charges 4



TP sensor

Beware—your TPMS is watching you! 3

Calif. service shops now required to check tire pressures. 3

Misreading leads to costly mistakes, warns Dan Marinucci. 9

Peggy Fisher offers a detailed method for on-vehicle tire inspections. 10

GITI Tire (USA) visits Ariz. desert to roll out hot UHP tire. 16

Operate tire, service businesses differently, advises trainer . . . 17

Groups blast healthcare law's tax reporting requirement 20

DEPARTMENTS

Automotive Service 8-9

Classifieds 23-25

Commercial Tire Service 10

Editorials 6

Mail Call 6

Tire Trends 16

LATE NEWS

Lybeck named Tire Factory CFO

PORTLAND, Ore.—Tire Factory has named Walter Lybeck as its chief financial officer.

Mr. Lybeck most recently held the top financial position at



Lybeck

Rejuvenation Inc. and previously held financial executive positions with Nautilus, Oregon Steel, Intel and Deloitte & Touche L.L.P.

The Portland-based dealer-owned marketing group has more than 200 member-owned locations in 13 western states.

It operates two distribution centers, in Portland and Salt Lake City.

Get up-to-date information at the Tire Business Web site

<http://www.firebusiness.com>

TO CATCH A THIEF

"There's an arrogance of thinking, 'It won't happen to me,' and they let their guard down."

Raymond H.H. Dunkle II
BCG & Co.

Workplace fraud costs untold millions; it can be uncovered—and prevented—by businesses

By Kathy McCarron

Tire Business staff

AKRON—"It could never happen to me."

That oft-heard response to the threat of workplace fraud is the downfall of many a small business owner who thought he or she would never be a victim.

Yet often the theft of thousands of dollars occurs undetected in small businesses over a period of time "because there is very little effort to prevent fraud," said Raymond H. H. Dunkle II, director of forensic & valuation services for BCG & Co., an Akron-based certified accounting firm.

Company profits can be siphoned off through over-inflated invoices from suppliers or fake invoices generated by an employee or a combination of both. Often the unsuspecting owner signs the checks to pay the fake invoices from "companies" an employee set up to pilfer the funds.



Tire Business graphic by Scott Merryweather

Employees who steal thousands of dollars from their employers are most often the people the owners trusted, according to Mr. Dunkle. These people usually are put in positions of trust, such as management or ac-

See **Workplace**, page 14

U.S. tire production rising

AAM study cites Chinese tariffs

By Bruce Davis

Tire Business staff

WASHINGTON—Consumer tire production in the U.S. since last October has experienced double-digit growth over late 2008/early 2009, a rebound a new study attributes to the effect of high tariffs the U.S. imposed on consumer tire imports from China nearly a year ago.

The study, issued by the Alliance for American Manufacturing (AAM)—a partnership organization between the United Steelworkers (USW) union and a group of manufacturing companies, including United States Steel Corp. and Allegheny Technologies Inc.—claims increasing tariffs on Chinese consumer tires last September to 39 percent "has resulted in the reversal in the massive decline in domestic production."

Citing Rubber Manufacturers Association (RMA) data, the study says domestic production of passenger and light truck tires was up more than 15 percent, or 10 million units, during the period October 2009 through March 2010, compared with the same period a year earlier.

The RMA confirmed the AAM's analysis of the available data, but noted that in the period under investigation imports also have risen and strong OE demand from car makers should account for up to 10 million units of added ship-

See **Report**, page 21



BMW North America L.L.C. photo

BMW North America L.L.C. said it's pleased with the evolution of run-flat technology.

By William Schertz

Tire Business staff

AKRON—Acceptance of new technology isn't something that often

occurs overnight.

In the case of run-flat tires, for example, they've endured a long road of obstacles since the technology was introduced in the 1980s—obstacles that continue to this day.

Earlier this year, BMW North America L.L.C. and Bridgestone Americas became the latest entities to settle class-action lawsuits involving earlier generations of run-flat tires that suffered from excessive noise and premature wear and

caused vehicles not to ride smoothly. Prior to that in 2009, Michelin North America Inc. and American Honda Motor Co. Inc. reached a settlement in a similar case, agreeing to compensate owners and lessees of vehicles equipped with Michelin's Pax run-flat tire/wheel system. Relative to the rest of the tire market, run-flat tires make up only a small percentage of U.S. tire sales. Despite the slow rate of adoption of the technology, sales of run-flat

tires have continued to grow, largely due to increasing OE fitments.

Concept 'applauded'

Bob Toth, Akron-based Goodyear's director of new products, said the company expects North American run-flat industry volume to grow an average of 15 percent per year through 2015, though "the category will still represent less than 2 percent of the to-

See **Run-flats**, page 18

Run-flats

Use is growing slowly