

Rental Rag September 1998

Presidents Message

How busy has it been in your neck of the woods? Probably too busy to attend "Equipment Demo Day" - a beautiful sunny day in which the vendors (31) who arrived out numbered the rental stores (30) - a day that will go DOWN - Down - down!!!

Hopefully you are not too busy to miss an important meeting on safety scheduled for September 16th and hosted by the folks at Pioneer Rental in Chatham at 7:30 PM. I will be traveling in September on business with the 1998 ARA state and local leadership conference in Charlotte, NC. This schedule is training for incoming presidents with an agenda including info on planning and operating meetings, setting legislative agendas, developing and annual calendar using ARA support services, working with lobbyists and delegating responsibility. While there I will also attend the ARA Eastern Fall Conference and Product Showcase. This will benefit all state associations in the new ARA state association program with \$\$\$.

The safety Chairman, Dave Hinck, as well as VP Brian Higgins, have an informative program planned for our September meeting.

How hot has it been in your neck of the woods? Ask Steve Kohn and he may say "extremely hot" because of a warehouse fire that had nothing to do with a fire sale. Find details in the "Rag."

How crooked has it been in your neck of the woods? Ask moi (that's French for "me" and you will find one generator, two 75 lb. paving breakers and one Sawzall traveling out my from door (one way) courtesy of American Express giving approval on a forged and altered credit card. The individual involved hit 3 NY locations and fled with \$50,000 worth of merchandise. Details were posted on the NJARA internet site.

How safe is it in your neck of the woods? Ask Safety Chair Dave Hinck and be treated to a video on power and towing safety while munching from the buffet table at the September 16th meeting. You may also view the various posters on safety training from ARA National on display. Bob Woods of NJ Bobcat will present a trailer safety discussion.. Howard Keller has arranged 2 informative safety presentations from the district manager of Dirt Killer, a pressure washer manufacturer, an from the VP of sales of Sanders Saws, a diamond blade manufacturer.

Brian Higgins of Inter/National Insurance will present insurance industry data showing what equipment is responsible for the majority and most severe claims that have paid out much dineros. This loss information will interrelate with the posters on safety training from ARA National.

So be safe in your neck of the woods by attending our next ARA meeting, See ya at the next, next meeting.

Your Prez,

Tony Perrotta.

ASSOCIATE NEWS

There's a new area representative for **Ingersol-Rand Equipment Sales**. He is Terry Fuhrman. Terry replaces Terry Boylan who is now hitting the pavement in the western Pennsylvania area.

We've been advised by **Inter/National Insurance Co.** that Brian Higgins (formerly of Riedman Ins.) has joined their firm. Brian will maintain the same phone and fax numbers previously used.

YOUR ARA-NJ CALENDAR

September 16th - Pioneer Rentals, Chatham - Safety Night

November 18th - All Star Rental, E. Brunswick, Round Table Discussions.

January 24th - Annual Dinner Dance at the Hilton - Exit 131 GS Parkway

March 17th - Regular Meeting, will advise

April 14th - Nite at the Races at Pegasus

June 16th - Regular Meeting, will advise

Are Your Ducks all in a row?

Don't be caught with your pants down! For those of you who haven't heard, my company had a fire about three weeks ago. The good news is nobody was injured (except my pride). The bad news is, it could of been prevented with careful planning and general rule enforcement.

The short version of the story reads as follows: "Gasoline and smoking cigarettes don't Mix". To sum up the long version, one of our key employees was cleaning with Gasoline while smoking a cigarette, the can caught fire, the can rolled into our bay and our two trucks caught fire. (see photo below). Within minutes the building filled with thick black smoke (burning rubber and paint from trucks) and you couldn't see your hand in front of

your face. The sprinkler system activated, the fire trucks arrived shortly thereafter (by then, the fire was out - we put it out with extinguishers on hand). We couldn't drive the trucks out of the bay because the air lines to the brakes melted and pressure couldn't be built up to release the emergency brakes.

The next 48 hours involved lots of running around and cleaning up. We were closed the rest of the day (Saturday). This allowed us time to de-pressurize the building, to get the smoke out, have the sprinkler heads that activated reset, rid the building of any smells, and clean up the soot residue. We were ready to re-open Sunday afternoon.

Well, we had a frightening experience, but we learned quite much. Here are some tips that I suggest you all listen to:

***Have a list of emergency numbers handy - including insurance's, alarm company, sprinkler company, clean up specialist, truck rentals, locksmiths, key employee phone #'s, doctor's, lawyers and anybody else that can be off benefit in an emergency situation**

***Don't allow any smoking what so ever in or around your building**

***Make sure all Fire extinguishers are charged and are located in easy to get to locations.**

***Don't panic, remain calm - get everybody out of building immediately.**

***Store all hazardous chemicals in proper storage facilities**

***Have extra sprinkler heads on hand - avoid emergency service calls to do work you can do yourself**

***Keep a current back-up tape of your computer system data at a location other than your store**

***All emergency exits are clear of rental equipment**

***Don't clean with Gasoline!**

On Sunday we thought everything was on a track back to normal. This feeling didn't last long. On Monday we were visited by the township fire chiefs and we were written up for 45 violations ranging from improper emergency lighting to the wrong type of locks on our front door. Many of the violations were justified, the rest were how should I say, ridiculous! The cost to comply with these violations far exceeds that of the damage created by the fire.

My worst nightmare at this time, was that the "big O" would pay a visit (OSHA). So what we did is hire an OSHA compliance expert to go through our operation and find those

items that OSHA would. This way we would not be fined. The company we hired guarantees their work, and will pay any fines that OSHA picks up that they did not. They will also represent us in case OSHA shows up. So far, cross your fingers, this is one inspection that hasn't taken place YET!. Better safe than sorry.

A fire is a terrible thing, I wouldn't wish it on anyone. But accidents happen, that's why we have insurance. Be prepared in any emergency situation and get those ducks working just right.

PS. Come to the next ARA of NJ meeting and I will share more of this experience with all of you.

Sincerely,

Steve Kohn

Hot Weather Safety

The summer months are stressful on the body because of heat, particularly for the young and elderly. Two conditions that can develop as a result of prolonged exposure to the heat and sun are heat exhaustion and Heat stroke. With the demands of work, a watchful eye needs to be kept on store staff. Precautions that the staff is sufficiently hydrated must be taken seriously and the symptoms of heat stress should be familiar.

Heat exhaustion is caused by electrolyte and water loss from perspiration. Symptoms include:

Profuse sweating

Cool and clammy skin

Dilated pupils

Pale coloring

Increased heart rate

Weakness

Nausea

Thirst

Fainting

With heat stroke the body temperature regulation system shuts down. Body heat is recycled in the body which causes other body systems to malfunction. Systems vary greatly but may include the following:

Hot red skin

Inability to sweat

Unusual changes in sweat characteristics (more or less)

Faster, then slower heart rate

Elevated body temperature

Rapid shallow breathing

Headache, confusion, disorientation

Unconsciousness or seizure

Keep delivery staff in mind and provide coolers for them on jobs that require arduous work for long periods in the sun. Out of sight is out of mind until the problem surfaces.

Dave Hinck, Safety Chairman

ANOTHER 800 POUND GORILLA

The following is excerpted from a press release sent to the *Rental Rag* from United Rentals.

Greenwich, CT, July 12 1998 - United Rentals, Inc. today has announced it completed the acquisitions of nine companies with 40 rental locations in 17 states and approximately \$170 million in annual revenues.

The largest acquisition, Equipment Supply Co. has annual revenues of \$105 million and specializes in air lift platforms. It operates 22 rental location in 12 states in the eastern United States and was recently ranked as the 11th largest equipment rental company in North America by *RER* magazine. The second largest acquisition, ADCO Equipment, has annual revenues of approximately \$23 million and operates 2 rental locations in California.

The seven other companies acquired have aggregate annual revenues of approximately \$42 million and consist of Bear Associates, Paul E. Carlson, Ace Rental & Sales, B&H Sales, Dirt & Rock Rentals, LLC Carson Tahoe Rents, and M&S Sales.

Bradley Jacobs, chairman and CEO of United Rentals said, "These newly acquired companies bring United Rentals into four new states - Delaware, Georgia, Kentucky and Ohio - and strengthen our existing position in 13 states. With this latest round of acquisitions, and assuming completion of our pending merger with U.S. Rentals and the acquisition of the 18 companies we presently have under non-binding letters of intent, United Rentals will have an annual revenue run rate of approximately \$1.5 billion."

United Rentals announced that it received early termination of the Hart-Scott-Rodino waiting period for its pending merger with U.S. Rentals. Subject to the required shareholder votes and other customary terms and conditions, the merger is expected to be completed in September.

United Rentals is a large, geographically diversified equipment rental company serving the construction industry, industrial and commercial concerns, homeowners and other individuals through its network of 210 locations in 28 states and Canada.

The company offers for rent a broad range of equipment. Since its inception in 1997, it has acquired 59 rental companies across the United States and Canada.

LEGISLATIVE UPDATE

It amazes me how we always love to hate someone. We need a villain. George Orwell knew this when he wrote in his book, "1984" that "war is peace," referring, of course, to the fact that as long as people have someone to focus their anger on abroad, there will be peace at home.

This is the same feeling I get when I talk to people about the IRS and legislation concerning the tax code. The conversation usually starts off with someone saying, "That SOB from the IRS did this or that," or "The IRS is made up of crooks. They all should be shot." At this point I pipe up (because you know I can't help myself) and say something to the effect of, "then why don't you do something about it?" This is always met with a sigh and a "there's nothing anyone can do - the machine has just gotten too big."

Too big, yes - definitely; there's nothing anyone can do, absolutely not. But, as a matter of fact, HR2676 has been signed into law. HR2676 is an IRS restructuring bill which has several positive provisions for small business, not the least of which is shifting the burden of proof from the taxpayer (that's us) to the agency in certain tax disputes. Earlier this summer the House of Representatives passed HR3097, the Tax Code Termination Act, which would have sunset the current tax code by Dec. 31, 2001. Unfortunately this bill, now S1673, failed to pass the senate by a 49-49 tie. Just imagine a world without the IRS. We were so close.

All is not lost. On the home front in New Jersey look for a non-binding referendum this November at the polls. A-1776 sponsored by Assemblyman Steve Corodemus would provide for a statewide non-binding referendum on whether the state of New Jersey should urge Congress to abolish the current federal tax code.

Now, I know that someone out there is thinking this sounds good but what can *I* do? Well, a lot. Ever hear about the squeaky wheel? If you want to act and don't know how, call me (973) 887-2251. I've got the names, numbers and addresses you need to be heard and we also have a link to the government on our association web page, NJARA.org.

Someone out there is also thinking, "but they're not all SOBs". This is true, I've never met an IRS agent that wasn't friendly and professional. Someone else is thinking, "but what will all those unemployed IRS agents do for a living?" First off, the function of the government is not that of an employment agency. That's the same mentality that keeps tolls up on the Garden State Parkway when over 60% of the money collected goes to paying the people collecting it. Second, a "G-man" is a "G-man," there are more IRS employees than FBI, CIA, and OSHA combined. Is it right that we employ more people to take our money than to guard our safety? Another person is thinking, "then, who?" Who will take our money and how will they do it.? This starts the debate over Flat Tax vs. a National Sales Tax. Both have their merits, although I prefer the national sales tax over the flat tax as do others who have studied this issue.

The flat tax sounds good because when we hear *flat* we think level and even. The problem is it won't be flat across the board and how do you define "income"? Is the company car income? Is that dinner a company expense and is it income to those who ate it? With a flat tax the underground economy is not affected. A drug dealer or a Mafia boss is not going to say, "Well, it's only a percentage, I'll declare my income." No, they'll continue unaffected by any change.

The biggest challenge I see with a National Consumption Tax is the name. It's not "flat" like the other one and it's "national" and "consuming" which sounds so very big and so, well, consuming. Remember, we just love to hate something and that name begs to be hated. Supporters will need a better euphemism for this tax before it goes over with the public.. In function, though, I believe it has the best of most of what we are looking for. Every one will be taxed the same percentage no matter who they are or what they make. If you don't want to spend a lot in taxes, fine, don't spend a lot. This will increase your savings - no longer taxed - and you'll be able to go ahead and save for your retirement without being penalized.

As far as who will collect the tax, that would most likely be us, the merchants. Yes, it'll be inconvenient but the government will allow us a percentage of the tax collected to make up for it. More importantly, the time, effort and money which will be saved from not having to comply with the current code will far outweigh any cost associated with a new tax. For more information and a better comparison, the association has secured a video tape from US Senator Bill Archer on the virtue of this brave new way to fund our federal government. If you are interested in the topic or would like more information to better understand the concept, contact myself or Carl so we can lend you a copy.

Am I afraid of the IRS? Even as I write this, people in my office are asking if I'm going to sign it . My wife said only half jokingly, "I'm glad I keep good records and don't have anything to hide." Now I know how John Hancock felt. Yes, the image of the IRS agent

in the black cape and handlebar mustache banging at the door is an old time metaphor for greedy government. Maybe if this image scares us enough, together we can make that picture disappear from our children's history books. After all, we created that government and allowed that image to take shape? The topic of taxes and taxation goes to the very core of our country's history. I'm sure we won't have any trouble finding a new villain to replace the IRS.

Joe Mihalko, Legislative Chairman