SSDA SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

SSDA News

Service Station Dealers of America and Allied Trades

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SSDA-AT Lobby Day Wrap Up

By Roy Littlefield

On June 20th, SSDA-AT members from around the country gathered in Washington, D.C. for a federal lobby day. Members from all sectors of the industry spoke to their legislators on the issues of repealing the Estate Tax, Infrastructure Funding, Online sales, Health Care, LIFO Repeal, Tariffs, Work Opportunity Tax Credit, Lawsuit Abuse, Retroactive Liability Provisions Superfund, Scrap Tires and Used Oil, National Energy Bill, Urge Strong Enforcement of the Magnuson - Moss Warranty Act, Support the Motor Vehicle Owner's Right to Repair Act, Comp Time, and RPM Act. The timing was right, as Congress is hoping to address many issues before the end of the year.

We began the day with a federal agency briefing from Anthony Bedell, Deputy Assistant Secretary for Intergovernmental Affairs for DOT, George Riccardo, Senior Congressional Affairs Officer for DOT, Brian Barnard, Director of Governmental Affairs for NHTSA, Lisandra Garay-Vega, PhD, Chief, Vehicle Dynamics Division, Office of Crash Avoidance Standards for NHTSA, and Mary Versailles, Acting Director, Office of International Policy, CAFE & Consumer Program for NHTSA. We hope that this briefing leads to an open dialog about safety inspections and other industry issues. Attendees then visited with their Congressional offices in a series of personal meetings to discuss industry specific issues impacting their business. SSDA-AT then hosted a luncheon in the U.S. Capitol Visitor Center with several speakers including: a Magnuson Moss Warranty Act Update from Tom Tucker, State Relations Director, ACA. An Estate Tax Repeal update from Alex Ayers, Executive Director, Family Business Coalition, and a look at the 2018 Elections from Jim Hobart, Partner at Public Opinion Strategies. Over the past four election cycles, Jim has been a part of the polling team in some of the most competitive and important elections in the country and in 2013, he received the prestigious Rising Star Award from Campaign and Elections Magazine. He also made regular appearances on NPR, CNN, and the BBC to comment on campaign politics. If you missed Jim's update on the elections you will have a chance to hear the recap in Vegas this year! A week before the November elections Jim will be speaking to our group at the Tire Industry Honors (SSDA-AT members invited) as well as taking part in the Legislative Update seminar on Wednesday October 31st in the Convention Center at Noon. We hope to see you there!

Following the lunch, SSDA-AT hosted an "Industry Issues Seminar" in the Rayburn House Office Building where some Members of Congress lead a discussion on the current state of the industry and the prospects of infrastructure funding. Congressman Earl Blumenauer (D-OR-3) and Congressman John Garamendi (D-CA-3) addressed the group and called on Congressional action to solve some of the lingering transportation issues. Catherine McCullough from the Intelligent Car Coalition also joined in the panel to share her thoughts. The day wrapped up with a reception in the Transportation and Infrastructure Committee Room of Rayburn where SSDA-AT members mingled with a variety of Senators, Congressman, and staff that attended. The keynote address was given by Democratic Whip Congressman Steny Hoyer (D-MD-5).

With so many small business issues on the table this year, it was important to share our positions with members of Congress.

The timing was right. Especially seeing how issues like internet sales have gone since the lobby day. It was a tremendous showing from all sectors of the tire industry, speaking in one voice on crucial industry issues. The attendance and support throughout the day was phenomenal.

A big thank you to all those who attended, together we made a difference! Your voice was heard!

"Why Isn't My Automotive Site on Google's Front Page?"

By: Stephanie Santore, Net Driven

Search engine ranking and visibility is the end game to search engine optimization. You want your site to be a top contender for rank organically on Google's search engine.

You've created a website for your business. You've sent it out into the world wide web. You're sure you've done everything right. But, um, wait… it isn't on the first page. What's that about?!

First, we should get an idea of what ranking means. Here's the definition for ranking straight from Moz.com's Learning Center:

"Ranking refers to the process search engines use to determine where a particular piece of content should appear on a SERP. Search visibility refers to how prominently a piece of content is displayed in search engine results."

It's difficult to not want to get to the number one organic spot, and fast. But don't forget, your website will be competing with similar automotive and tire businesses who are located in your immediate area that may have just as much relevant content as you do with their own set of SEO strategies in place.

They may also have had a web presence for a year, maybe several. Everyone is vying for a coveted organic spot on page one. Google knows this. That's why there are guidelines when it comes to ranking in search engines.

If you're at the top of the ranks, Google will take a closer look at your site. It's important to keep this in mind when you're developing your SEO tactics. You must avoid low-quality techniques that might get you on the fast track to page one, but once you're there, send you zipping straight back to the depths of organic results due to penalties.

Google considers over 200 factors when ranking search queries. This can make it difficult to determine why a competitor might be outranking you. But, where high rank is concerned, it normally comes down to two things: a piece of content that is doing a better job of answering user intent and satisfying RankBrain's priority ranking factors.

Aren't familiar with RankBrain? It's Google's machine learning program that evaluates and re-evaluates individual ranking factors for different industries and queries.

The gist:

You want to create value with your content. Ranking for the keywords of your choice can be tough, especially fighting for high-volume keywords on Google's first page. Create your content with the user in mind, focusing on depth and uniqueness. Answer their questions in an

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NET DRIVEN

easy-to-read format, addressing the audience you intend to reach.

Check out this Master SEO Blueprint for ideas on how to lay the foundation for solid SEO.

Also, pay attention to your page titles and meta descriptions. They may no longer affect rank as much as they used to, but they are what appears in the SERP's and they can vastly improve your website's click-through-rate.

Design matters. Put thought into the way your site will look. A creative and well-made design with a site structure that is easy to navigate makes for a good user experience. That's the goal.

Stay away from outdated SEO tactics and other factors/techniques that could get your website penalized or at the very least, have Google take up an issue with it. Things like duplicate content, keyword stuffing, anchor text overuse, broken links, over-optimization, and "quick fixes" that claim to guarantee to get your site to number one.

Check out the full list of factors that can grant you a penalty from Google and ultimately affect the performance and rank of your site.

And last but not least, be patient. The number one question any SEO specialist in the gets asked is: "How long until my website (page) ranks on top of Google?" Well, there is no definitive answer to that question because it is and will always remain variable. No website is ever guaranteed a number one spot on Google SERPS.

Having up-to-date knowledge of SEO and its best practices, staying up to speed on any algorithmic updates, and being aware of changes to the local search landscape are all integral in your quest to rank on Google's front page.

More importantly, don't get frustrated if you do not see immediate results. Avoid partaking in blackhat SEO tactics that could get your site penalized.

Trust that quality SEO work will pay off when you're sending out all the right signals!

Are you an automotive or tire business and want to know more about what Net Driven can do for your website? Check out how our team of internet marketing professionals provides search engine optimization for the automotive industry!

Additional Sources:

https://smartblogger.com/seo-mistakes/

https://propecta.com/competitor-outranking-you-google

Supreme Court Rules States Can Require Online Merchants to Collect Sales Taxes

The Supreme Court handed states broad authority to require online retailers to collect sales taxes, overturning a pre-internet precedent that had effectively exempted many merchants from collection duties.

The ruling likely will spell the end of an era in which consumers could save on taxes by purchasing goods online instead of from local merchants.

US Energy Industry Warns of Fallout from US-China Trade War

US energy exports could fall victim to rising trade tensions between the US and China -- the biggest buyer of US oil -- as the Asian nation prepares to impose 25% tariffs on US petroleum imports.

The levies will "hurt everyone for the short term," and costs will rise as oil exporters are forced to look elsewhere for customers, said Mammoth Exploration Vice President Ron Gasser.

Study: U.S. Natural Gas Production to Surge 60% in 20 Years

The U.S. shale boom kicked off with natural gas a decade ago, and dry gas production is expected to keep surging by another 60 percent during the next 20 years, according to a new report.

While much of the shale focus is now on oil production in West Texas, it all started with natural gas production. And that growth isn't showing any signs of dissipating. U.S. natural gas production already has jumped by about 60 percent in just over a decade and is now poised to replicate that feat over the next 20 years, according to the IHS Markit research firm report.

The U.S. was churning out about 50 billion cubic feet of gas a day through conventional production means before the boom, and that has since skyrocketed to an estimated record of more than 81 billion cubic feet daily this year - a 10 percent hike from 2017 - according to the U.S. Energy Department. The U.S. is by far the global leader in gas production.

A 60 percent spike from 2017 levels would calculate to about 118 billion cubic feet a day by the end of 2037.

Calling shale gas anything but a veritable revolution is a big understatement, said Dan Yergin, IHS Markit vice chairman and the report's co-author.

"It represents a dramatic and largely unanticipated turnaround that dramatically changed both markets and long-term thinking about energy," Yergin added. "The profound and ongoing impacts on the industry, energy markets, the wider economy and the U.S. position in the world continue to unfold."

The shale boom has reshaped the nation's electric grid, fueled a petrochemical boom along the Gulf Coast and created a burgeoning U.S. industry in liquefied natural gas exports. Of course, the shale oil surge wouldn't have happened without the horizontal drilling and hydraulic fracturing techniques used to triggered the shale gas revolution.

And the record shale oil production is only amplifying the natural gas statistics because there's a lot of associated natural gas found in many of the oil wells in West Texas' Permian Basin and other regions. That's largely why Texas leads the nation in natural gas production as well as oil.

In terms of the electric grid, natural gas-fired power has become the nation's leading source of electricity in a grid where growth was once dominated by coal and nuclear power. Natural gas is responsible for about one-third of all U.S. electricity now and that should grow to about 50 percent by 2040, according to the IHS Markit report.

Because the U.S. can only consume so much natural gas, much more of it will be exported in liquefied form. LNG exports are jumping from an average of 1.9 billion cubic feet a day last year to about 3 billion cubic feet this year. That should jump to more than 5 billion cubic feet a day next year as new projects come online along the Texas and Louisiana coastlines, according to the Energy Department.

IHS Markit predicts that U.S. LNG exports will grow to at least 10 billion cubic feet daily in five years.

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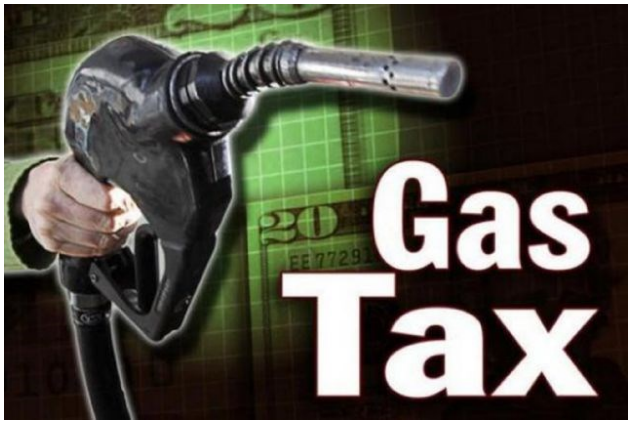
Arizona Gas Tax Increase Proposed to Help Fund Road Improvements



It's a game of numbers and the debate has long centered on whether you'd be willing to pay more at the pump to help foot the bill for improvements to our roads and highways.

Raising the state gas tax has long been controversial. Currently, the Arizona state gas tax sits at 18 cents per gallon. According to the Tax Foundation, Arizona has the 6th lowest state gas tax in the nation. Proponents of raising the gas tax say it would help infuse a lot of cash into a long list of needed road and highway projects.

"That's where we are today, we're right on the cusp of not being able to maintain what we have," said Eric Anderson, the executive director for the Maricopa Association of Governments, which plans our highway systems in metro Phoenix.

Anderson is a proponent for raising the gas tax at least 10 cents per gallon, bringing us closer to the national average. Arizona has not raised the gas tax since 1991, with the latest effort stalling out in the state legislature in 2017.

"It's not a big hit at all," Anderson said. "The returns in spending that money, maintaining our road system and doing necessary expansion is so important for the state's economic well-being."

Anderson notes increased construction costs and more fuel efficient vehicles mean the purchasing power for money raised by the gas tax isn't what it was 27 years ago.

According to Anderson, each penny of the gas tax raises roughly $35 Million annually. Numbers show the gas tax, which is one of several streams of revenue, brought in $504 Million in fiscal year 2017 to the state's Highway User Revenue Fund. That money is then distributed to a variety of places, including to ADOT, which maintains the state's highway system.

According to ADOT's long-range transportation plan for 2040, they project a $30.5 Billion funding shortfall.

"It's sort of like having a leak in your roof," Anderson said. "If you don't take care of it, if you don't do that preventative maintenance on your roof, it will collapse at some point. We've seen that in sections

Arizona Gas Tax Increase Proposed to Help Fund Road Improvements

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of I-40 across northern Arizona that the pavement is just disintegrating in places."

While raising the gas tax would bring in more cash for road repair and maintenance, some argue that's not the best way to raise money.

"I fundamentally reject the idea that we should raise something simply because it hasn't been raised since the early 90s," said State Representative Ben Toma (R-22). "By that logic we can raise all kinds of taxes all the time."

Rep. Toma noted the shift to alternative fuel vehicles as a reason to not focus on gas as the primary way to increase revenue for roads.

"You have all these different types of energy sources, or vehicles based on these energy sources, and they're not going to be based on the gas tax," Rep. Toma said. "If your plan is to figure out how to fund infrastructure in the long-term, how to fund infrastructure investments, then basing it on the gas tax is the wrong way to start."

In a hypothetical situation, raising the gas tax 10 cents per gallon would cost a person roughly $8/month if they filled up 20 gallons per week. Rep. Toma, however, says there are additional hidden costs as businesses might pass the burden off to consumers.

"Everything from bananas to Amazon deliveries to virtually everything else that you do is affected by increased cost," he said.

According to the National Conference of State Legislatures, in 2017 seven states passed legislation to raise the gas tax.

In order to find additional revenue for roads, Rep. Toma says it will take a lot of discussion.

"I do think we need to look at what that might look like in the future and potentially look at other revenue sources to get to that same place, but I don't think the gas tax is the place to do it," Rep. Toma said.

Meanwhile, Anderson told ABC15 raising the gas tax is a simple solution that would have long-lasting effects across our state.

"Your roads can go from ok, to not very good, to bad condition over maybe a 10-year period," Anderson said. "Then you're talking about it's a lot more expensive to repair the road at that point than it is just to maintain it."

While not a tax increase, the state legislature did pass a bill last session to increase vehicle registration fees, expected to bring in roughly $140 Million to the Highway User Revenue Fund. That should free up some money for road repair.

U.S. Shale Producers Warn Chinese Tariffs Would Hit Energy Exports

China's proposed tariffs on U.S. petroleum imports, part of a mounting trade war between the two countries, would crimp sales to the shale industry's largest customer, adding new pressure on U.S. crude prices, energy executives and analysts said in interviews.

China has said it would slap a 25 percent tariff on imports of U.S. crude, natural gas and coal on July 6 if Washington went ahead, as planned, with its own tariffs on Chinese goods that day.

Energy would be added for the first time to a burgeoning trade dispute that has hit imports of Chinese metals and solar panels, and exports of U.S. medical equipment and soybeans. Targeting petroleum puts the Trump administration's "energy dominance" agenda in Beijing's cross-hairs as U.S. shale has grabbed share from Middle East suppliers in Asia. China is the largest customer for U.S. crude, importing about 363,000 barrels a day in the six months ended in March. Thomson Reuters shipping data shows those exports have increased since, rising to an expected 450,000 bpd in July.

"It is going to hurt everyone for the short term," said Ron Gasser, vice president at Mammoth Exploration, a west Texas shale producer. While U.S. crude will continue flowing to market even with tariffs, "it'll force you to put your oil somewhere else, and it'll cost you more" to line up other buyers.

U.S. oil exports have steadily grown since the four-decade-old ban on crude exports was lifted at the end of 2015.

China's tariff threat caught U.S. producers off guard because it had been discussing buying more U.S. energy and agricultural products to reduce its $375 billion trade surplus with the United States. The levies could boost suppliers of West African crude at the expense of U.S. exports. The tariffs are "creating a whole new set of uncertainties on top of what's already there," Daniel Yergin, vice chairman of consultancy IHS Markit, said as he arrived in Vienna to attend this week's OPEC's International Seminar. OPEC oil ministers will gather to consider sharply increasing the group's production this year, a move advanced forth by Saudi Arabia and Russia. The change is opposed by members Algeria, Iran, Iraq and Venezuela. The United States also recently set new sanctions on Iran's petroleum industry, which is expected to disrupt oil flows. "The global oil industry didn't really worry or think about trade issues. Now, trade issues are moving really pretty fast up the agenda," said Yergin. The impact likely would be temporary as U.S. oil becomes less attractive to Chinese buyers. But the tit-for-tat expansion of tariffs has U.S. oil industry officials and politicians calling on the Trump administration to move cautiously. The American Fuel and Petrochemical Manufacturers Association on Tuesday called on the president "to work with China - and all nations - to reduce barriers to competition rather than promote them." U.S. Senator Michael Enzi, Republican of Wyoming, a coal and oil producing state, wants the administration to be "wary of how these retaliatory measures from China could seriously impact the industry," spokesman Max D'Onofrio said.

ANWR Could Boost U.S. Oil Supplies But It's Going to Be a While

Don't hold your breath waiting for oil from ANWR.

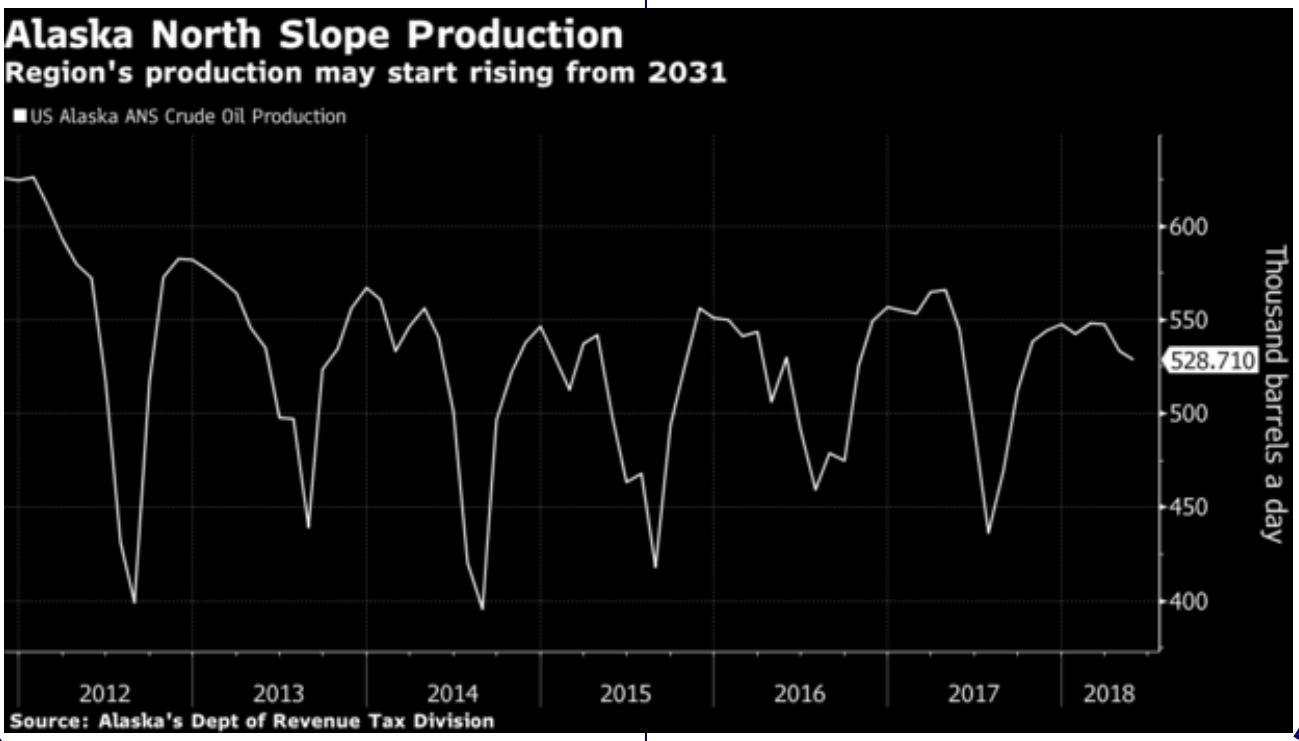
Oil probably won't flow until after 2030 from Alaska's Arctic National Wildlife Refuge, which was opened last year after a decades-long fight. Once production begins, a 1.5-million acre area within the refuge known as the coastal plain could yield anywhere between 5.7 billion and 16 billion barrels of oil, the Energy Information Administration said, citing a U.S. Geological Survey assessment conducted in 1998. Currently, Alaska's North Slope churns out about 517,000 barrels of oil a day, according to the state's Department of Revenue Tax Division.

Regardless of how much crude there is, production won't start for a while because of the time needed to acquire leases, explore, and develop the required infrastructure, according to the EIA. "Fields are assumed to take three to four years to reach peak oil production, to maintain peak production for three to four years, and then to decline until they are no longer profitable and are abandoned," the report said.

Then there is the question of demand.

The bulk of Alaskan oil is processed by refiners in the U.S. West Coast that may not want to increase their intake of the crude because it would reduce the profitability of refinery cokers, which are designed for heavier oils, according to the EIA.

Also because of the Jones Act, the crude would have to be transported domestically on U.S.-flagged vessels, which could also limit demand. These factors mean that some supplies would may find its way to Asian markets.



North Carolina Opens Door to $3B in New Highway Funding

North Carolina lawmakers hope a new $3 billion funding method will help the state's highways keep up with projected population growth.

Called "Build NC," the program allows the N.C. Department of Transportation to borrow against debt capacity in the state's Highway Trust Fund. The NCDOT can sell bonds based on the debt capacity. The agency can request that up to $300 million in bonds be sold per year for a total of $3 billion over 10 years. The bond issuance does not require a vote of the citizens. The bonds would be repaid out of the same Highway Trust Fund, which includes state gas and vehicle sales taxes and Division of Motor Vehicle fees. NCDOT has up to 10 years to use the new bond program.

The program can only be used for certain projects. They are regional road projects that have been sought by local governments as important to their communities, and they do not qualify for federal funding. The agency says it will use data to prioritize the projects to be funded under the program.

NCDOT Secretary Jim Trogdon says Build NC will speed up funding for these projects, as well as provide stability in transportation funding over the next decade.

"There are immediate benefits to Build NC's passage," Trogdon says. "First, private sector businesses across the state that build our roadways will see a stable industry over the next few years, allowing them to grow capacity to meet market demand with less risk. Second, the critical infrastructure communities across the state have been waiting for will be delivered sooner than they would be if Build NC was not available."

The bill has passed the state legislature and has been signed by Governor Roy Cooper.

Its passage was hailed by the Carolinas Associated General Contractors, which said the measure will result in tens of thousands of jobs and give legislators more time to come up with new transportation funding sources as transportation demands continue to grow.

UMaine Center to Find Ways to Extend Life of Transportation Infrastructure

The University of Maine (UMaine) reports that the U.S. Department of Transportation (U.S. DOT) plans to give it as much as $14.2 million over a period of five years to lead a coalition in the creation of the Transportation Infrastructure Durability Center (TIDC). The goal is to save taxpayer dollars by extending the life of transportation infrastructure, including bridges, roads, and rail.

The coalition also includes the University of Rhode Island, the University of Connecticut, the University of Massachusetts Lowell, the University of Vermont, and Western New England University. Additional partners include representatives from the Maine Department of Transportation (MaineDOT), the Vermont Agency of Transportation, the Massachusetts Department of Transportation, the Connecticut Department of Transportation, the Rhode Island Department of Transportation, and the American Society of Civil Engineers Transportation and Development Institute.

"Building on an impressive legacy of accomplishment, UMaine is well-positioned to lead this research to address the major challenges facing the future of our nation's transportation systems," said Sen. Susan Collins, according to the university.

"As a regional and national leader in transportation-related research, UMaine is prepared and ready to take on this work," said Sen. Angus King, according to the university. "The creation of this new center will allow the university to expand its efforts to tackle the infrastructure problems facing communities not just in Maine, but across the country. This project has the potential to save taxpayer money and improve quality of life for residents of our state, and I look forward to seeing its impact on Maine people for years to come."

"This is the first time that Maine was selected as the regional hub for U.S. DOT university transportation infrastructure-related research," said Habib Dagher, founding executive director of the UMaine Advanced Structures and Composites Center and director of the newly formed TIDC Center, the university reports. "Along with our partners from all New England states, we look forward to leading research to extend the life of existing bridges, construct longer-lasting assets, and reduce costs for the DOT and the public."

"We are eager to partner with this program to support research that will offer new technologies and techniques that ensure taxpayer investments continue to be maximized, while also extending the lifespan of our investments," said MaineDOT Commissioner David Bernhardt, according to the university.

TIDC will use 28 faculty researchers and train 280 student researchers from all New England states to focus on and prioritize real infrastructure needs identified by DOT partners. It will identify new materials and technologies that maximize the impact of investments in transportation infrastructure, including the following:

-Develop improved road and bridge monitoring and assessment tools;

-Develop better ways to strengthen and extend the life of existing bridges;

-Use new materials and systems to build longer-lasting bridges and accelerate construction; and

-Use new connectivity tools to enhance asset and performance management, while promoting workforce development.

Supreme Court Reverses Rule on State Sales Tax Collection Obligations for Out of State Vendors

On Thursday, June 21, 2018, the Supreme Court issued its widely anticipated decision in the case of South Dakota v. Wayfair, Inc. In doing so, the Supreme Court overturned its prior 1992 ruling and opened the door to allow states to require out of state vendors to collect and remit sales taxes on sales to individuals located in the state.

The Wayfair case centered on a South Dakota law that was enacted with the knowledge that it would be directly opposite to the prior Supreme Court ruling and would result in a challenge, thus teeing up this case. The South Dakota statute requires that any out of state seller that annually a) delivers more than $100,000 of goods or services into South Dakota or b) engages in 200 or more separate transactions in South Dakota, to collect and remit sales taxes on the transactions.

The prior rule that was stated by the Supreme Court in the case of Quill Corp. v. North Dakota was that states could only hold businesses with a physical presence liable for collecting and remitting sales taxes. Under this rule (known as the physical presence rule), out of state sellers, like the big online retailers, who did not have a phys-

Supreme Court Reverses Rule on State Sales Tax Collection Obligations for Out of State Vendors

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ical presence in a state but who sold and delivered goods to recipients in the state, were not (and could not be) required to collect and remit states sales taxes, and instead, the state had to rely on the individual who purchased the item to report and pay taxes (which was largely not happening).

In overturning the physical presence rule, the Supreme Court reasoned that the rule, which had last been considered in 1992, had been established to prevent state tax laws from burdening interstate commerce, but had actually resulted in giving out of state sellers an advantage over local businesses. The Court noted that the rule no longer reflected the reality of the global online economy. Even the dissenters in the case acknowledged this, though believed that it was for Congress, not the Court, to address the issue.

Under the new ruling, states will be able to require businesses that have a "substantial nexus" with the state to collect and remit sales tax. This now opens up the question of what it means for a business to have a substantial nexus with a state such that the state can impose the tax collection and remission burden. The Supreme Court found that, the South Dakota law properly only applied to businesses with substantial connections to the state. This is because the law limited its application to sellers delivering $100,000 in goods and services or 200 transactions annually and therefore didn't apply to businesses that didn't have a physical presence in the state and did very limited business with anyone in the state. In light of the Court's conclusion that the South Dakota statute properly addresses the substantial nexus issue, we expect to see other states modelling their laws similarly (Louisiana has in fact already enacted a law like South Dakota's in anticipation of South Dakota prevailing in the case).

As the Supreme Court itself observed in its decision, we would also expect to see technological solutions coming onto the market to help businesses with interstate sales that don't have large compliance departments comply with the tax laws of the states where they are delivering goods and services in. The potential impact of the Wayfair ruling on small businesses will likely depend on the nature of the small business and how states respond to the case. The decision was lauded by brick and mortar businesses who were finding it increasingly difficult to compete with out of state sellers whose sales prices did not include sales taxes. On the other hand, depending on how each state crafts its laws and defines which sellers will be subject to the new collection and remission laws we expect to see enacted, small businesses that rely on online sales may face challenges that the technological solutions may not move quickly enough to satisfy. eBay has already reached out to the sellers on its platform to encourage them to sign on to a petition urging Congress to pass legislation to prevent the application of laws like South Dakotas to small out of state businesses. Such legislation would likely take the form of setting a limit as to which businesses states could apply any new sales tax collection laws.

While the implications remain to be seen, this is a big commercial shift that is relevant for small businesses of all types. SSDA-AT is very encouraged by the Supreme Court decision. This has been an issue that our members have worked on tirelessly for many years. SSDA-AT hopes that this decision will allow for our local family owned businesses to compete fairly with large online corporations. Taxation of online sales was one of the issues SSDA-AT members discussed with Capitol Hill staffers during Federal Lobby Day, which was held the day before the Wayfair ruling came down.

Letter to the Editor

Dear SSDA-AT,

Whether you're driving to work, place of worship or vacation, the nation's network of highways and interstates is there to get you from point A to point B. And if even one lane gets blocked, you notice. Similarly, a nationwide transportation network of pipelines, storage, processing, ports, waterways, and rail is essential to moving natural gas and oil resources across the country. And expanding energy infrastructure capacity can ensure affordable, reliable energy is transported efficiently to American homes and businesses.

Our road to the top in world natural gas and oil production has led to growing production in some new areas – areas not always well-connected to the existing energy transportation network. Even established production regions like the Permian Basin in Texas are straining pipeline capacity because production has grown so much. Expanding energy infrastructure to keep pace with the U.S. energy renaissance spells major job opportunities. Private sector investment in energy infrastructure could total $1.34 trillion by 2035 – supporting more than 1 million jobs each year on average, according to a recent ICF study. Skilled workers from the construction and energy industries are ready to go – recently launching a joint pipeline construction safety training program to expand opportunities and reinforce safe practices. Thirty-two percent of today's construction industry workforce is employed on energy projects, amounting to over 2 million workers. Pipeline construction alone supports more than 41,700 jobs for union workers each year, generating over $2.3 billion in wages.

These are essential, shovel-ready projects that don't rely on taxpayer dollars. But they do hinge on a fair, efficient permitting process. Setting clear timelines for agencies to complete reviews and permitting decisions, clarifying the roles of state and federal agencies in reviewing water quality permits, preventing agencies from blocking permits prior to an application or pulling them back unjustly, and providing equal treatment for rights-of-way for all modes of infrastructure on federally controlled lands, will go a long way toward removing hurdles that delay important projects.

Eighty-one percent of American voters support increased energy infrastructure development. For the few who oppose pipeline projects, some key facts might make a difference. For one, natural gas and oil pipelines deliver their products at a safety rate of 99.99 percent, according to the most recent data. That makes pipelines one of the safest, most efficient ways to transport the energy homes and businesses need.

Water infrastructure is also critically important to America's economy. In 2016, over 2 billion tons of goods valued at $2 trillion were moved through the U.S. waterborne transportation system, with over 40 percent of the tonnage comprised of crude or petroleum products . This infrastructure facilitates energy trade flows across the United States and around the world, helping to ensure that American and global consumers have access to affordable energy. That's why it's so important for Congress and the President to enact the Water Resources Development Act, legislation to authorize water infrastructure projects and enhance transparency and efficiency in the U.S. Army Corps of Engineers regulatory process, which is needed for the maintenance and construction of port and waterways infrastructure to help keep the U.S. globally competitive.

By enacting reforms to streamline infrastructure approval, Congress and the Trump administration can cut the red tape so we can start the ribbon-cuttings on job-creating, community-sustaining energy infrastructure projects.

Sincerely,

Jack Gerard

President and CEO

API

Proposed Regulations on Section 199A

It is no secret that pass-through businesses have been eagerly awaiting guidance on how the provisions of new tax law will be applied to them, specifically those set forth in Section 199A. [Section 199A provides a new 20% deduction on "qualified business income" under certain circumstances. The AICPA has identified in a 40 page letter to IRA areas in Section 199A that need clarification!] The IRS has heard this call and the interpretation of Section 199A has been identified as a top priority. Acting IRS Commissioner David Kautter recently stated that proposed regulations on Section 199A, which will focus "primarily on aggregation rules, antiabuse rules, the general rules, and then the definition of specified services" will be released in the next few weeks.

These will just be proposed rules for notice and comment, and it will still be quite a while before final rules are issued. However, such proposed rules should help give businesses a sense of how the IRS plans to interpret and apply certain parts of 199A. We will be following this closely and will be reporting back to you as guidance emerges.

THANK YOU TO ALL THOSE WHO ATTENDED LOBBY DAY!!!!

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