

INSIDE THIS ISSUE:

Ocean City Show	1, 19
AEM Poll	2, 3
Tire Tariffs	4
DOC Rulings	4
Legislative Mega Show	5
Licensed Techs in NY	6, 7
API Analysis	8
Overtime Reform Bill	9
RPM Act	10
CA- Prop 65	11
Hydraulic Fracturing opponents	12, 20
New Heavy Truck Emission Rules	13, 21
Mass. Says No to MVT Tax	14
OSHA Rule Delayed	15
Letter to the Editor	16

The Ocean City Trade Show

By Roy Littlefield



This year, SSDA-AT we will be back in beautiful Ocean City September 8-10 for the annual SSDA-AT Mega Show in conjunction with the WMDA/CAR Convention and Trade Show. We are returning to the Clarion Resort Fontainebleau as the convention host hotel this year. The Friday evening supplier Hospitality Suites will be held in the Clarion.

Trade association member surveys nationwide have consistently concluded that the greatest perceived membership benefit is a professional, organized, and meaningful trade show. The Convention and Trade Show will be held on September 9 and 10 at the Ocean City Convention Center. Around the Show we've scheduled a Welcome Reception at Seacrets, a Crab Feast, the Customer Service Contest and Association Award presentations at the Annual Awards Breakfast, outstanding seminars, Murf's Turf on the future of independent dealers, the

Legislative Work Group, political speakers, and a golf tournament.

Attending the SSDA-AT Trade Show should be a very stimulating experience for service station dealers and for the repair shop operators. In fact, the time you spend on the Trade Show floor should be productive... if you plan and organize your effort. As a progressive business person, there are certain groups of exhibitors you should make time to visit.



For example: **Visit your current supplier...** even though you know and understand their products and services. In addition to the sales person who normally calls on you, occasionally you should meet the company's senior executives and technical support personnel. The Trade Show environment affords you an excellent opportunity to discuss pricing, service and product developments, to

Continued on page 19

AEM Poll: Most U.S. Voters See 'Extreme' Need for Road, Bridge Infrastructure Work



A national poll released Aug. 9 by the Association of Equipment Manufacturers found that a majority of voters think roads and bridges are in "extreme" need of repair, and that half believe the federal government is primarily responsible for funding infrastructure repairs.

The findings were part of a poll commissioned by AEM to gauge voter attitudes about the current and future state of U.S. infrastructure amid a high-profile election. Both major party presidential candidates have said that if elected they were pursue major infrastructure investment programs.

AEM President Dennis Slater said: "Americans across the political spectrum understand the dire state of U.S. infrastructure and believe that the federal government should do more to improve our infrastructure. Voters recognized that increased federal funding for assets such as roads, bridges, and inland waterways will have a positive impact on the economy, and they are looking to the federal government to repair and modernize."

The association said it commissioned Morning Consult in June to conduct an online poll of 2,000 registered voters. It released a detailed analysis of the results, and issued a press release that summarized some of the findings.

"Roads and bridges top the list of sectors of the nation's infrastructure in extreme need of repair, but registered



Continued on page 3

AEM Poll: Most U.S. Voters See 'Extreme' Need for Road, Bridge Infrastructure Work

Continued from page 2

voters also believe that repairs should be made to railways, dams and water pipelines," the analysis said.

AEM said "a significant majority" of respondents, 80 to 90 percent, believe that roads, bridges and energy grids are in some or extreme need of repairs.

AEM reported that 68 percent say an increase in federal funding for infrastructure would have a positive impact on the economy. "This is true across party affiliation, with Democrats (72



percent), independents (65 percent) and Republicans (65 percent) all recognizing the positive impact on the economy as a result of greater federal funding for infrastructure," it added. As for funding those repairs, 49 percent consider the federal government

mainly responsible, but majorities of 70 percent or more say all levels of government – state, local and federal – should be doing more to improve infrastructure across the board.

The survey found a notable difference in views based on the age of those responding.

"Across the board, older voters are more concerned with the current state of our nation's infrastructure compared to younger voters. Specifically, 63 percent of 35-44 year-olds, 75 percent of 45-64 year-olds and 73 percent of those 65 and older rated U.S. roads as fair or poor, while only 55 percent of 18-34 year-olds expressed the same concern."



The DOC Finds No Evidence of Dumping in Initial Tariff Ruling on Indian OTR Tires

Recently, the Department of Commerce (DOC) announced that it found no evidence that off-the-road tire makers in India (ATC Tires Private Ltd. and Balkrishna Industries Limited (BKT)) have sold products in the U.S. at less-than-fair-market.

Therefore, OTR tire manufacturers in India will not be charged anti-dumping tariffs.

The investigation into OTR tires from India, Sri Lanka, and China began in early February. The ITC has already dropped its investigation into OTR tires from China and now has determined OTR tires from India should not be hit either.

That doesn't mean the DOC's investigation comes to an end, however. This finding, issued on August 12, 2016, ends the preliminary stage, and the

DOC will continue to collect evidence in the coming months before it issues its final determination on January 4, 2017.

The ITC will make their final determination in February of 2017. If the DOC's review of data reveals OTR tires from India have been dumped in the U.S., it could still impose tariffs.



DOC: 40% Tariffs Due on Truck Tires From China

The DOC announced its preliminary results Aug. 29, 2016. In every tariff investigation, the DOC selects manufacturers to serve as mandatory respondents. Those companies then provide data and answer questions, and those figures and answers serve as the basis and gauge for the industry as a whole.

In the truck and bus tire investigation, Prinx Chengshan (Shandong) Tire Co. Ltd. and Double Coin Holdings Ltd. were the mandatory respondents.

The DOC says there was evidence that truck and bus tires were dumped in the U.S. soon after the United Steelworkers sought the investigation in January, and as a result the U.S. Customs and Border Protection will be instructed to retroactively impose the tariffs on products. The effective date

will be 90 days prior to the forthcoming publication of this preliminary determination in the Federal Register. (It usually takes about a week for the Federal Register notice to be published, so the tariff retroactive date likely will be around June 7.)

These anti-dumping tariffs are on top of the countervailing tariffs the DOC preliminarily approved in June. Adding the two tariffs together determines the full penalty. For Double Coin, for example, it's 39.63%. Review the countervailing tariff details here.

The DOC cites U.S. Census Bureau data and says 8.9 million truck and bus tires were imported into the U.S. from China in 2015. Those tires are valued at more than \$1 billion.

Mega Show Attendees Plan to Tackle Legislative Issues

This year the Mega Show will focus on legislative issues affecting service station dealers and repair shop owners.

For those who attended the “Industry Issues Forum” topics will include: Tire Registration/ Recall Recovery, LIFO, Estate Tax, Small Business Healthcare, Work Opportunity Tax Credit, Lawsuit Abuse, Retroactive Liability Provisions of Superfund, Scrap Tires and Used Oil, National Energy Bill, Right to Repair Act, Marketplace Fairness Act, Comp Time, Section 179 and Bonus Depreciation, and OSHA.

As well as many issues on the state level including: Storm Water Management, Enforcement, Gas Taxes, Sick Leave, Future Technologies, Tire Aging, Minimum Wage, Online Lottery, Highway Funding, Healthcare, Environmental Laws, Tank Regulations and many more.

Attendees of the “Industry Issues Forum” will hear from a variety of speakers and representatives from AAA Mid-Atlantic, MD Dept. of Agriculture, Comptroller’s Office, DANA Insurance, Ad Hoc Oil Committee, MDE, Governor’s Task Force on Lottery, Suppliers, lawyers, in addition to independent repair shop owners and service station dealers. There were also representatives from a variety of other state associations to give updates from around the country on pending legislative and regional issues. Topics covered pertained to both the state and federal levels.

The 2016 SSDA-AT Industry Issues Forum, which will be held on Friday, September 9th, 2016 from 9:30am to 12pm at the Roland Powell Convention Center, in Ocean City, Maryland.

This year we have extended the Forum by

30 minutes to accommodate all of our speakers. There will be a broad section of our industry in attendance.

With so many legislative battles on the horizon, the timing for such an event could not have been more beneficial to members in attendance. With pending issues and legislation on the horizon, it is crucial that SSDA-AT members unite to protect the interests of their businesses.

With many legislative battles looming ahead, SSDA-AT would like to continue efforts to engage and involve the membership to unite against the government when unfair laws and regulations are encroached on small businesses. We must come together and speak in one voice to let our legislators know what our positions are.

Some bills have the potential to cost your business thousands of dollars a year, so stay involved and speak out!

The 2016 Mega Show will set the stage for legislative efforts to be stronger than ever for the remainder of this year and in 2017-2018 as we will elect a new President and Congress. SSDA-AT will remain an outspoken leader on both the state and federal levels.



MEMORANDUM

TO: All involved in the Automotive Industry
From: Service Station Dealers & Automotive Services of Greater NY (SSDGNY)
Date: August 2, 2016
Re: LICENSED TECHNICIANS

Service Station Dealers & Automotive Services of Greater NY (SSDGNY) is exploring ways to change and improve our industry. Our industry needs to be better respected and the public needs to realize the value of a technician and a repair shop.

It's time to realize that like any industry and trade there are professionals who are licensed to perform the duties of that business. Doctors, lawyers, plumbers, electricians, hairdressers, etc. these are just five of the 130 trades that need to be licensed in NYS in order to work in their industry. If not licensed then they can't work. We at SSDGNY believe that an automotive technician should be licensed by the state, just as every other professional.

This would be a win-win situation for all involved. First and foremost, it would give the public piece of mind knowing their vehicle is being repaired by an educated technician who had the proper training to fix their automobile. An automobile which can be a weapon on the road if not repaired properly affecting human lives and insurance costs.

A licensed technician means higher wages for them and this industry would now attract more qualified technicians into the workplace.

A licensed technician would be better able to diagnose vehicles properly so when ordering parts the parts industry, who loses at least 10% a year due to misdiagnosing, won't have to endure so much of a loss.

A licensed technician means a license fee every year. The government can earn more revenue for the licensing fee.

A licensed technician means that they will have to attend classes that are certified by the state and these classes can be given at trade schools and colleges thus more revenue for these institutions.

SSDGNY wants to make our industry a better one. We need the respect that other trades get. Vehicles today are much more complex than they were years ago when mechanics were called grease monkeys. Now mechanics or technicians as we would like to refer to them are not only mechanics...They are plumbers, electricians and computer techs. They do it all and do not get the recognition that they should.

Continued on page 7

Continued from page 6

Therefore, we are reaching out to everyone affected by this notion because we need to work together to get this done. We can't do this alone and we need support from our affiliates, the auto manufacturers, aftermarket industry, insurance industry, trade schools and colleges and our very own State and Federal governments.

If we all work collectively this can be a huge success for this industry and all involved.

We appreciate your time and look forward to working with you in the future on this endeavor. We would like to set up a meeting for a round table discussion in the near future to hear all of your thoughts.

Regards,
Peter S. Kischak
President
Service Station Dealers and Automotive Services of Greater NY
421 Waverly Avenue
Mamaroneck, NY 10543
914-698-5188

API: Drop in US Crude Oil Stocks, But Surprise Gasoline Build

U.S. crude oil inventories are down just over 1 million barrels for the week ended 12 August, according to the weekly American Petroleum Institute (API) report, but U.S. gasoline inventories are up over 2 million barrels in the biggest increase in six months.

Cushing crude inventories were down 680,000 barrels.

Earlier, crude oil rallied to a one-month high, but slid back down following the release of the API data. West Texas Intermediate (WTI) for September delivery closed at US\$46.58 on the New York Mercantile Exchange, but was down to US\$46.41 in electronic trading at the time of writing.

Analysts' expectations, as carried by S&P Global Platts, were for a 200,000-barrel drawdown on U.S. crude oil inventories, with the API figures coming at roughly half that. But for gas, the API figures were unexpected. Analysts were tapping a 1.8-million-barrel drop in gasoline inventories, while the API is showing a nearly 2.2-million-barrel increase.

Distillates were also up significantly over the week, with the API data showing a 2.4-million-barrel build.

This should contribute to further market volatility, though Zero Hedge notes that oil is primarily tracking the dollar right now and not paying as much attention to its own fundamentals.

Recently, the API reported the opposite—the biggest crude oil inventory build in three months, and a draw on gasoline stocks. That API report had crude inventories up 2.09 million barrels, and gasoline stockpiles down 3.9 million barrels, with distillates at a 1.5-million-barrel draw.

The EIA recently reported a 1.1-million-barrel rise in commercial crude oil inventories for the week to August 5, with the total reaching 523.6 million barrels. The week before that also saw a 1.4-million-barrel build.

The API data should be good news for oil prices, but the surprise gasoline and distillates build skews the picture.



AMERICAN
PETROLEUM
INSTITUTE

SSDA-AT Supports the Overtime Reform and Enhancement Act (H.R. 5813)

SSDA-AT supports H.R. 5813 because it would incrementally phase in the new DOL salary threshold over the next three years to give businesses adequate time to adjust to the new standard while also ensuring workers are fairly compensated. The bill would also eliminate a provision in the final overtime rule that allows for automatic updates to the salary threshold every three years.

On May 18, 2016, the U.S. Department of Labor (DOL) issued a final regulation updating overtime rules for white-collar salaried employees for the first time since 2004. Using the 40th percentile of weekly earnings for full-time salaried workers in the lowest-wage Census region (currently the South), the rule raised the salary threshold for employees who are exempt from overtime pay from \$23,660 (\$455 per week) to \$47,476 (\$913 per week) effective December 1, 2016. Any salaried employee meeting the DOL's criteria making less than \$47,476 a year and working more than 40 hours a week will be entitled to overtime pay.

The current salary threshold of \$23,660 is woefully inadequate and an update to the overtime rules for white-collar salaried employees has been long overdue. It is indeed time to strengthen overtime pay protections for America's workers. The **Overtime Reform and Enhancement Act (OREA)** will update the overtime rules while allowing universities, non-profits, and businesses the necessary time to be able to plan and comply with the new rule.

Key Features of the Overtime Reform and Enhancement Act:

Using the administration's effective date of December 1, 2016, the Overtime Reform and Enhancement Act will immediately increase the threshold more than 50 percent from \$23,660 (\$455 per week) to \$35,984 (\$692 per week). This increase represents the 20th percentile of weekly earnings for full-time salaried workers in the same Census region used by DOL to establish the new threshold.

After the initial increase in 2016, the bill will initiate a reasonable three-year phase-in until the DOL's new salary threshold of \$47,476 (\$913 per week) is met.

The annual increases under the bill are:

- December 1, 2016 -- \$35,984 (\$692 per week)
- December 1, 2017 -- \$39,780 (\$765 per week)
- December 1, 2018 -- \$43,628 (\$839 per week)
- December 1, 2019 -- \$47,476 (\$913 per week)

The bill eliminates the automatic three-year increase to the salary threshold established under the new rule. The bill recognizes that future administrations can and should update the overtime rules, as they are required to under the Fair Labor Standards Act, but limits the ability of the DOL to update the rules on autopilot. This will allow stakeholders to comment on proposed changes and require the DOL to ensure the rules are working as intended.

Recognizing the Protection of Motorsports Act of 2016 (RPM Act)- Update

SSDA-AT, TIA and SEMA continue to partner on this bill looking for more co-sponsors.

Background: In July 2015, the U.S. Environmental Protection Agency (EPA) introduced a proposal that would have prohibited the conversion of street vehicles into race cars used exclusively for the track. While the EPA has withdrawn the proposal, the agency continues to assert authority under the Clean Air Act to regulate the modification of vehicles used for competition. Congressional action is the only way to guarantee that street vehicles can continue to be modified for the track, well into the future.

Race fans and parts makers are urged to support the Recognizing the Protection of Motorsports (RPM) Act of 2016, a bipartisan bill in Congress that will confirm that it has always been Congress' intent that racecars are not include in the Clean Air Act's definition of "motor vehicle." The RPM Act makes clear that it has always been legal to modify a street vehicle into a racecar used exclusively at the track, and confirms that modifying these vehicles for exclusive track use would not be considered tampering.

PASSAGE OF THE RPM ACT IS CRITICAL TO THE FUTURE OF MOTORSPORTS:

The Clean Air Act prohibits the EPA from regulating racecars used exclusively on the track. When Congress amended the law in 1990 to authorize the EPA to regulate non-road vehicles, it expressly exempted "vehicles used solely for competition" to ensure there was no confusion about the regulatory exclusion.

However, despite recently withdrawing troubling language from a proposed rule, the EPA maintains that converting a motor vehicle's emissions' system is "tampering" and that a vehicle is forever a "motor vehicle" subject to the Clean Air Act, even if it is unregistered, the license have been plates removed and the vehicle is never driven on the highway. It is at the EPA's discretion when it can enforce this authority.

The RPM Act would address this vulnerability and provide the public and regulated industry with certainty regarding how the Clean Air Act is applied,

and allow Congress to confirm that it has ultimate authority.

IMPACT ON RACERS:

The EPA's enforcement authority could affect any vehicle, including sports cars, sedans and hatchbacks, that starts its life as a street car or motorcycle if it was originally certified to federal emissions standards. Federal emissions standards have been effective since 1968, so the EPA's prohibition would cover all motor vehicles dating back to that year. Note, the EPA is not claiming authority over purpose-built racecars like those used today in NASCAR, or "nonroad vehicles" (dirt bikes, ATVs, snowmobiles and boats) that are used exclusively for racing.

IMPACT ON MOTORSPORTS AND INDUSTRY:

The EPA continues to claim that it has the authority to regulate street cars modified exclusively for the track. Only clarifying legislation will confirm that such activity is legal and beyond the reach of future EPA regulations. Further, if the EPA decided to enforce this authority, it would have a devastating impact on motorsports since many types of racing rely on production vehicles that have been modified for use strictly at the track. It would also decimate the industry that supplies the products used in motorsports. The specialty equipment automotive aftermarket employs about one million Americans across all 50 states. Current retail sales of racing products make up a \$1.4 billion annual market.

IMPLICATIONS FOR FUTURE REGULATIONS:

Regulators have already targeted manufacturers, distributors and retailers under current Clean Air Act authority. Installers may be the next target. Even if the EPA doesn't go after individual racers, this uncertainty could have a chilling effect on the supply chain. Legitimate racing products may no longer be developed and sold, and businesses may no longer be willing to modify vehicles.

Proposition 65 Hurts Californians, And Useless Warnings Are Coming

By Dr. Joseph Perrone

They say the definition of insanity is doing the same thing over and over again, but expecting different results. So what are we to make of the Office of Environmental Health Hazard Assessment's (OEHHA) doubling down on Prop 65, the California chemical labeling law that is as ubiquitous as it is meaningless?

Recently, OEHHA Acting Director Lauren Zeise claimed in a Fox and Hounds commentary that "This landmark law has provided Californians with significant health benefits." But where's the proof? California Polytechnic State University professor Michael Marlow found no evidence that Prop 65 has reduced cancer rates among Californians, stating "there isn't a single empirical study that demonstrates any public-health benefits,"

Prop 65 has been around for three decades. And with zero studies showing any benefit, you could forgive Californians for wondering why their public health officials continue to pretend otherwise.

But rather than revisiting the law's utility, OEHHA has proposed changes to Prop 65 that don't make meaningful reform. OEHHA wants to make the label even more startling to consumers by including a warning symbol. This may get attention and raise blood pressure, but it doesn't communicate actual risk. OEHHA would also require warnings to list a specific chemical, but how many consumers know what diethylhexyl phthalate is?

The labels will still lack meaningful information for consumers because they don't put risk into context. Take the chemical acrylamide for example. It's on the Prop 65 list, and it's found potato chips, French fries, and coffee. But you'd have to eat 182 pounds of French fries every day to consume cancer-causing levels of acrylamide. A warning label for acrylamide on a box of fries or a bag of chips doesn't tell consumers anything.

The problem is that the labels don't distinguish low from high risks—and it's desensitizing people to the real ones. If the acrylamide warning is so overblown, why should Californians take labels for the other 860 chemicals seriously, especially when they appear on parking garages and Christmas tree lights? Such sloppy science merely creates a "boy who cried wolf" dynamic.

Not only that, but OEHHA has ignored good science in

favor of being on the side of scaremongering. Last year, OEHHA listed Bisphenol A under Prop 65 as a reproductive toxicant. However, no less than the Food and Drug Administration wrote OEHHA taking issue with this classification, writing that research findings "do not support BPA as a reproductive toxicant."

The contents of chemical labels need to be in context for consumers. If people know the risks, they can make informed choices. But neither the proposed labels, nor the new OEHHA Prop 65 website, provide information about risk levels.

Second, a massive predatory industry has developed among lawyers and environmentalists who shakedown businesses that run afoul of Prop 65's regulations. Last year alone, businesses paid \$26.2 million in Prop 65 settlements, with 68% going to pay attorneys' fees.

OEHHA's proposed Prop 65 changes are weak and fail to fix the problems. Nonetheless, OEHHA defended them with a survey which "showed 77% found the new warnings more helpful than the existing warnings." However, consulting public opinion on scientific nuance is a dangerous game. After all, another recent study found that 80 percent of consumers want to label food products containing DNA. (All food has DNA.)

OEHHA could propose smarter reforms. By deferring to authoritative bodies—like the International Agency for Research on Cancer (IARC) or the U.S. Environmental Protection Agency (EPA)—on which chemicals are safe, and not just carcinogenic, OEHHA would be following the best available science. By raising the burden of proof to significant exposure to chemicals before a business can be liable for failing to warn a customer, OEHHA would diminish the number of bounty hunter lawyers and unclog the court system by following common sense.

Everyone make mistakes, especially government agencies. But when it comes to questions of health and accuracy, there isn't time for pride. OEHHA needs to admit its mistakes, and start keeping Californians safe with common sense and the best available science.

Opponents of Hydraulic Fracturing Want to Kill America's New-Found Energy Abundance

There's no better — or bigger — illustration of the reversal of America's energy fortunes than the Gaslog Salem, the 98,000-ton, 935-foot-long liquefied natural gas tanker that left port in Cameron Parish, La., in late April bound for Portugal.

Since February, more than half a dozen tankers loaded with domestic natural gas that's been frozen to minus 260 degrees Fahrenheit have left American waters headed for ports in India, Brazil and the Middle East.

About a decade ago, the idea of America exporting LNG was as silly as thinking Donald Trump could be president of the United States. For instance, in 2005, Lee Raymond, who was then the CEO of Exxon Mobil, declared that "gas production has peaked in North America."

The conventional wisdom was wrong. Thanks to the shale revolution, the United States has gone from the prospect of natural gas scarcity to real abundance. This new abundance has been a boon for American consumers, it is helping our European allies, it has helped slash domestic carbon-dioxide emissions, and it has better equipped our electric grid to handle the intermittency of renewable energy.

Despite these facts, America's most prominent Democratic politicians and environmental groups want to end the shale revolution by prohibiting hydraulic fracturing. And they are doing so despite renewable-energy subsidies that favor wind and solar at the expense of natural gas.

The numbers tell the tale. From 2006 to 2015, domestic gas production increased by 55 percent and now stands at about 80 billion cubic feet per day. In petroleum terms, domestic gas output has grown by 5.3 million barrels of oil equivalent per day, an amount of energy greater than the combined oil output of Venezuela and Nigeria.

How does that increase compare to solar and wind pro-

duction? In 2015, U.S. solar production totaled 39 terawatt-hours. That's double the amount of solar output from 2014, and it's equivalent to about 178,000 barrels of oil equivalent per day. Last year, U.S. wind production totaled 191 terawatt-hours. That's up 4 percent over 2014, and amounts to about 864,000 barrels of oil equivalent per day.

Therefore, over the past decade, merely the increase in domestic gas production is equal to more than five times the amount of energy now being supplied by solar and wind combined.

This abundance has led to major price declines. From 2000 to 2009, the average price of natural gas in the United States was \$5.82 per million BTU. Today's price: \$2.06. Lower-cost natural gas benefits American consumers and American manufacturing. Last year, the Brookings Institution issued a report that estimated the shale-gas boom is saving American consumers about \$48 billion per year.



Low-cost shale gas is disrupting the international LNG market. In December 2014, LNG going into the Asian market was selling for \$12.49. Today, thanks in large part to America's entry into the global gas market, Asian LNG is selling for about \$4.24. Cheaper LNG helps America's allies in Europe by giving them an alternative to gas from Russia, which has long had outsized influence on the European energy market.

Shale gas is cutting U.S. emissions. On May 9, the Energy Information Administration reported that since 2005, the United States has cut its carbon-dioxide emissions by about 700 million tons, that's far more than any other country. The EIA reports that 68 percent of that reduction was caused by changes in fuel use in electricity generation and it specifically cited "the decreased use of coal and the increased use of natural gas." The report did not mention solar or wind.

Continued on page 20

Feds Release New Heavy-Truck Emission Rules

The specter of smoke-belching freight-hauling trucks should nearly be banished from the nation's highways over the next decade under new rules issued today by the federal government.

The Environmental Protection Agency and the National Highway Traffic Safety Administration released their final Phase II regulations for fuel efficiency and greenhouse gas emissions for heavy-duty vehicles. That takes in a broad range from larger pickup trucks such as the Ford Super Duty, the Ram 2500 and the Chevrolet Silverado HD to the largest tractor-trailer rigs on the road. The standards will be phased in between the 2021 and 2027 model years.

"Manufacturers are innovating and developing new technologies at a faster pace than we expected," said Dan Utech, deputy assistant to President Obama for climate change and energy. "We believe these standards will result in a 1.1 million ton reduction in carbon emissions over the period they take effect."

The standards come after a year during which industry officials, suppliers, environmentalists and the public offered comments and suggestions.

Gina McCarthy, administrator of the U.S. Environmental Protection Agency, acknowledged that the standards will increase costs for fleet operators in the near term, but that those operating tractor-trailers should recoup those costs in about two years. Owners of large pickup trucks and vans should achieve payback in about three years.

The Owner-Operator Independent Drivers Association has estimated that additional cost at an

average of \$14,000 per truck.

Several executives of companies most directly affected by the new rules express support.

"The continued focus on Improving fuel efficiency will unlock new innovations that protect our environment and spur economic growth," said Indra Nooyi, chairman and CEO of PepsiCo.

David Steiner, CEO of Waste Management, which operates the largest fleet of refuse vehicles in North America, also said he supports the rules.

"Having invested in about 6,000 natural gas trucks so far, we've already seen the benefits of new advanced technologies and have eliminated the need for 8,000 gallons of diesel fuel per year, per vehicle," Steiner said.

Heavy-duty trucks are the second largest and fastest growing segment of the U.S. transportation system, measured by their emissions and energy use. Medium- and heavy-duty vehicles currently account for about 20% of greenhouse gas emissions throughout the country, but are only about 5% of the vehicle population.

The proposed standards will apply to trucks sold between model years 2021 and 2027. Their goal is to reduce CO2 emissions by about 1 billion metric tons, cut fuel costs by about \$170 billion and cut oil consumption by up to 1.8 billion barrels over the lifetime of the vehicles subject to the regulations.

Some environmentalists had pushed for the rules to address not just carbon dioxide emissions, but

Continued on page 21

Governor Vetoes Massachusetts Provision to Test Vehicle Miles Traveled Tax

Massachusetts Gov. Charlie Baker on Aug. 10 vetoed a provision in a road and bridge funding bill that would have allowed the state to seek federal funds for a pilot program to test a tax on vehicle miles traveled, the MassLive.com news site reported.

The state Legislature included that provision for a voluntary pilot in late July when it finalized the broader legislation that authorizes state transportation programs. Baker signed the broader bill, which includes a new Municipal Small Bridge Program under which the state helps local governments pay for bridge projects that are not eligible for federal aid.

Some lawmakers had said testing a VMT revenue system was needed to help find a more stable way of funding projects in the future, while others complained that if it were to lead to an actual miles-traveled tax it would hurt western Massachusetts residents who must rely on cars instead of transit or commuter rail services that are available in big cities.

Last December, Congress in passing the five-year FAST Act surface transportation law authorized grants for states to demonstrate user fee-based revenue mechanisms

as an alternative to the Highway Trust Fund's mix of excise taxes on motor fuels and truck equipment.

Oregon and California have already launched voluntary VMT test programs, and officials in some other states have said they are considering some as well. Baker told reporters Aug. 9 of his decision to strike the provision. "We've already said that we don't support the vehicle-miles-traveled tax, and we're going to veto that section of the bill," Baker said, according to the State House News Service.

MassLive.com said that since the Legislature has ended its session, lawmakers cannot override his veto.

The story said that in a signing statement Baker gave several reasons for his veto, including that he would oppose any VMT tax that would impose it in addition to the state motor fuel tax and that he worried about the privacy rights of participants.



Anti-retaliation Protections Delayed (Enforcement) for OSHA Rule Issued to Improve Tracking of Workplace Injuries and Illnesses

The new OSHA rule issued to improve tracking of workplace injuries and illnesses includes a provision that prohibits employers from discouraging workers from reporting an injury or illness.

The final rule requires employers to inform employees of their right to report work-related injuries and illnesses free from retaliation; clarifies the existing implicit requirement that an employer's procedure for reporting work-related injuries and illnesses must be reasonable and not deter or discourage employees from reporting; and incorporates the existing statutory prohibition on retaliating against employees for reporting work-related injuries or illnesses.

These provisions became effective August 10, 2016, but OSHA has delayed their enforcement until November 1, 2016 in order to provide outreach to the regulated community.

The new reporting requirements will be phased in over two years:

-Establishments with 250 or more employees in industries covered by the recordkeeping regulation must submit information from their 2016 Form 300A by July 1, 2017. These same employers will be required to submit information from all 2017 forms (300A, 300, and 301) by July 1, 2018. Beginning in 2019 and every year thereafter, the information must be submitted by March 2.

-Establishments with 20-249 employees in certain high-risk industries must submit information from their 2016 Form 300A by July 1, 2017, and their 2017 Form 300A by July 1, 2018. Beginning in 2019 and every year thereafter, the information must be submitted by March 2.

What does the rule require?

The new rule, which takes effect January 1, 2017, requires certain employers to electronically submit injury and illness data that they are already required to record on their onsite OSHA Injury and Illness forms. Analysis of this data will enable OSHA to use its enforcement and compliance assistance resources more efficiently. Some of the data will also be posted to the OSHA website.

OSHA believes that public disclosure will encourage employers to improve workplace safety and provide valuable information to workers, job seekers, customers, researchers and the general public. The amount of data submitted will vary depending on the size of company and type of industry.





LETTER TO THE EDITOR

Dear SSDA-AT,

Congress has a few legislative weeks left this year, and action on the Renewable Fuel Standard (RFS) should be a top priority. Market conditions and America's energy reality have changed dramatically since the RFS was passed in 2007.

However, the RFS continues to require increasing amounts of ethanol in the fuel supply each year, regardless of market demand.

The Environmental Protection Agency's (EPA) proposal under the RFS to force an additional 700 million gallons of ethanol and other biofuels into the nation's fuel supply in 2017 pushes us closer to the blend wall, the point at which federal mandates require more ethanol in the fuel supply than can be safely blended as standard E10 gasoline.

Almost 90 percent of vehicles were not designed to use higher blends like E15, which studies show can potentially cause engine damage. And it's not just cars and trucks. Other engines are also at risk:

National Association of Marine Manufacturers: "In the proposal, EPA has ignored the consumer demand for ethanol-free gasoline options. Objective analysis from the Energy Information Administration showed that Americans consumed 5.3 billion gallons of ethanol-free gasoline in 2015. Yet, EPA is proposing a mere 200 million gallons... Studies continue to show that the public is woefully uninformed on the issue of misfueling and on E15 itself—only 31 percent of Americans understand that higher blends of ethanol can be harmful to small engines."

American Motorcyclist Association: "In the proposed 2017 rule, the EPA marginalizes E0 in favor of higher ethanol blends, which contradicts data from the federal Energy Information Administration that shows demand for E0 rose from 3.4 percent in 2012 to nearly 7 percent in 2014."

Besides potential engine damage, continuing to increase ethanol volumes could jeopardize the low gas prices drivers are enjoying, potentially driving up prices at the pump by up to 26 cents per gallon, according to the nonpartisan Congressional Budget Office. Bipartisan legislation to protect consumers from the RFS is gaining support in Congress. Let's get it passed before the RFS can do more damage.

Sincerely,
Jack Gerard
President and CEO
API

Sincerely,

Jack Gerard
President and CEO
API



THE 2016 SSDA-AT CONVENTION & TRADE SHOW

The SSDA-AT Convention and Trade Show is one of the strongest regional trade association events in the country for a number of reasons.

First, it has the benefit of location with Ocean City, MD as the destination. I've been to a lot of conferences and trade shows over the years, and the location is important. For SSDA-AT, attendees have the best of everything with a modern convention center for the trade show and workshops, a beachfront hotel for the networking events, and arguably the best golf course in the area.

Throw in a renown nightclub and the best crab-house in Ocean City and you have the makings for a perfect event.

It all starts on Thursday morning, September 8, at Rum Pointe Golf Links with the Golf Tournament. Rated #1 in the Ocean City area by Golf Advisor, Rum Pointe has something for every golfer. The links layout favors the occasional golfers with lots of room in the fairways while the bunker placement and water hazards present more than enough challenges for the serious golfers. With a 9:00 a.m. shotgun start and a nice lunch after the tournament, attendees can get a great start to the weekend and still have time to get ready for the Welcome Reception.

When it comes to nightlife in Ocean City one place always comes to mind: Seacrets. Ranked #1 by tripadvisor, Seacrets is a right of passage for most people who have grown up in the Washington DC, Maryland or Delaware area. Of course, most of the attendees are a little older now so the late night shenanigans are replaced by a good night of sleep, but that doesn't mean you can't enjoy some food and drinks from 7:00-10:00 p.m. Tickets are \$55.00 for adults and \$30.00 for children under 21.

On Friday morning, September 9, the SSDA-AT board of directors will have their annual meetings at the Ocean City Convention Center (OCCC). This is a great place to learn about what each association has in store for the upcoming year. Following the board meetings, the Industry Issues

Forum kicks off at 9:30 a.m. at the OCCC. This unique

gathering of associations, regulators, and industry experts provides an excellent overview of the gas station, service station, convenience store, and automotive repair industries. It's a virtual "Who's Who" for those businesses, so don't miss it!

Weather permitting, the Grille on the Bay takes place on the bayside patio of the OCCC at noon on Friday. After a morning of conference rooms and meetings, it's great to get outside and enjoy some fresh air with good food. This ticketed event takes place from 12:00 p.m. until 1:00 p.m. and tickets are \$30.00 per person.

The first slate of educational sessions begins immediately after the Grille on the Bay at 1:00 p.m. at the OCCC. "Oil Made Easy" and "The Power of Social Media" provide valuable information for owners and managers interested in the shop or marketing aspects of running a gas station, service station, convenience store or automotive repair facility. Both topics have the potential to translate into higher profits, so it's definitely worth it to attend.

I'm fortunate to say that I knew Harry Murphy, so I completely understand why Murf's Turf continues to pay tribute to an industry icon. Led by Kirk McCauley, Murf's Turf is a Town Hall Meeting where owners and managers can discuss important issues and exchange ideas. The theme for this year is "What Is the Future of the Independent Dealer?" It should be as entertaining as it is informative.

At 4:00 p.m., the largest regional gas station, service station, convenience store, and automotive repair trade show kicks off at the OCCC. Since SSDA-AT represents a wide range of businesses, the exhibitors reflect that same diversity in products and services. And since there are varying degrees of crossover between them, there is literally something for everyone at the trade show.

As an added bonus, there is a reception on the trade show floor from 5:30-7:30 p.m. with light food and drinks. Friday night, the event shifts to the Clarion Resort Fontainebleu Hotel, the host hotel for the convention. At 8:00 p.m. on Friday night, a SSDA-AT tradition continues with the Hospitality Suites at the Clarion. Unlike other conferences and trade shows

Continued on page 18

THE 2016 SSDA-AT CONVENTION & TRADE SHOW

Continued from page 17

where the hospitality suites are restricted to a select number of attendees, these parties are open to all attendees. It really says a lot about the companies that sponsor Hospitality Suites because they truly define the words "good corporate citizen" by hosting an inclusive party. Each Suite has a different theme with varying types of food and entertainment.



After a long day of meetings, education, and trade show, the Hospitality Suites are the perfect networking opportunity for sponsors and attendees. On Saturday morning, September 10, the Harry T. Murphy Customer Service Contest and Awards Breakfast takes place at the Clarion. By recognizing the top gas stations, service stations, convenience stores, and automotive repair facilities in Washington DC, Maryland and Delaware, the goal is to improve the collective image of each industry.

As someone who travels around the country on a regular basis, I can honestly say that the mid-Atlantic is home to some of the nicest, cleanest and most professional businesses in those industries.

After the Awards Breakfast and Customer Service Contest, the event shifts back to the OCCC for another round of educational sessions starting at 10:00 a.m. Each year, the Maryland Department of the Environment (MDE) takes the time to explain all of the changes and updates to regulations that

govern gasoline storage tanks. In another conference room, SSDA-AT/CAR will hold a roundtable for repair so the automotive repair and maintenance attendees have an opportunity to share ideas and discuss issues specific to their businesses. And the third session will address the digital showroom to help attendees improve their websites to create a 24-hour business.

From 11:30 a.m. until 3:30 p.m. the final hours of the trade show take place at the OCCC. For those who cannot get away on Friday, it gives them an opportunity to make the drive to Ocean City on Saturday morning to spend some time on the floor and learn about the different products and services that can lead to increased productivity and increased profits.

The SSDA-AT Convention and Trade Show wraps up on Saturday night with a crab feast at Higgins Crab House North in Ocean City. The family-friendly atmosphere and social component of a crab feast is unique to the mid-Atlantic, and Higgins is one of the best venues for this event. Tickets are \$45.00 for adults and \$25.00 for children under 21 and include crabs, food, and drink.

As far as formulas go, the Convention and Trade Show events that take place September 8-10, 2016 in Ocean City, MD represent the perfect mixture of education, networking and business. In today's economy, growth is essential for the long-term health of any company. And since growth is dependent on making the best business decisions, information becomes a valuable commodity for gas stations, service stations, convenience stores and automotive repair facilities. It will all be on display at the 2016 SSDA-AT Convention and Trade Show so the only thing that will be missing is you.



Ocean City Show

Continued from page 1

address and respond to your changing needs. Exhibitors are at your Trade Show to listen to you as well as to “sell” you.

Visit the Competitors of your suppliers... if for no other reason than to reassure yourself that you are dealing with the right people and the company. There is always the chance that you will find out otherwise. A Trade Show allows you a unique opportunity of comparing alternate sources without challenging or upsetting existing relationships.

Visit potential suppliers... those companies you may consider doing business with in the future as your own business changes (seeking new or alternative profit centers) and grows. If you have plans for expansion or modernization, you should be investigating a number of areas. The informal setting of a Trade Show makes this task much easier.

Visit all other exhibitors... make sure to allow ample time to make unexpected discoveries on the exhibit floor. After you have planned your coverage of specific exhibits, allow yourself some time for a relaxed walk through the entire exhibition. Browse freely. Spend a little time at any booth that catches your eye. Perhaps there is no faster way to get a sense for what is happening, and about to happen, in our ever changing industry. You may discover something that could significantly alter your station or repair facility. Do not try and take on the whole Trade Show in one time period. Plan on making at least two trips. Because the Trade Show will only be open two days, you will have to be more judicious as to how you allocate your time. We

will provide you with a directory of exhibitors, listing booth numbers and floor plan. This should make it easier to map out two or three trips to the Trade Show floor. Don't hesitate in asking for a demonstration of products being exhibited. Watch for reactions and responses of fellow members. Listen to the questions and conversations. Get involved!

It's all part of the Trade Show experiences. You should collect product literature at relevant booths to refer back to after you leave the Show, but don't try to collect everything being offered. Almost all exhibitors will be more than willing to send any data request to your station or facility following the Show.

Make sure you supply your correct and complete address. Members attending this year's Convention will have more opportunities to meet with distributor representatives, as well as more suppliers than at any previous Convention, and will sample new services, techniques, and machinery.

You will have an opportunity to learn more than you probably ever wanted to know about existing, new and pending environmental regulations. Trade Show exhibitors may help you more easily cope with those new regulations, and maybe even take a potential burdensome regulation and turn it into a profit center.

Fellow members have volunteered their time and talents to ensure that the 2016 Convention and Trade Show will be an educational, meaningful and entertaining event for you and your family. I hope to see you there!

Opponents of Hydraulic Fracturing Want to Kill America's New-Found Energy Abundance

Continued from page 12

Low-cost gas has transformed our electric grid, which is now irretrievably dependent on natural gas for both baseload generation and to offset the incurable intermittency of solar and wind energy. A February report by the Joint Institute for Strategic Energy Analysis, which comprises the National Renewable Energy Laboratory and five universities, found that if the United States aims to continue cutting electricity-sector emissions, natural gas will have to play a bigger role. The report also said that “natural gas shows signs of acting as a bridge to a low-carbon future.”

Now let's look at subsidies. At the end of 2015, the wind industry got a five-year extension of the production tax credit, which pays them \$23 for each megawatt-hour of electricity they produce. A megawatt-hour contains 3.4 million Btu. That means that wind energy producers are getting an effective subsidy of \$6.76 per million Btu. Thus, on an energy-equivalent basis, wind-energy producers are getting a subsidy that's more than three times the current market price of natural gas.

What about solar? Alex Trembath, an energy analyst at the Breakthrough Institute, recently estimated that in 2013, electricity produced from solar was getting more than 100 times the amount of federal subsidies as electricity produced from natural gas and nuclear.

These subsidies are propping up renewables at the same time that an entire cadre of politicians and activists are trying to kill the natural gas sector. Both of the Democratic contenders for the White House — Hillary Clinton and Bernie Sanders — have made it clear that they want to end the shale revolution by prohibiting hydraulic fracturing. New York Gov. Andrew Cuomo has banned the process in his state.

These politicians are being assisted by some of the country's biggest environmental groups, including the Sierra Club, 350.org, and Natural Resources Defense Council, all of which oppose hydraulic fracturing. Dozens of environmental groups, including Food and Water Watch, are planning to stage a march at the Democratic convention in Philadelphia to press their demand for a federal ban on fracking.

These politicians and activists repeatedly claim that hydraulic fracturing is dangerous and that it will cause widespread ground water contamination. They stubbornly ignore numerous studies — including ones by the EPA, MIT and, more recently, the University of Cincinnati — that contradict that claim.

The hard truth is that a federal ban on hydraulic fracturing would be catastrophic for the American economy and a windfall for OPEC. It would, within a matter of months, result in major price increases for natural gas and oil. That, in turn, would cause dramatic price hikes on everything from electricity and home heating to gasoline and fertilizer.

It's time to for some energy realism. The shale revolution has profoundly improved America's energy fortunes. If opponents of hydraulic fracturing succeed in banning the process, they will have succeeded in killing a uniquely American success story that is helping consumers and the environment.



Feds Release New Heavy-Truck Emission Rules

Continued from page 13

also those of nitrous oxide (NOx).

"California and the Northeast states have a NOx urban smog problem," said Bill Van Amburg, senior vice president of CALSTART, a group of 140 firms, fleet operators and agencies worldwide dedicated to supporting a clean transportation industry. "It's clear there's going to be a separate discussion on NOx at a later date.

"The two agencies have set the standards, but it gives the industry flexibility in how to

meet it."

In the end the agencies took more of a wait-and-see approach on that in order to focus more on cutting greenhouse gases.

Among the suppliers in Michigan who develop technology that will be used to meet these new rules are Eaton (Southfield and Galesburg) — advanced transmissions; Meritor (Troy) — drivelines, axles, differentials and advanced collision avoidance, and Achates Power (Farmington Hills) — opposed piston engines.

Please attend the 2016 SSSA-AT Industry Issues Forum, which will be held on Friday, September 9th, 2016 from 9:30am to 12pm at the Roland Powell Convention Center, in Ocean City, Maryland.



1532 Pointer Ridge Place, Suite G
Bowie, Maryland 20716

Phone: 301-390-0900

Fax: 301-390-3161

E-mail: rlittlefield2@wmda.net

2015-2016 SSDA-AT Officers

President: Peter Kischak, New York	914-698-5188
1st Vice President: Fred Bordoff, New York	718-392-9605
2nd Vice President: Billy Hillmuth, Maryland	301-390-0900
Treasurer: Hugh Campbell, Pennsylvania	724-863-3524
Past President: Dave Freitag, Ohio	419-217-0870

For more information on SSDA-AT, please contact::

Roy Littlefield, IV, Managing Director/ Editor

rlittlefield2@wmda.net ♦ 301-390-0900 ext. 137