SSDA News

Service Station Dealers of America and Allied Trades

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SSDA-AT to Meet in Vegas Nov. 2nd

By Roy Littlefield

SSDA-AT will meet again in Vegas this year at the GTE/SEMA show. We have successfully secured meeting space for Friday November 2nd in the Las Vegas Convention Center. For information on booking a hotel please visit this site:

https://compass.onpeak.com/e/71CAR18/6

and pick from the options. Some of the group will be staying in Bally's which is connected to Paris.

If you are getting to town well before the meeting on Friday and would like to attend the TIA events on Monday night October 29th, let me know and I can get you tickets.

I would also like to invite the group the 2018 Legislative Review: How New Laws and Regulations Will Impact the Industry; and the potential impact of Midterm Elections - 12:00 pm - 1:00pm (Location: South Hall - S106 on Wednesday October 31) At that event, Jim Hobart will be presenting as well who is a Partner at Public Opinion Strategies, a national political and public affairs research firm. Described by The New York Times as "the leading Republican polling company" in the country, Public Opinion Strategies' political clients include twelve U.S. Senators, 59 members of Congress, seven Governors, and numerous State Legislators and local elected officials across the country. The firm is also part of the bi-partisan research team that conducts the NBC News/Wall Street Journal poll.

The SEMA/GTE show runs from Tuesday October 23- Friday November 2 in the Convention Center. You can get a pass to the show by signing up here (specify that you are in the industry). If you have any issues registering let me know.

If you plan to attend this meeting in Vegas, even if you have not already made your plans, please let me know ASAP!

Posting Video on Social Media Drives Results

From, Net Driven

If you're a business owner with a Facebook page, you've probably noticed that so many others are using Facebook to share video. You've also probably asked yourself, "What kind of videos should I share on my page?".

According to HubSpot, more than 40% of people want to see more video from brands – that means a lot of opportunity for your business. Not to mention, videos posted on social generate 1200% more shares than text and images, as noted by Brightcove. But what exactly should you be putting on your page to move the needle for your business?

Here are some tips from the social media team at Net Driven that you can use to add video to your social media content strategy:

- Events make for great live content. Hosting a car show or an all-day event in the shop? Post a Facebook live video. This lets your customers know what's going on as it's happening so they can get to your event while there's still time. Plus, these videos aren't deleted when you're done filming so your customers can watch it in the future and share it on their own pages.
- Show and tell. Want to show your customers what happens when they leave their vehicle at your shop? Create short (under 90 seconds or so) and informative videos about the services you offer, techniques you use in your shop, or products in action. Explainer, product demonstration, and how-to videos are some of the most watched and shared videos across the web. People react better to seeing something happen than by reading about it – in fact, viewers retain 95% of a message when they watch it in a video compared to 10% when reading it in text.

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Posting Video on Social Media Drives Results

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- Be a storyteller. Every business has a story to tell and video is a great way to show that off. Think about doing video interviews with your staff to help your customers get to know them better. Or, you can record video testimonials from happy customers to help those who might be researching your business before visiting. Google estimates that almost 50% of internet users look for videos related to products or services before visiting a store. Meet your customers in that important moment when they're searching!
- Don't forget captioning! Did you know that 85% of Facebook videos are watched without sound? It's true, as reported by Digiday. If you're uploading a video that includes dialogue or voiceover, be sure to add captioning for an even better experience for your social media fans and followers. Uploading your video to YouTube also? Include a transcript to make your video easier to understand (and be found through search!).

The trend of businesses sharing more video rose dramatically in 2017. More than 500 million people are watching videos on Facebook every day. So don't wait--get started on your social video journey.

Here are some additional resources to get you started:

- 4 Tips for Sharing Videos On Facebook
- 17 Ways to Get More Views, Engagement, and Shares for Your Facebook Videos
- 8 Ways to Use Facebook Video for More Engagement

Air Pollution Trends Show Cleaner Air, Growing Economy

EPA released its annual report on air quality, tracking our nation's progress in improving air quality since the passage of the Clean Air Act. "Our Nation's Air: Status and Trends Through 2017" documents the considerable improvements in air quality across America over more than 45 years. Read the news release. Explore the report and download graphics and data here: https://gispub.epa.gov/air/trendsreport/2018/

U.S. EPA and DOT Propose Fuel Economy Standards for MY 2021-2026 Vehicles

EPA and U.S. Department of Transportation's National Highway Traffic Safety Administration (NHTSA) released a notice of proposed rulemaking, to correct the national automobile fuel economy and greenhouse gas emissions standards to give the American people greater access to safer, more affordable vehicles that are cleaner for the environment.

The public will have 60 days to provide feedback once published at the Federal Register. Submit public comments at: www.regulations.gov to Docket EPA-HQ-OAR-2018-0283. Information on additional methods for submitting formal comments is available at https://www.epa.gov/dockets/where-send-comments-epa-dockets

Change the Conversation for Vehicle Inspections

Vehicle repairers have watched a slow hemorrhage of state vehicle safety inspection programs for a number of years. These programs go back to 1926 beginning with a voluntary program in Massachusetts and increased to 31 states plus the District of Columbia in 1975. In addition to voluntary programs and mandatory state programs, the federal government, through the Highway Safety Act of 1966, mandated that the U.S. Department of Transportation prescribe uniform standards for state highway safety programs.

The 1990 Clean Air Amendments encouraged states to establish emissions inspection and maintenance programs to improve air quality. These programs were regularly attacked by the media, political pundits and even some in the auto industry. Unfortunately, a number of policymakers in safety inspection states took advantage of this movement and compared safety inspection to problems with emissions inspection and maintenance. Arguments against vehicle safety inspection programs included costs to the consumer, inconvenience of the inspection, little evidence that inspection prevented accidents, injuries and deaths, just another tax, etc.

Although programs in Missouri, Texas, Pennsylvania and North Carolina survived frequent attacks, the industry saw inspection programs in Mississippi, New Jersey, District of Columbia eliminated. As of this writing, we have 15 state programs.

The Automotive Service Association (ASA), along with the American Association of Motor Vehicle Administrators and other members of the automotive aftermarket, held numerous conferences during CARS each year in Las Vegas, Nevada. Of late, ASA held Vehicle Safety Inspection Forums in Pennsylvania and Missouri. Although well attended with excellent program content, these forums have not prevented the onslaught of attacks on state inspection programs in those states.

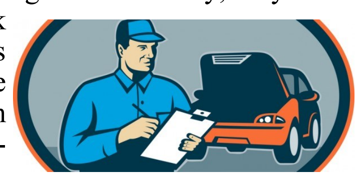
In Missouri, the authorizing committee, approved legislation to end the inspection program as Missouri repairers know it. Missouri's program has been the template offered to states to demonstrate how a successful program is structured. ASA testified against the bill and initiated a grassroots effort to stop it. Other aftermarket associations joined the fight to protect Missouri's program. The Legislature adjourned without passing the legislation and the bill is dead for the year.

So how can we change the conversation about vehicle safety inspection? As repairers, we have to work closer with the aftermarket and other industry colleagues to educate members of the industry, consumers and policymakers about the value of these programs. The last sessions' industry efforts in Texas and Missouri demonstrate that we can stop these very harmful bills when we join together.

In addition, we have to make a better case as to why these programs should be in all 50 states and not just in less than a third of the states. Data is critically important. We have not always had the data necessary to make the best case for protecting or establishing programs. The National Highway Traffic Safety Administration (NHTSA) has not been an encourager of these programs despite the U.S. Government Accountability Office (GAO) report references to the need for more NHTSA involvement. At a minimum, NHTSA should pursue data relative to programs' protecting the motoring public from accidents, injuries and deaths.

Whether it's providing consumers with important information about recall efforts or becoming part of the vehicle safety firewall as new technologies are deployed (i.e. autonomous vehicles), the arguments for these programs need updating. NHTSA has an opportunity to be part of this movement. It's not too late.

Unless we take a more aggressive view as to the importance of these programs for safety, they will continue to be at risk and will likely miss an opportunity to be part of the revolution in automotive technology.



SSDA-AT and Taxes

When it comes to the service station and automotive repair business, there is sometimes no bigger concern than taxes. Last year, Congress passed one of the most comprehensive tax bills in decades. Changes were made to the tax code on all levels. And with every change made to the tax code, there were winners and losers. SSDA-AT was on the front line fighting for our members during the process. SSDA-AT has spent the last few months getting its members up to speed on the new laws and regulations.

Two of the big issues SSDA-AT was concerned with in the tax bill was the estate tax and the work opportunity tax credit (WOTC).

SSDA-AT has many members who own family businesses and would like to keep the business in the family and are thus impacted negatively by the estate tax at the time of death. We have supported efforts to fully repeal the Estate Tax in the 115th Congress by supporting the Death Tax Repeal Act and HR 5422. In the tax reform package Congress passed, there is a provision that doubles the estate tax exemption from now through the end of 2025. In 2026, the exemptions would revert back to their current levels ($5.6 million individual and $11.2 per couple), indexed for inflation. The new tax affects estates of at least $11.2 million, or $22.4 million for couples. SSDA-AT wanted full and permanent repeal of the estate tax which is what was in the House version of the bill. We are thrilled the exemption was raised as this will help more SSDA-AT members, but we have several other members who will still be negatively impacted by the estate tax and will find themselves over the exemption because of the value of their business.

For many family-owned businesses to keep operation after the death of the owner, they must plan for the estate tax. Planning costs associated with the estate tax are a drain on business resources, taking money away from the day to day operations and business investment. These additional costs make it more difficult for the business owner to expand and create new jobs. Protecting family business from the estate tax is important in order to keep these businesses operating for future generations.

SSDA-AT will support any efforts made in Congress to fully repeal the tax. Our opportunity may be before the end of this year while the Republicans still have sure control of Congress. SSDA-AT also supported efforts in the tax bill to preserve the work opportunity tax credit (WOTC). WOTC is a Federal tax credit available to employers who hire and retain veterans and individuals from other target groups with significant barriers to employment. Many SSDA-AT members have taken advantage of this tax credit, putting hard working American veterans to work at their locations. Nearing the finals days of the tax bill, it looked as if WOTC may be have been lost. In a final push, SSDA-AT and its members worked with Senators from Maryland and Ohio to get a bi-partisan amendment introduced and passed, preserving WOTC in the tax bill. Unfortunately, there is no permanent certainly and the language only preserves WOTC until the end of 2019. SSDA-AT will work for the permanent extension of

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SSDA-AT and Taxes

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WOTC and will work to ensure that it is extended before it expires.

The opportunity to fully repeal the estate tax and make WOTC permanent may come before the end of the year. With the November elections on the horizon, Republicans are eager to push legislation before a potential swing in Congress. There is now a push to pass a "Tax Bill 2.0" in an effort to clean up any issues that have arisen with the recently passed bill and to push forward other tax wishes that were not addressed in the last bill.

Just recently, Ways and Means Chairman Brady released "Tax Reform 2.0 Listening Session Framework" with goals for further reforms to the tax code this year. Moving fast, Brady brought a large piece of his plan to the House floor and passed bills repealing the medical device tax, modernizing healthcare savings accounts, reforming water and agriculture taxes, improving Social Security services, and ensuring IRS workforce integrity, before the House adjourned till September 4th. Any one of these bills, especially H.R. 184 (Medical Device Tax Repeal, et al) and H. R. 6199 (Modernizing Health Savings Accounts) could be modified in the Senate to pass the tax extenders which, to this point, form no part of Brady's "listening session framework."

Brady plans to enact the other key parts of his framework—reforming tax-favored retirement plans and making permanent TCJA's tax cuts for individual and pass-through taxpayers—in early September.

Another Brady goal, welfare reform, reported to the House in June in the "JOBS for Success Act" (HR 5861) will most likely see a House vote in September because the current welfare program expires September 30th. However, it's unlikely welfare reform written by Republicans in Ways and Means will get very far; the Senate may end up reauthorizing the current program.

While it is yet unclear exactly what will be included in the final package, one major focus will be an attempt to make the individual tax cut provisions of the 2017 Tax Cuts and Jobs Act (which are set to sunset at the end of 2025) permanent. The cost of making these cuts permanent is anticipated to be in the $600 billion range. Because of this price tag it is likely that these provisions will move in a separate bill from the other two sections of Tax Reform 2.0. It is not clear whether there would be any revenue offsets to this revenue loss. It is likely that the House will pass this legislation knowing full well that it will not pass the Senate (because it would be improbable that there would be 60 Senators willing to pass this legislation). There have been also some suggestions about further lowering the corporate tax rate (down to 20% for C corps), though this is not mentioned in the outline. Given the high cost that would be associated with either or both of these proposals, one would think that Congressman Brady and his committee will be looking for revenue raisers to include in the package. On the other hand, the process so far has totally excluded Democrats as was the case with the Tax Cuts and Jobs Act last year so it may be that they will not include any revenue raisers. A second part of the Tax Reform 2.0 package will be aimed towards retirement plans, which at this juncture, are the only portions of the anticipated package which have bipartisan support.

Energy Giants Opening Natural Gas Spigots, Fueling Profit Rise

The world's largest oil companies are pumping more natural gas than ever before, helping to spur a rise in profits while sating rising global demand for fuels that can mitigate global greenhouse gas emissions.

This marks a shift over the past decade for an industry that once focused predominantly on crude oil, with gas in most cases an after-thought. Now, the rise of gas-powered electric generation, surging production from U.S shale fields and the burgeoning liquefied natural gas (LNG) industry that makes shipping the fuel possible, have conspired to create a boom.

BP Plc (BP.L), Exxon Mobil Corp (XOM.N), Royal Dutch Shell Plc (RDSa.L), Total SA (TOTF.PA) and Chevron Corp (CVX.N) have collectively increased natural gas output 15 percent in the past decade thanks to better technology and lower costs, according to data from Wood Mackenzie energy consultancy.

Analysts expect all to post double-digit increases in second-quarter profit in coming days, according to Thomson Reuters I/B/E/S.

"LNG is the growth commodity for these companies," said Brian Youngberg, an energy industry analyst with Edward Jones, who expects the global LNG industry to grow at least 4 percent annually for the next five years.

At Total, gas is actually 61 percent of output, up from 47 percent as recently as 10 years ago, according to WoodMac.

Total is expected by analysts to post a 44 percent jump in second-quarter profit on Thursday to $3.56 billion, according to Thomson Reuters I/B/E/S.

FUTURE PROSPECTS

Even as gas production has risen, so too have reserves of natural gas. International energy companies saw gas reserves jump 16 percent last year to 35.33 billion cubic feet, according to a study by the EY consultancy.

"There are investments and capital expenditures being made to increase the level of gas reserves, and that should only continue," said Herb Listen, an EY energy analyst.

Exxon, for its part, sees natural gas usage growing at the fastest rate of any energy type out through 2040, reaching a quarter of global demand by that time.

"Worries about energy supplies have faded away, erased in large part by natural gas," Exxon Chief Executive Darren Woods told the World Gas Conference last month in Washington, D.C.

Energy Giants Opening Natural Gas Spigots, Fueling Profit Rise

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Exxon is expected by analysts to post a 62 percent increase in quarterly profit to $5.45 billion on Friday, according to Thomson Reuters I/B/E/S.

Gas does have limitations. It's harder to transport than crude oil, which can be stored indefinitely in tanks, and it must be processed right away, boosting costs.

But greenhouse emissions from gas are far less than coal or oil when it is burned, boosting its appeal for a sector eager to combat allegations that it is the primary cause of anthropogenic climate change.

"I'm confident that natural gas will play a central role in meeting global energy needs for decades," Mike Wirth, Chevron's chief executive, said at the World Gas Conference.

Chevron, which operates two major LNG facilities in Australia, is expected by analysts to post quarterly profit of $4 billion on Friday, more than double year-ago levels, according to Thomson Reuters I/B/E/S.

Shell put natural gas at the heart of its long-term strategy with the $53 billion acquisition of BG Group in 2016. The Anglo-Dutch company, already the world's largest LNG trader, is expected by analysts to post a 68 percent jump in quarterly profit to $6.08 billion on Thursday, according to Thomson Reuters I/B/E/S.

Low Level Liquid Test Guidance for UST Containment Sumps

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Low Level Liquid Test Guidance for UST Containment Sumps

EPA Issues Low Level Liquid Test Guidance for UST Containment Sumps

The U.S. EPA's Office of Underground Storage Tanks (OUST) has issued guidance for alternative low-level hydrostatic testing for UST containment sumps used as secondary containment for piping. The guidance helps state UST program regulators implement the EPA's 2015 underground storage tank regulatory amendments requiring periodic testing and inspection. PMAA develop this test as an inexpensive alternative to the EPA's hydrostatic test method for containment sumps which requires costly high-level liquid testing. Publication of the EPA guidance is important because it clears the way for PMAA's alternative test method to be approved for use by state UST program regulators.

Lowered Compliance Costs

The PMAA alternative test method eliminates the need to fill containment sumps with water to within four inches ***above*** the highest penetration point in the sump wall to test for integrity, as required under the EPA approved test method. Instead, PMAA's alternative test method only requires filling the sump to a level sufficient to active an alarm/shutdown sensor mounted ***below*** penetration points in the sump wall. Integrity testing containment sumps in this way saves tank owners thousands of dollars in test preparation and compliance costs necessary to make penetration points liquid tight under the EPA test procedure. The PMAA alternative test method also significantly lowers hazardous waste water disposal costs by reducing the volume of water required for testing by more than two-thirds.

State Approval of PMAA Alternative Test Method

The PMAA alternative test procedure automatically applies to the 11 states without state UST program approval where federal EPA regulations apply instead: New York, New Jersey, Florida, Kentucky, Michigan, Illinois, Wisconsin, Wyoming, Arizona and Alaska. In addition, the PMAA alternative containment sump test will likely qualify as an "alternative test procedure" under provisions in state regulations. These states typically follow EPA UST program guidance which now includes PMAA's alternative test procedure. Some states of these states have already adopted the alternative test, others are expected to do so soon. Marketers in the 38 states with UST program approval should contact their state UST regulators to determine whether the alternative test method is available yet for use.

Test Procedure Guidance and Compliance Form

Click here and scroll down to "Containment Sump – Alternative Test Procedures" to see EPA guidance authorizing PMAA low liquid level testing method.

Click here for EPA Low Liquid Level Containment Sump Test Procedures.

Click here for EPA Low Liquid Level Containment Sump Test Compliance Form.

Click here for a list of State UST program contacts.

San Francisco Moves to Ban Plastic Straws, Containers

San Francisco supervisors voted to give plastic straws the cold shoulder, following the lead of Seattle, another eco-conscious West Coast city where a ban went into effect this month.

The San Francisco Board of Supervisors gave unanimous approval to a measure that also takes the novel step of banning carryout containers and wrappers treated with fluorinated chemicals.

Advocates of the move say the chemicals repel oil and water but can be harmful and don't break down in compost.

Supervisor Ahsha Safai said it's not possible to recycle tiny plastic items because they literally fall through the cracks of machinery at processing plants. He said the legislation is a way to make people change their habits.

"It's become so habitual for places to utilize these, it's adding significantly to our environmental degradation," Safai said. Supervisor Katy Tang, who also championed the legislation, called the negative environmental impact of single-use plastics astronomical.

"San Francisco has been a pioneer of environmental change, and it's time for us to find alternatives to the plastic that is choking our marine ecosystems and littering our streets," she said in a statement.

The legislation requires a second approval, which is expected next week.

Seattle is believed to be the first major U.S. city to shun plastic straws when its ban went into effect this month. Since then, Starbucks and Marriott announced plastic straws and stirrers would be removed from those businesses.

The San Francisco ban on small plastic items goes into effect July 1, 2019, along with a new requirement to make napkins, utensils and other to-go accessories available only upon request, unless a self-serve station is available where people can take what they need.

The idea is to cut down on handing out items that customers may not need, such as utensils and napkins if they're taking food to eat at home.

The Plastics Industry Association issued a statement saying a better solution to dealing with the items is to expand recycling technology. "Regardless of what a straw is made of, we can all agree that it should not end up as litter," the association said. People with disabilities have spoken out against the plastic straw ban, saying customers with mobility issues rely on them to drink. San Francisco has frequently led the way on policies considered eco-friendly. In 2007, it outlawed single-use plastic bags and in 2016, expanded its prohibition on foam food carryout containers to include retail sales of child pool toys and packing peanuts.

The Silent Spring Institute, a research and advocacy group, says fluorinated chemicals have been linked to hormone disruption, cancer and other detrimental health effects. Jonathan Corley, a spokesman for the American Chemistry Council, a trade association, said Monday that the U.S. Food and Drug Administration has deemed the chemicals currently used to package to-go food as safe. "This potential ban is unnecessary, contrary to sound science and will provide no further benefits to public health or the environment," he said in a statement.

Gwyneth Borden, executive director of the Golden Gate Restaurant Association, said restaurateurs have no desire to pass on toxins through carryout containers. But the higher cost of compostable fluorinated-free containers will drive businesses to return to recyclable plastic containers, she said.

"It's an interesting evolution," Borden said. "But sometimes making decisions premature to fully understanding the science can be difficult."

U.S. Sees Little Impact From Keystone XL Pipeline's Planned Route

The Keystone XL crude oil pipeline project cleared a hurdle as the Trump administration said in a draft environmental assessment that an alternative route through Nebraska would not do major harm to water and wildlife.

The State Department's assessment of a plan for an alternative route through Nebraska submitted by TransCanada Corp, the company trying to complete the pipeline, said Keystone XL's cumulative effects would be "minor to moderate" on issues including water and biological resources.

It said the pipeline would have only minor impacts on cultural resources, such as Native American graves.

The Nebraska Public Service Commission approved the pipeline, but not TransCanada's preferred path. The alternative route will cost TransCanada millions of dollars more than its original route.

The $8 billion 1,180-mile (1,900-km) pipeline that would transport heavy crude from Canada's oilsands in Alberta to Steele City, Nebraska, has been fought by environmentalists and ranchers for more than a decade. Canadian oil producers who face price discounts for their crude due to transportation bottlenecks, support the project.

TransCanada did not immediately respond to a request for comment on the draft assessment which will be open for 30 days of public comment by the State Department before being finalized.

TransCanada plans to start preliminary work in Montana in coming months and full construction in 2019, according a letter sent in April from the State Department to Native American tribes.

Former President Barack Obama rejected the pipeline in 2015 saying it would mainly benefit Canadian oil producers.

President Donald Trump's State Department approved the pipeline last year based on an environmental impact statement from 2014 that environmentalists said was outdated.

The Sierra Club, an environmental group, said the State Department was attempting a short cut to get the project built and a full review is required that considers changes in oil prices and market forces.

Keystone "is a threat to our land, water, wildlife, communities, and climate, and we will continue fighting, in the courts and in the streets, to ensure that it is never built," said Kelly Martin, the director of Sierra Club's Beyond Dirty Fuels Campaign.

The State Department said it could not comment on the new assessment due to ongoing litigation.

VOTE

On November 6, Americans will go to the polls to vote for candidates on the city, state, and national levels.

Regardless of your party affiliation, I urge you to vote.

Let me share with you an interesting statistic. Nationally less than 50% of eligible voters will vote. Yet over 50% of voters who belong to a special interest group (like your state association) will vote. Of eligible voters who belong to 2 or more interest groups (like your state association), about 75% will vote in the upcoming election. Why? Because voters like you are more engaged in the process and better informed of issues and candidates.

Most special interest groups, or associations, like your state association, were formed to better participate in the legislative arena.

When looking at the records of the fiercely independent service station dealers and automotive repair operators who organized and began our state and national industry associations, they clearly saw a need to come together and speak in one voice to address problems that were simply too important to ignore, and too big to effectively address individually.

From the beginning, the new associations saw the need to better communicate with elected lawmakers, with suppliers, and with consumers.

Our young associations recognized the need to control the message. That message had to be developed and delivered by members. They believed then, and I have tried to carry the torch for decades, that nobody can tell your story as well as you can. That simple, but powerful formula has influenced legislation on the city, country, state, and national levels. It has produced important and landmark legislation that has improved your business environment.

For many years, we have passed important legislation, defeated challenging legislation, improved by amendments unclear statutes, and sued Federal agencies for unfair regulations.

Our efforts in the area of public policy has grown in professionalism, stature, and effectiveness. We publish position papers, weekly and monthly newsletters detailing our efforts, and monitoring industry legislation. We send the positions to elected officials on all levels of government. We annually pass association resolutions which dictate association policy. And we testify at city, county, state, and Federal lawmakers; and we meet with regulators on the city, county, state, and federal levels.

Recently, many of you were on Capitol Hill with your counterparts from around the country and met with Congressman, Senators, and officials from the Department of Transportation, the Department of Labor, and the Federal Trade Commission.

You formed Political Action Committees to support legislators—of both political parties—who have supported you.

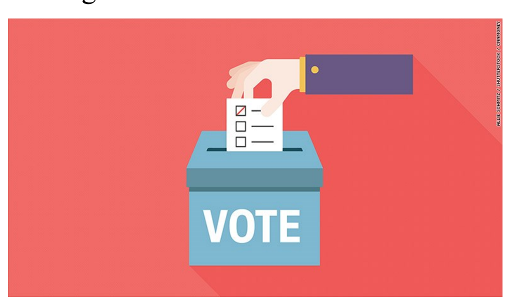
You have become sophisticated in the political system. It is thus logical why you are significantly above the national average when it comes to voting.

You have participated in the system. You have developed political positions. You have organized political action committees and attend political fundraisers. You lobby. You call elected officials. You attend hearings on legislation that affects us. You testify. You attend bill signing ceremonies.

For the most part, you know your friends in the halls of government.

But you might not know everyone. I urge you to consider what issues are important to you and to your business, and to then take some time to learn if your candidates have been supportive of your issues. Take time to call your state association office to find out if your candidate in Washington, supported you on the issues you are most concerned with. Call Roy to ask how your members in Congress stood on our issues.

You are the experts on industry issues. You have been active politically in your efforts on those issues. This is your opportunity to support—when it matters most—those elected officials who support you. It is an honor as an American to have the right to vote. It is important as a business leader to exercise that right to vote.



On the Front Lines of a Trade War, U.S. Chemical Manufacturers Home in on Solutions

What's it like to be caught in the crosshairs of a global trade war?

It's a question now frequently posed to U.S. chemical manufacturers, whose products – ranging from plastics to cosmetic ingredients – have become stratagems in the Trump administration's effort to shake up the international trading system. That effort has produced a trade war.

U.S. tariffs on imports from China and retaliatory tariffs by U.S. trading partners all target U.S.-made chemicals. 1,505 chemicals and plastics products, or 25 percent, of the $200 billion in Chinese imports the administration targeted recently for an additional 10 percent tariff are chemicals and plastics. The value of these imports from China was $16.4 billion in 2017.

Adding insult to injury, China is one of the U.S. chemical sector's most important trading partners. China has threatened to retaliate against $5.4 billion in exports of U.S.-made chemicals and plastics. We fully expect to see additional retaliation against our industry as a result of the administration's tariffs.

In addition to thousands of chemical products, nearly $90 billion in planned, steel-intensive, new chemical manufacturing facilities are also vulnerable to the administration's tariffs and quotas on steel and aluminum. In fact, these tariffs are being implemented at the worst possible time for the U.S. chemicals industry.

In the early 2000s, the U.S. chemical sector was considered past its prime. The shale gas revolution changed all that, and now the industry is one of the most competitive, low-cost, and innovative producers of chemicals in the world. Over the past decade, U.S.-based and foreign chemical manufacturers have announced more than $194 billion in new investment in the U.S. to access its abundant and affordable supplies of U.S. natural gas, one of the building blocks of basic chemicals.

A typical world-scale ethylene cracker uses 18,500 tons of steel, so the increased price of steel from tariffs adds significant cost to these investments. As much as half of $194 billion in planned chemical industry investment could be vulnerable to delay or abandonment.
With the chemical industry caught in the crosshairs of a global trade war, what are we doing about it?

We are focused on telling our story. Focused on explaining why chemicals must be taken off the front lines of this trade war. Focused on finding ways to take advantage of the U.S. chemical sector's unprecedented economic growth, export potential, and job creation. Focused on supporting recent legislative efforts designed to reinforce Congress' constitutional authority over U.S. trade policy.

House Speaker Paul Ryan (R-Wis.) said earlier this month that he "hopes" the president's endgame is "to rebalance, to get rid of tariffs, is to open up access to markets across the globe." The

On the Front Lines of a Trade War, U.S. Chemical Manufacturers Home in on Solutions

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President at the recent G7 meetings in Canada urged U.S. allies to eliminate their tariffs and non-tariff barriers. We support this shared vision for the elimination of trade barriers and increased access to global markets. The U.S. economy alone cannot consume the increased chemical production resulting from the nearly $200 billion in U.S. chemical industry investment announced over the past decade. U.S. chemicals manufacturers will have to meet demand for chemicals in the rest of the world as well. We can help the U.S. grow its exports, create larger trade surpluses, and put more Americans to work.

We're focused on setting the record straight. The U.S. unequivocally has benefited from rule-based international trading system. We built the World Trade Organization (WTO), its rules, and its dispute settlement system, and opened up new global markets. The U.S. chemicals industry was an early beneficiary when the U.S. and other major markets agreed to drop their tariff rates on chemicals to low levels. Like any system that evolves over decades, it requires support and occasional reform. Most importantly, the WTO set the stage for the U.S. and its trading partners to address distortive practices, like the Chinese government's policies on intellectual property.

We have identified several key opportunities to enact a better U.S. trade policy:

Build the coalition of U.S. trading partners to confront the Chinese government – together – on intellectual property practices and other trade distortive barriers to trade. The U.S. and its partners must be willing to leverage the WTO dispute settlement system to fully enforce the rules we helped create.

Aggressively pursue bilateral negotiations with key trading partners. The U.S. government should seek a quick and beneficial conclusion to the NAFTA negotiations, address key shortcomings in the U.S.-Korea Free Trade Agreement, and pursue negotiations with other countries (like Brazil, India and Indonesia) where commercially meaningful market-opening commitments can be achieved. Forceful pursuit of bilateral negotiations by the Trump administration can help unleash powerful market forces that make supply chains more global and efficient, make goods and services more affordable for all countries, and supercharge innovation. Trade, investment, and global economic growth will then lift the poorest and most marginalized out of poverty and raise standards of living. Identify the sectors where expansion, export potential, and American job growth are most likely, and seek market-opening agreements. For our part, chemical manufacturers believe a pro-manufacturing agenda should aim for zero tariffs between all major chemicals trading countries, as well as robust regulatory cooperation mechanisms that prevent non-tariff barriers to trade in chemicals. Reinforce the value of the multilateral trade system. Letting the WTO and the multilateral trading system fall into disrepair or disappear is not in the economic or security interests of the United States. Such inattention would end globalization as we know it, decrease global economic growth and prosperity, and create unpredictable and harmful trade tensions across the world. That is a future that U.S. chemical manufacturers cannot support.

A tariff policy that threatens our allies, fails to address the root cause of trade-distortive practices, and props up uncompetitive industries, is not helpful. That is why the U.S. chemicals industry believes the U.S. must commit to finding a new path in trade policy.

Letter to the Editor

Dear SSDA-AT,

The economic and security benefits of expanding offshore energy exploration are undeniable. Increasing domestic production goes beyond eliminating our reliance on foreign oil – it creates jobs, spurs economic activity and helps put downward pressure on gas prices.

America's energy abundance has insulated consumers from the volatilities of global energy costs, contributing to a discount for U.S. consumers of more than $6.50 per barrel in crude oil prices — the largest factor in the cost of producing gasoline — in June compared to international prices.

The natural gas and oil industry supports nearly 750,000 jobs from Virginia to North Carolina to South Carolina, Georgia and Florida, and developing more of our offshore resources could add tens of thousands of additional jobs. This industry-funded energy activity would pay bonuses to the federal government for leases, plus royalties when production begins. These are potentially big economic numbers with positive impacts for the national economy as well as local and state economies.

The generational opportunity of offshore energy extends beyond coastal states. The U.S. Department of the Interior recently announced that $61.6 million in revenues from offshore oil and natural gas will be distributed to all 50 states, U.S. territories and the District of Columbia – via grants that support state conservation and outdoor recreation projects.

And because of advances in technology, industry standards and experience exploring and producing in deep water, offshore development is safer than ever.

"Explore Offshore," a coalition of more than 100 local leaders, community organizations, businesses and associations from five Atlantic and Gulf Coast states is spreading the word about the benefits of offshore energy development. National co-chairs Jim Webb, former U.S. senator from Virginia and former U.S. Navy secretary, and Jim Nicholson, former Veterans Affairs secretary, made the case for offshore development in a recent piece for Real Clear Energy:

It is … undeniable that for the foreseeable future, oil and natural gas will be the greatest drivers of the world's economies. Here at home, oil and gas are expected to generate over 60 percent of America's energy for at least the next 30 years, even with the welcome use of renewables continuing to be on the rise. That said, it is time to correct an oversight in America's move toward an "all-of-the-above" energy policy: the unnecessarily restrictive approach to the exploration and safe development of oil and natural gas resources that lie offshore.

Webb and Nicholson write that the United States is one of the only countries along the Atlantic that's not actively exploring for energy in those waters. They point out that Mexico has leased more than 20 million new acres on its side of the Gulf of Mexico in the past four years, bringing its total to more than 30 million acres – more than double that of the United States' 14.7 million.

Realizing America's offshore potential begins with decisions made today. It can take seven or more years to develop natural gas and oil offshore. That's why the current process to establish a leasing plan for 2019-2024 is so important.

As federal officials develop the new offshore leasing program, they should consider the great opportunity at hand to support energy and economic opportunity with a robust offshore blueprint for the future, one that makes our country stronger, more prosperous and secure.

On a personal note, this will be my final letter to the editor for SSDA-AT as CEO of API. Beginning soon you will hear from our incoming chief executive, Mike Sommers.

Sincerely,

Jack Gerard

President and CEO

API

House GOP Chairman Introduces Draft of Infrastructure Plan

Rep. Bill Shuster (R-Pa.), the chairman of the House Transportation and Infrastructure Committee, released a draft of a long-awaited infrastructure plan that addresses possible funding sources for a number of potential projects. The bill calls for significant federal investment in infrastructure projects and grant programs through at least 2021. It includes billions of dollars in grant funding, as well as trillions in appropriations for projects of national significance. To provide at least partial funding, the draft calls for a 15-cent-per-gallon tax on gasoline and a 20-cent-per-gallon tax on diesel. The increases would be phased in over a three-year period. The draft also calls for the secretary of Transportation to award grants for national infrastructure projects, with 30% of the money allotted toward projects in rural areas. The proposal also aims to reform the Highway Trust Fund to keep it solvent. The bill would establish a Highway Trust Fund Commission, consisting of 15 members. The group would conduct a study on the nation's highway system and submit a report on its findings by Jan. 15, 2021.

Shuster said in a statement that the proposal was crafted using input from both Democrats and Republicans, as well as "a broad group of infrastructure stakeholders."

As Trump, Peña Nieto Rush to Finish NAFTA, Oil Industry Faces Loss of Key Protection

The Trump administration is racing to close a deal with Mexico on the North American Free Trade Agreement before the leftist president-elect, Andrés Manuel López Obrador, takes office later this year, a drive that appears increasingly likely to eliminate an investment protection provision dear to U.S. oil companies and many other corporations.

The administration has just over three weeks to get a new deal before Congress, if lawmakers are going to complete their required 90-day review period before Mexican President Enrique Peña Nieto leaves office Dec. 1. Peña Nieto has his own incentives to get an agreement in place soon as he seeks to cement a legacy before turning over the government to Obrador, according to officials following the negotiations closely.

"They're both trying to find a way to get this done," Rep. Henry Cuellar, D-Laredo, said

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