SSDA News

Service Station Dealers of America and Allied Trades

VOLUME 33, ISSUE 11 DECEMBER, 2019

INSIDE THIS ISSUE:

Government Affairs and Infrastructure Funding Update

By Roy Littlefield

Last month proved to be a busy month in government affairs for SSDA-AT. Currently there are two infrastructure proposals on Capitol Hill, with over 40 bills introduced on how to fund them. SSDA-AT has been tracking the proposals.

Bills are being considered in the Senate and the House of Representatives to address the pending insolvency of the Highway Trust Fund. The Fund which provides the financing structure for the nation's roads, bridges, and transit projects, will run out of money by the end of 2020. The Highway Trust Fund finances about 25 percent of the nations spending. Because the Federal motor fuel tax has not been raised since 1993 and gasoline revenues may dwindle with a changing fleet makeup, lawmakers have struggled to achieve a consensus for long-term funding sources.

The bipartisan America's Transportation Infrastructure Act would direct the largest amount of money of funding for the nation's highways, bridges, and mass transit in history. HR 3904 would authorize $287 billion over 5 years. No taxes have been raised under this bill. The additional revenue would come from the General Fund. The President has proposed a major infrastructure/jobs bill to the level of $1.5 trillion to $2.5 trillion with money raised from the highway community (by raising existing taxes, increased tolling, and large scale privatization of Federal highways).

Currently 32 percent of the urban roads and 14 percent of the rural roads are determined to be in poor condition. Thus far, all funding proposals for the wide ranging infrastructure proposal focus on the highway users community. Only a small percentage of these new funds would go to highways. President Trump supports both a reauthorization to the Highway Trust Fund as well as a new and unique massive infrastructure bill.

Returning to Washington from the GTE/ SEMA Show, SSDA-AT representatives took the membership message to Capitol Hill. We met with several members of Congress including: Senator Tom Carper (D), Congressman Sam Graves (R-MO), Congressman Garret Graves (R-LA), Congressman Dan Lipinski (D-IL) and Congressman Earl Blumenauer (D-OR). In addition to several Federal, State, and Local Leaders: Brittney Kohler, Legislative Director, Transportation and Infrastructure, National League of Cities, Jim Tymon, Executive Director, American Association of State Highway and Transportation Officials, Helen Zyblikewcz, Staff Director, Highway and Transit Subcommittee, House Transportation and Infrastructure Committee, and Richard Russell, Staff Director, Senate Environment and Public Works Committee. In addition to a few Industry Leaders: Bruce Hamilton, Managing Director, Roadway Safety Foundation, Jeff Davis Senior Fellow and Editor, Eno Transportation Weekly, Dave Schwietert, Interim CEO and President, Alliance of Automobile Manufacturers, and Laura Perrotta, President and CEO, American Highway Users Alliance.

The Association is supporting the America Transportation Act as it is moving through Congress. We support the goals of the President's infrastructure proposal but we oppose raising all industry taxes, raising significantly the Federal motor fuel taxes, and privatizing the majority of the Federal highways.

Common Design Mistakes Made By Inexperienced Web Designers

Millions of people search the internet every single day looking for solutions to their problems and answers to their questions. Today's consumers demand the information they need to make informed purchasing decisions. In fact, nearly 88 percent of consumers research products or services online before buying in store. In today's digital landscape, an easy to find, responsive, website is vital for your business's long-term success.

Many elements need to be taken into consideration when building and launching a website. In our digital world, a website is often your business's first impression. It needs to be professional, reflect the unique qualities of your business, and provide visitors what they want – when they want it.

Building your own website or working with an inexperienced web designer can be risky. It can weaken your site's overall reach and search ranking. While spending less money or building your own website may seem like an economical decision, an experienced web design team knows how to avoid the following mistakes.

Poor Structure & Navigation

A recent study found that 94% of consumers expect a website to be easy to navigate and easy to use. If a visitor can't find what they need on your site quickly and easily, they will leave and find a frustration-free option. Easy navigation is often ranked as the most useful website feature. By adding simple navigational toolbars and menus, your website can create an intuitive user experience. A successful website delivers an instinctive user-experience that ensures a site's traffic stays both engaged and also returns.

Lack of Search Engine Optimization (SEO)

Over 93 percent of all online activities start on search engines like Google, Yahoo, or Bing. Why? Simple - people trust Google. By ranking high on search engines, your business builds trust and credibility. Search Engine Optimization (SEO) also pulls in quality traffic to your website. Search traffic is already interested in your products or services. These people are actively searching for the problem your business solves. Keep in mind the average person won't go past the first five listings on a search engine results page!

Continued on page 3

NET DRIVEN

Continued from page 2

SEO, a way to improve your website so it appears closer to the top of search results, can put you ahead of the competition but it isn't a static process. It is a framework with rules and processes. If two websites are selling the same exact thing, the search engine optimized website is more likely to appear closer in the top positions in organic search results. This can have a huge impact on your company's goals – like increasing your leads and sales.

Missing Call to Action (CTA)

In digital marketing, a CTA is often a button with copy. A CTA is designed to persuade site traffic to take a particular action that will benefit your business. A successful CTA provides a better user-experience by directing what steps your site's visitors should take next – moving them down the sales funnel. Without a call to action, visitors leave your site without learning about your services, scheduling an appointment, or without providing any follow-up information. Without a clear CTA on your site, you will lose sales and customers.

Using Free or Low-Cost Templates

Rookie designers may resort to use a free or low-cost design templates. While this may seem like an easy solution, it often creates a disconnected, generic website. Your business is unique and your website should be, too. Let's say you pick a website template for your business and you love it. Unfortunately, there is nothing stopping your competitors from purchasing the same template. A good designer gets an understanding of your business and tailors the design and structure of your site to promote conversions generating more sales.

Avoiding These Common Mistakes

When you invest in a professional web design team, not only are you investing in the visual appearance and accessibility of your website, you are also investing in expert advice, techniques, and best practices creating the best possible user-experience. Professional designers and digital marketers take time to ensure each website design captures the individuality of the business, provides an excellent user-experience, and can be easily found online. A custom-designed responsive website is where it's at.

Trump Administration to Continue Deregulatory Agenda in 2020

The Trump administration has released an agenda that shows it will continue its push for deregulation in 2020, with plans to release its final New Source Review rule in March, finalize its Waters of the US repeal in January and regulate per- and polyfluoroalkyl substances under the Safe Drinking Water Act. "By creating a climate of regulatory certainty, we're able to breathe new life into local economies around the country," said Environmental Protection Agency Administrator Andrew Wheeler.

Large Number of Small Businesses Will be Hurt by the SECURE Act

SSDA-AT is calling on Senators to remove two provisions in the House-passed SECURE Act (H.R. 1994) that would adversely affect small businesses and their employees.

While SSDA-AT supports other provisions of the Act, particularly changes to 529 plans for apprenticeships, it strongly opposes the proposed elimination of the "Stretch IRA" and the increased penalties for the late filing of certain retirement plan forms. These two provisions will hurt small businesses which have retirement plans and their owners and employees -- all middle and upper middle income taxpayers --who saved for their retirement in those plans.

The elimination of the stretch IRA would create an unanticipated new tax which would dramatically reduce the value of the IRA. SSDA-AT is concerned that the unintended impact of the elimination of the stretch IRA will be to reduce the long term funding of small business retirement plans. It makes sense that owners will choose to save less in their plans and stop employer contributions prematurely so as to avoid the draconian tax treatment generated by the elimination of the stretch IRA. This change would cause small business employees to lose the meaningful employer contributions that they would have received, since the owners would no longer contribute to the retirement plans.

The SECURE Act's substantial increases in penalties for the late filing of certain retirement plan reporting forms will harm small businesses and eventually the plan participants. It is small businesses, which do not have accounting or benefits departments to handle these types of filings, that will make mistakes and be hit with these excessive penalties.

If a small business is hit with such a large penalty, expect future employer contributions to the plan to be cut back and possibly the plan to be terminated.

SSDA-AT has urged Senators to substitute their own provisions from the Retirement Enhancement and Savings Act (S.972), known as "RESA," for these two harmful SECURE Act provisions.

At a minimum, the Senate should extend the 10 year period to at least 20 years for the stretch IRA provision and stay with their provision on the increased penalties for late filing of retirement plan forms.

Despite repeated claims by very large entities as to how good this legislation is for small businesses, make no mistake that these provisions will harm small businesses and their employees.

Opinion: Self-Leadership is Self-Awareness

If there's one thing that HR leaders could teach in 2020 to improve the work environment, it's self-leadership.

Call me old-fashioned, but there's no leadership without self-leadership. To lead others, you must lead yourself.

You can't be a boss, a founder, an entrepreneur, or even a useful adult without taking care of yourself first, prioritizing your wellbeing, and trying to live a life with integrity.

What is self-leadership? Some say there are three components: self-awareness of personal values, self-awareness of intentions and behavior, and self-awareness of your perspective.

Self-leadership, at its core, is self-awareness.

Self-awareness of personal values

Self-leaders have a set of personal values that guide their interactions in the world. They've done the hard work of getting to know themselves, and strive to create a life where mindset informs their words and deeds.

The way to develop personal values is to become self-aware. Get to know yourself on a deeper level. Interview yourself, journal, talk to a therapist or meet with a counselor who can help you develop a stronger and more vivid sense of self. After all, you can't lead others — including yourself — if you're not crystal clear on important facets of your personality like preferences, communication style, values, and expectations.

Self-awareness of intentions and behaviors

Self-leaders say what they mean and mean what they say. They've clarified what's important in life, aligned their actions with their goals and values, and have cleared the emotional and physical calendar of anything that gets in the way.

When something goes wrong, self-leaders don't blame people or look to others to solve problems. They look to themselves first. There's inner confidence that comes from having done the hard work of aligning philosophies and actions in the first place.

Self-awareness of personal perspec-

Continued on page 7

Opinion: Self-Leadership is Self-Awareness

Continued from page 6

tive

Life can be hard. Work presents us with difficult problems to solve. Everybody has a bad day. Self-leaders are emotionally regulated individuals who don't panic, ruminate, or fantasize. There is only one direction in life, and that's forward. When the world falls apart, self-leaders aren't looking for answers from other people. They're ready to go with problem-solving techniques because they've meditated, journaled, and invested in continuous learning to gain insight into themselves and human behavior.

Self-awareness is the core of self-leadership

Work looks a lot different in 2020 if we help our workforce solve their problems and free up leaders to focus on strategic and creative endeavors.

The act of knowing and leading yourself is more art than science, but it starts with a natural curiosity. Try asking yourself:

What am I good at?

What exhausts me?

What is the most important thing in my life?

Who do I love?

What stresses me out?

What's my definition of success?

What type of worker am I?

How do I want others to see me?

What type of person do I want to be?

What things do I value in life?

Does it feel awkward to be self-aware?

Possibly at first.

But self-leadership requires that you be an expert in your thoughts and behaviors before you attempt to help others in this world.

So, go slow. Self-leaders are endlessly curious, and they're not afraid of the unknown and undiscovered. And, once you begin the journey of self-awareness, you quickly learn that 99% of your colleagues are light years behind and waiting for someone like you to take the lead and teach them how to become self-aware, themselves.

That's what total leadership in 2020 is all about.

The Trump Administration Continues to Streamline and Modernize EPA

The U.S. Environmental Protection Agency (EPA) is proposing to streamline and modernize the review of permits by the agency's Environmental Appeals Board (EAB) while providing more flexibility to regulated parties, states and tribes, and the public. Under this proposal, interested parties would be empowered to choose the option for resolving a permit dispute that is best suited to their needs.

The Agency's proposal aims to facilitate speedy resolution of permit disputes—either through alternative dispute resolution, a hearing before the Board, or more timely judicial review. EPA proposes several additional reforms designed to streamline the current administrative appeal process and to provide appropriate checks and balances on how the EAB exercises its delegated authority. The Agency is seeking broad input through the public comment process on these proposed changes.

"Under President Trump's leadership, we have made the Agency more accountable to the public and with this proposal we are continuing to build on that success," said EPA Administrator Andrew Wheeler. "The Agency now works more collaboratively with the states and tribes than it did 27 years ago and the EAB's new role will reflect this reality."

The proposal's key elements are designed to simplify the review process, expedite permitting, and allow parties who would like to challenge EPA's permits in court to do so more quickly. The proposal builds on the Board's successful voluntary Alternative Dispute Resolution (ADR) program that, to date, has resolved over 90 percent of cases that have gone through the program without litigation. The EAB's ADR program promotes faster resolution of issues and more creative, satisfying and enduring solutions. The proposal provides parties challenging EPA's permits with options to resolve their disputes, including ADR or a traditional appeal before Board. All parties would have a voice, and if they do not unanimously agree on the path forward, the permit becomes final and can be challenged in federal court without going through additional administrative process within the EPA.

The proposal also seeks to clarify the scope and standard of EAB review; remove a provision authorizing participation in appeals by amicus curiae; and eliminate the EAB's authority to review Regional permit decisions on its own initiative in the absence of an appeal brought by an interested party. EPA also includes new deadlines for EAB

The Trump Administration Continues to Streamline and Modernize EPA

Continued from page 8

action and other provisions to promote internal efficiency.

Finally, EPA also proposes to set twelve-year terms for EAB Judges in lieu of the indefinite terms currently in place; a new process to identify which EAB opinions will be considered precedential; and a new mechanism by which the Administrator, through the General Counsel, can issue a dispositive legal interpretation in any matter pending before the EAB.

These EAB reforms are in line with the Trump Administration's efforts to reform and modernize EPA which include:

A directive to end the controversial "sue and settle" practice which removes the ability of third party groups to circumvent the regulatory process and require the Agency to engage in actions without public comment.

Reforming EPA's science advisory committees, to ensure independence, geographic diversity, integrity.

Implementing EPA's Lean Management Systems and creating the Office of Continuous Improvement which measures progress made on 400 metrics and provides accountability to the public.

Realigning the Agency's regional offices to ensure clarity and consistency in the Agency's functions from Headquarters to the local level.

EPA also took steps to modernize and clear out our FOIA backlog. The steps the Trump Administration has taken will bring EPA into compliance with federal law and continue to be responsive to the publicdespite a 400% increase in FOIA requests since January 2017.

BACKGROUND:

The EAB was created in 1992 to hear administrative appeals. At that time, the number of EPA-issued permits was increasing. Over the past 27 years, the Board's role in permit appeals has changed as more states and tribes assumed permitting authority under EPA's statutes.

This has dramatically reduced the number of EPA-issued permits and, in turn, the number of permits appealed to the EAB.

Letter to the Editor

Dear SSDA-AT,

Given bipartisan consensus on the importance of trade to America and our allies, finalization and approval of the U.S.-Mexico-Canada Agreement (USMCA) in Congress is long overdue. Because North American markets are highly interdependent, maintaining the tariff-free, intracontinental flow of natural gas, oil and refined products will help ensure that American families have continued access to affordable and reliable energy, and to our export markets in Canada and Mexico.

When it comes to the U.S. economy, the advantages of the USMCA are clear. Trade with Canada and Mexico supports 12 million American jobs across every state, according to the Business Roundtable, and totaled nearly $1.3 trillion in 2017. A U.S. International Trade Commission report estimates that approving USMCA could raise real GDP by $68.2 billion and create 176,000 jobs, relative to a baseline, six years after the trade deal enters into force.

In terms of U.S. energy, the benefits of USMCA are equally clear. North America's natural gas and oil markets are multi-directional, so integration results in more affordable energy for consumers in all three countries. The U.S. relies on our neighbors for supplying the heavy crude oil used in the American refining sector, which supports thousands of jobs. Mexico and Canada, in turn, rely on U.S. refined products, such as gasoline and jet fuel, and energy-intensive manufactured goods, such as petrochemicals and plastics.

As early as 2020, the U.S., Canada and Mexico will achieve self-sufficiency with respect to liquid fuels, according to the U.S. Energy Information Administration. This translates into greater energy security, but the unobstructed flow of natural gas, crude oil and refined products between the U.S., Mexico and Canada is essential to maintaining America's position as a global leader in energy production.

Passing USMCA will allow the natural gas and oil industry to continue providing the affordable, reliable and cleaner energy that powers North America's economic prosperity. Because free trade benefits manufacturers, small businesses and good-paying American jobs, we urge Congress to swiftly approve this critical trade agreement.

Sincerely,

Mike

Mike Sommers
President and CEO
API

energy API®
AMERICAN PETROLEUM INSTITUTE

After Meeting AFL-CIO, Pelosi says USMCA Must be Enforceable for Workers to Win Passage

U.S. House of Representatives Speaker Nancy Pelosi recently conditioned her support for a new U.S.-Mexico-Canada trade deal on better enforcement of its labor provisions, defying pressure by the Trump administration to get the deal done quickly.

Pelosi, who had predicted an imminent breakthrough in talks with U.S. Trade Representative Robert Lighthizer, changed her tone after meeting with major labor leader, AFL-CIO President Richard Trumka, who has been critical of the accord.

"We can reach an agreement on USMCA when the Trade Representative makes the new NAFTA agreement enforceable for America's workers," Pelosi said in a joint statement with House Ways and Means Committee Chairman Richard Neal after the two Democrats met with Trumka.

President Donald Trump and top administration officials on Tuesday heaped pressure on Pelosi and Congress to ratify the trade agreement through scores of coordinated interviews with talk radio stations and aggressive social media postings.

They are pressing for quick passage of the trade agreement that will replace the $1 trillion North American Free Trade Agreement (NAFTA), but have faced opposition from labor unions worried about losing jobs.

House Democrats say they are trying to shore up enforcement of the trade deal's environmental and labor provisions, but Trump has accused Democrats of stalling approval for purely political reasons to avoid handing him any kind of victory.

Trump accused Pelosi of being unable to get the bill "off her desk" and said she was "using USMCA, because she doesn't have the impeachment votes," the president said, without explanation.

Pelosi introduced Trumka at a meeting attended by about 40 newly elected Democrats at the Capitol, according to one source in the room. The union leader emphasized the need for solidarity at this "most critical" stage of negotiations and said the union remained concerned about Mexico's ability to implement and sustain labor reforms.

Trumka told union members that NAFTA had been "a disaster for working people," and while there had been some progress in negotiations with the White House, USMCA was not ready for passage.

Trumka said there was pressure to "fold on core issues" to secure a deal, but vowed not to let that happen.

"Getting this done right is more important than getting it done fast. So until the administration can show us in writing that the new NAFTA is truly enforceable, with stronger labor standards, there is still more work to be done," he said, according to excerpts provided to Reuters.

Mexican Economy Minister Graciela Marquez said that she was optimistic the pact would be ratified "in a few weeks."

"Representative Pelosi has the commitment on our part to convince the outstanding representatives and union leaders in the United States," she said in an interview on local radio. "We have spoken with union leaders and we have made our commitment known."

U.S. Commerce Secretary Wilbur Ross argued that the agreement included much tighter environmental provisions and worker protections than any previous U.S. trade agreement.

"We have no doubt that if Speaker Pelosi lets it come to the floor, it will pass overwhelmingly," Ross told a talk radio program at the White House.

Before Pelosi's statement, Senate Finance Committee Chairman Charles Grassley, an Iowa Republican, had predicted the trade agreement could be passed before Christmas.

Keystone Pipeline Shutdown Raises Costs for U.S. Gulf Refiners

The Keystone crude pipeline was shut after leaking thousands of barrels of crude in North Dakota, the third spill along the pipeline's route in less than three years.

TC Energy Corp.'s 590,000 barrel-a-day pipeline that carries crude from Alberta to refineries in the U.S. Midwest and Gulf Coast ruptured October 29 near the city of Edinburg in North Dakota, said Brent Nelson, an emergency manager for Walsh County. About 9,120 barrels were released, some of which impacted a wetland, according to the state's Department of Environmental Quality.

TC Energy declared force majeure on the pipeline system after the shutdown, according to people familiar with the matter. An emergency response team has contained the impacted area, and the system is shut from Hardisty, Alberta to Cushing, Oklahoma and to Wood River/Patoka, Illinois, the company said in a statement. TC Energy also reduced rates on the Marketlink pipeline, an extension of Keystone that runs from Cushing to Port Arthur, Texas, according to people familiar with the matter.

The shutdown stands to affect U.S. Gulf Coast refiners seeking alternative heavy crude supplies amid sanctions on Venezuela, lagging output from Mexico and OPEC production cuts. At the same time, Alberta's oil producers are struggling to cope with production limits imposed earlier this year when too much oil encountered too few pipelines, causing prices to collapse.

Heavy Western Canadian Select crude's discount to West Texas Intermediate futures widened $19 a barrel Thursday, the widest since December, data compiled by Bloomberg show. After the Keystone spill in South Dakota in 2017, the discount widened from about $11 a barrel to more than $25 a barrel. In the Gulf Coast, heavy Canadian crude was about $1.50 a barrel stronger than before the spill, according to market participants.

Gulf Coast refiners could seek medium-grades of sour crude to replace the heavy Canadian barrels, Kevin Birn, IHS Markit's director of North American crude oil markets, said by telephone. "You could see refiners pivot to alternative sources of supply," he said. "There will be some flexibility in the system to address this."

The spill, estimated to be 1,500 feet in length by 15 feet wide, comes as TC Energy seeks to build the controversial Keystone XL pipeline. The company said Keystone was probably the source of a spill in Missouri in February that shut a segment of the line. In 2017, a spill in South Dakota reduced rates on the line for months, causing Canadian oil prices to collapse.

The long-delayed Keystone XL oil pipeline has been on the drawing board for a decade. The 1,200-mile (1,900-kilometer) pipeline would help carry 830,000 more barrels of crude a day from Alberta's oil sands to U.S. Gulf Coast refineries. The project has been a top target of environmentalists, who argue that the pipeline would contribute to catastrophic climate change.

No new export pipelines out of Canada are planned until late next year at the earliest, when Enbridge Inc.'s Line 3 is scheduled to start operation. Two other pipeline projects including the government-owned Trans Mountain line to Vancouver area as well as the proposed Keystone XL have faced regulatory and legal delays in addition to fierce opposition from environmental groups and landowners.

Here's How to Devastate U.S. Energy and the World Economy: Ban Fracking

Calls for a ban on hydraulic fracturing by some of the Democratic presidential candidates continue to make for discussion on the campaign trail – and boy, that is a discussion everyone should be paying attention to. The stakes are sky-high.

Recently, we highlighted this Michael Lynch analysis warning that a fracking ban could devastate the U.S. economy. Now the Manhattan Institute's Mark P. Mills has a piece on Real Clear Energy asserting that in the most serious scenarios, banning U.S. fracking could put the global economy in recession – entirely plausible, given that the United States is the leading producer of natural gas and oil, the two energy sources that supply 54% of the globe's fuel. In all, Mills notes in this report, fossil fuels supply 84% of the world's energy.

Those are the stakes when candidates kick around the notion of banning hydraulic fracturing, which is used for 95% of new U.S. wells today. Ban fracking and you pull the rug out from under U.S. production – and with it, energy security, global energy leadership and, yes, environmental progress – considering increased U.S. use of natural gas has lowered energy-related carbon dioxide emissions to their lowest levels in a generation.

To be clear: The fracking-ban rhetoric from some candidates in the presidential race is unrealistic (which Mills points out later in this post), and those promising to end fracking in federal areas on Day 1 of their administrations are either uninformed or dismissive of the facts – and recklessly playing to the crowds. Mills in the RCE article:

Enthusiasms for alternatives aside, solar and wind combined supply less than 2 percent of world energy, while 54 percent still comes from oil and natural gas. Many analysts have pointed to the domestic jobs and revenues that will be lost were America to shut down fracking. But that's the least of it. Far more significant: removing that quantity of fuel from world markets would trigger the biggest energy price spike in history, and a global recession. Ban fracking and you put a serious crimp in U.S. production. Certainly, in the event of fracking ban, it's likely there could be more conventional production. Yet, respected energy analyst Robert McNally says a ban would "vaporize" the U.S. energy revolution. It also would significantly undercut consumers, our economy, job creation and freedom – in the sense that we would become more dependent on oil imports instead of less – as has been the strong, positive trend since the energy revolution launched. Federal Reserve Chair Jerome Powell said this week a fracking ban likely would hurt the economy. Powell told lawmakers on Congress' Joint Economic Committee:

"To shut down the shale industry, yeah, that would probably not be a good thing for the economy. … The energy independence of the United States is something that people have been talking about for 50 years and I never thought it would happen, and here it is. … It's a great thing."

We agree. History shows what has happened when significant amounts of oil suddenly were removed from the markets for political reasons, Mills writes. The 1973 oil embargo drove world oil prices up 350% and triggered a global recession, he says. Unrest in Iran in 1979 undercut that country's oil exports, caused a 200% global price spike and set off another worldwide recession. We can't know whether a U.S. fracking ban would have that same effect. But, again, given the clear impact surging U.S. production has had on global markets, the effects likely would be severe – at a minimum removing the cushion U.S. production has provided in the global market, helping shield U.S. consumers from the worst impacts of supply disruptions, such as the price spikes that followed this year's terror attack on a Saudi oil processing facility.

Trump Tariffs Slowing Global Economy, Strangling Shale Oil Revolution

Experts are in a raging debate over the future of North American oil production, but only the self-proclaimed Tariff Man has control over the fate of the shale drilling revolution.

President Donald Trump's belligerent approach to international trade is stifling the global economy and slowing demand for oil. Turning allies into enemies has squelched business investment, leaving the world awash with surplus energy.

If the Tariff Man does not change his strategy, a global recession could spell the end of the oil and gas renaissance in Texas, leading to global supply problems and price hikes in the long run.

Last week, my colleague Jordan Blum chronicled the dramatic slowdown in shale investment and drilling, asking analysts whether Texas oil and gas production has peaked. It is a reasonable question, but with an answer as unknowable as the future of the global economy.

Shale drillers are scaling back because oil prices are dropping due to an oversupply. The surplus was created by lower-than-expected demand due to slower economic activity.

Guess what's causing that?

World economic growth was 3.8 percent in 2017, the year Trump took power, and a year before he started imposing tariffs on our most important trading partners. Last week, the International Monetary Fund revised its 2019 forecast for the global economy down to 3 percent, the lowest level since the Great Recession.

"Two years ago, the global economy was in a synchronized upswing. Measured by GDP, nearly 75 percent of the world was accelerating," Kristalina Georgieva, the new director of the IMF, said in her inaugural speech. "Today, even more of the world economy is moving in synch but, unfortunately, this time growth is decelerating. In 2019, we expect slower growth in nearly 90 percent of the world."

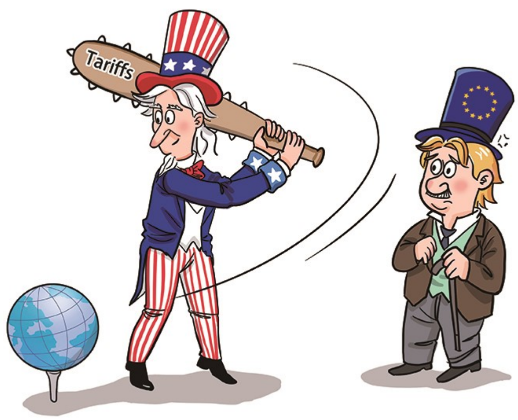
Global trade growth has come to a near standstill, Georgieva added. "Even if growth picks up in 2020, the current rifts could lead to changes that last a generation—broken supply chains, siloed trade sectors, a 'digital Berlin Wall' that forces countries to choose between technology systems."

Tariffs hurt the economy in two ways. First, they tax consumers. Exporters do not pay the tax; U.S. Customs collects tariffs from importers when the product enters the country. Companies must cut their profit margin or raise prices. Either way, tariffs hurt the domestic economy.

Second, tariffs and the threat of tariffs create uncertainty among investors. Executives cannot develop new business plans if they do not know how long a tariff will last or when a new one could pop up. Without confidence in the future, busi-

Trump Tariffs Slowing Global Economy, Strangling Shale Oil Revolution

Continued from page 14



ness people do not invest or hire; they wait and see.

The World Uncertainty Index, which is based on The Economist Intelligence Unit's quarterly reports from 143 countries, has jumped from a neutral score of 100 in 2017 to 285 in July, the highest level recorded since the index started in 1996. Trump prides himself on keeping people off-balance. He is succeeding.

Demand for oil fell year-over-year in May, June and July, the first time that's happened over three consecutive months since 2009, according to analysts at Standard Chartered, an investment bank. Even attacks on a Saudi crude facility and an Iranian oil tanker have failed to raise concerns about oil supplies. West Texas prices rose above $60 a barrel for only a day, and future contracts reflect an oversupplied market for years to come.
Low prices discourage investors, which is why analysts wonder if the Permian Basin has seen its best days.

"The oil 'shale revolution' is over. Finally," declared New York investment research firm Evercore ISI, according to Blum's reporting. But reports of the revolution's death could be premature.

Trump got us into this mess, and he could get us out. He can recognize that taxing the American people to hurt nation-state competitors does not make any sense. Sowing discontent among business leaders does not spur the economy.

We undoubtedly need better trade deals, but there are stronger tools than tariffs. Fairer, mutually beneficial trade agreements based on capitalistic and democratic principles that attract dozens of nations, can be used to lock out bad actors such as China.

By creating exclusive clubs with our closest allies, Trump can create trade envy. Recalcitrant nations would feel pressure to play by our rules and keep the U.S. at the center of the global economy.

Increased trade would increase demand for energy.

Texas could make full use of its new liquefied natural gas facilities to export a cleaner fuel worldwide to replace coal. The shale revolution could last another decade if only the Tariff Man sought a new moniker.

Big Oil Majors Looking to Sell $27 Billion in Assets Worldwide

The Big Oil majors aim to unload about $27 billion in oil and gas assets worldwide in order to cut costs and focus spending on their core projects.

U.S. giants Exxon Mobil and Chevron for instance are concentrating their oil and gas spending on West Texas' booming Permian Basin, as well as Guyana for Exxon Mobil and Kazakhstan for Chevron, according to a new report from the Norwegian research firm Rystad Energy.

The United Kingdom's BP aims to sell some assets in the U.S., including in New Mexico's gassy San Juan Basin, after spending $10.5 billion to buy the Texas shale assets of BHP. Houston's ConocoPhillips, for instance, already wants to sell its newer position in the Louisiana Austin Chalk for less than $1 billion, although other Houston firms Marathon Oil and EOG Resources are still operating in the region.

U.S. Department of Labor Announces Proposal to Expand Access to Bonuses for America's Workers

The U.S. Department of Labor's Wage and Hour Division (WHD) announced a Notice of Proposed Rulemaking (NPRM) that would allow job creators to offer bonuses or other incentive-based pay to employees whose hours vary from week to week. The proposal would revise the regulation for computing overtime compensation for salaried, non-exempt employees who work hours that vary each week (i.e., a fluctuating workweek) under the Fair Labor Standards Act (FLSA). It also clarifies that bonus and premium payments on top of fixed salaries are compatible with the fluctuating workweek method of compensation, and that supplemental payments must be included when calculating the regular rate of pay as appropriate under the FLSA. The proposal includes examples and minor revisions to make the rule easier to understand.

"This proposal offers more options for bonus pay and exemplifies the U.S. Department of Labor's commitment to reduce unnecessary burdens in order to benefit America's workers," said U.S. Secretary of Labor Eugene Scalia. "At a time when there are more job openings than job seekers, this proposal would allow America's workers to reap even more benefits from the competitive labor market."

"For far too long, job creators have faced uncertainty regarding their ability to provide bonus pay for workers with fluctuating workweeks," Wage and Hour Division Administrator Cheryl Stanton said. "This proposed rule will provide much-needed clarity for job creators who are looking for new ways to better compensate their workers."

SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

1532 Pointer Ridge Place, Suite G
Bowie, Maryland 20716

Phone: 301-390-0900
Fax: 301-390-3161
E-mail: rlittlefield2@wmda.net

2019- 2020 SSDA-AT Officers

President: Peter Kischak, New York	914-589-9161
Vice President: Sal Risalvato, New Jersey	732-256-9646
Treasurer: Billy Hillmuth, Maryland	301-390-0900
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

Published monthly by the Service Station Dealers of America and Allied Trades, ©