
NYS ASSOCIATION OF SERVICE STATIONS & REPAIR SHOPS, INC.

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November 2014

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NYVIP Message 208

Below are instructions for ordering next year's stickers.

****PLEASE PRINT A COPY OF THIS MESSAGE AND DELIVER IT TO THE PERSON WHO ORDERS YOUR INSPECTION STICKERS. ****

Effective today, October 15, 2014, inspection stickers with an expiration year of 2016 are available for order.

HOW TO ORDER STICKERS:

To order stickers on the NYS DMV website go to <http://dmv.ny.gov/sticker/default.html>

It is your responsibility to order next year's stickers promptly so that you have proper supply on hand by January 1, 2015. Sticker orders are processed in the order received.

Please allow 4-5 weeks for processing.

If you have any questions, please contact Sticker Issuance at (518) 474-2398.

Gasoline Use Up Two Billion Gallons In Past 10 Months

The U.S. Energy Information Administration's (EIA) short-term forecasts of gasoline consumption, which cover the current and upcoming calendar year, have risen over the past year.

The latest Short-Term Energy Outlook (STEO), released on Tuesday, expects 2014 gasoline consumption to be 8.82 million barrels per day (135.2 billion gallons), 0.13 million barrels per day (2 billion gallons) higher than last November's forecast.

A global glut of oil sent prices skidding this summer, and demand is expected to remain soft in the coming months, according to various news sources.

Ulster County Executive Michael Hein To Sign Gas Station Sign Pricing Law

Ulster County Executive Michael Hein will sign a local law that would require more transparency in gas station sign pricing.

The law will require stations to post on their large street signs their top price.

The Ulster County Legislature on Sept. 23 voted 20-3 to approve the law, requiring that, if a gas station charges different prices for cash and credit, that both prices be "readily seen by motorists approaching the gasoline station."

Voting against the legislation were Minority Leader Ken Ronk, R-Walkkill, Richard Gerentine, R-Marlborough, and Mary Wawro, R-Saugerties.

At present, some stations list the cash price, leaving customers to face a higher cost for credit card use with the only mention of it in small print on the pumps.

Hein said the new law makes sense as a consumer protection issue. "For an individual, they should be informed," he said. "Someone who pulls into a gas station should know if there is a difference between a cash price or a credit price; it should be crystal clear to them. This is about getting accurate signage. We fully support it to get the best information for consumers so they could get the best information for consumers so they can make intelligent and informative decisions."

No one attended a public hearing Hein held Tuesday on the proposed law.

Oil Prices to Stay Weak as Supply Overwhelms Demand

Brent, the global benchmark and the U.S. benchmark crude have fallen about 15% from their mid-June highs, closing the quarter at more-than-one-year lows. Brent prices are now down 20% from their peak in February 2013. Anticipated supply disruptions in Iraq, Russia and elsewhere earlier this year failed to materialize, and tepid demand has forced oil producers to cut prices to attract buyers, according to a report from the Wall Street Journal.

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Adding to the supply glut, the world's oil output hasn't been seriously dented by violence in the Middle East, Europe and Africa. Falling prices have prompted speculation that OPEC will reduce production to keep oil above \$100 a barrel.

Analysts say that, although demand could pick up as the winter heating season approaches, it won't be enough to boost prices much above current levels, especially as U.S. refiners shut down units for seasonal maintenance, reducing crude-processing capacity.

Gas Prices Dipping Below \$3 Per Gallon

Gas prices dropped to a four-year low for the month of September, according to the latest AAA Monthly Gas Price Report. The national average price for regular gasoline was \$3.39 per gallon, which was 13 cents less than last year and 44 cents less than 2012.

"American drivers will have a bit more money to spend or use on savings as gas prices continue to fall," said Avery Ash, AAA spokesman. "It is a nice relief for most of us to pay a little less than in recent years to fill up at the gas station."

Gas prices have declined approximately 10 cents per gallon since the start of September, with the daily average falling 24 out of 30 days. This marks the fourth year in a row that gas prices fell in September.

Prices typically decline in September as demand drops and gas stations begin offering cheaper winter-blend gasoline. The lack of Atlantic hurricanes striking the U.S. coastline also avoided price increases caused by supply disruption.

Additionally, gas prices have dropped 35 cents per gallon since June 28 despite a busy summer driving season and conflict in the Middle East, according to the report.

In recent weeks, it is increasingly common for gas stations to offer fuel at less than \$3 per gallon in some parts of the country, AAA said. At least one gas station is selling gasoline at \$3 or less in 26 states, and 4 percent of U.S. gas stations overall are selling gas in this price range. This figure is likely to increase significantly over the next two months.

"Gas prices could fall another 20 cents per gallon by the time families load up the car for Thanksgiving," Ash said. "If everything goes smoothly, buying gas for less than \$3 per gallon should be refreshingly common in many parts of the country this winter."

The national average gas price could drop to \$3.10 to \$3.20 per gallon before the end of 2014, according to AAA's forecast, which would mark the closest the average has come to \$3 since 2010.

Oklahoma currently has the most gas stations with prices under \$3, with nearly three in 10 selling gas under that price as of Tuesday. South Carolina and Missouri are the next two states with the most gas stations priced below \$3, with nearly one in five in that price range.

The five states with the highest average prices are Hawaii (\$4.20 per gallon), Alaska (\$3.92), California (\$3.70), Washington (\$3.69) and Oregon (\$3.69), while the

five states with the lowest average prices are Missouri (\$3.09), South Carolina (\$3.09), Mississippi (\$3.10), Tennessee (\$3.12) and Virginia (\$3.13).

Philadelphia Cigarette Excise Tax

This week, the Pennsylvania legislature passed and Governor Tom Corbett signed into law House Bill 1177 that authorizes cities of the first class to approve a 10-cent per cigarette local excise tax to fund school district operations. Philadelphia is the only first class city in Pennsylvania. Pursuant to this new taxing authority, the City of Philadelphia enacted a local ordinance to assess the 10-cent per cigarette tax to partially fund the Philadelphia school district operations. The 10-cent per cigarette or \$2.00 per pack local cigarette tax for Philadelphia will go into effect on October 1, 2014.

There is a floor stocks tax being assessed on retailers and vending machine operators. The floor stocks tax needs to be paid by each retail store on or before October 1, 2014.

A letter is being mailed today to all retailers by the Pennsylvania Department of Revenue explaining the new Philadelphia local cigarette tax and the floor stocks tax. Each retail store needs to conduct an inventory of cigarettes on hand on October 1, 2014 and pay the floor stocks tax with a separate check for each store. The floor stocks tax needs to be paid to the Pennsylvania Department of Revenue by October 31, 2014.

Durbin Says Swipe Fees Are Too High

In the years since the Federal Reserve's cap on debit card swipe fees took effect, retailers and banks have continually argued whether the cap was set higher than Congress originally intended. This week, Senator Richard Durbin — who authored the law that led to the cap in 2011 — is telling the U.S. Supreme Court that the Federal Reserve Board got it wrong, and that retailers are right.

Durbin's comments came last week as part of a brief filed in a lawsuit brought by NACS and other merchant organizations that claims the 21-cent cap set by the Fed in 2011 goes beyond the "reasonable and proportional" level mandated by Congress under the Durbin Amendment provisions of the Dodd-Frank Consumer Protection and Wall Street Reform Act of 2010.

According to news reports, Durbin stated that "The amendment was carefully crafted and its purpose was clearly expressed. Unfortunately, the Board's final rulemaking failed to sufficiently follow the text and purpose of the law."

Durbin went on to say that "Because interchange fees are ultimately borne by consumers in the form of higher retail prices, consumers have suffered as a result."

Under the Durbin Amendment, the Fed was only allowed to consider the costs of authorizing, clearing and settling each transaction, a cost initially calculated at an average of 4 cents per transaction and proposed a cap of up to 12 cents. The eventual 21-cent level was set after the

banking industry launched an aggressive lobbying campaign to weaken the draft rule.

In 2013, a U.S. District Court judge agreed with merchant organizations that the cap was too high, but the U.S. Circuit Court of Appeals overturned the ruling this spring, citing “ambiguity” in the 2010 law. Last month, NACS and its partner organizations asked the Supreme Court to hear the case, and is currently awaiting the court’s decision whether to do so.

Federal Compliance Checks Top 335,000 Nationwide As Fine Is Raised To \$11,000.

The monetary fine for retailers illegally selling FDA-regulated tobacco products just went up — going from \$10,000 to \$11,000 for a 6th violation within 48 months. According to updated FDA guidance on “Civil Money Penalties for Tobacco Retailers – Answers to Frequently Asked Questions,” (revised June 2014), the maximum civil money penalty for six or more violations within a 48-month period was increased “to reflect inflation, as required by the Federal Civil Penalties Inflation Adjustment Act.”

The FDA is presently operating under a lighter penalty schedule issuing only a Warning Letter for first time violations. After the Warning Letter however, fines quickly climb for subsequent violations from \$250 all the way up to \$11,000 for the 6th violation within a 48-month period. Fines for fewer violations were not raised, only the highest level fine.

Since 2010 when FDA initiated its enforcement program to conduct random compliance checks of retailers to ensure compliance with the Tobacco Control Act and FDA regulations (such as carding customers under 27 years old and denying cigarette, cigarette tobacco, smokeless tobacco and roll-your-own tobacco sales to minors along with other requirements of retailers), FDA has conducted more than 335,000 compliance checks. Retailers should keep in mind that while a first time inspection results in a Warning Letter only, subsequent inspections can result in multiple violations within a single FDA inspection quickly ramping up the cost of non-compliance.

Publicly available FDA enforcement data shows more than 109,000 inspections of stores were completed in FY2013 and the pace increased significantly in FY2014 with more than 113,000 store inspections completed through the end of August

The FDA Is Taking Electronic Cigarettes Public With A Two-Day Workshop Slated For December.

According to a notice published Wednesday in the Federal Register, the agency’s Center for Tobacco Products’ public workshop will include presentations and panel discussions about the current state of the science, and will focus on product science, packaging, constituent labeling and environmental impacts.

The notice was first reported by Troutman Sanders’ Tobacco Law Blog.

The first workshop will take place Dec. 10 from 8 a.m. to 5 p.m. and Dec. 11 from 8:30 a.m. to 3:30 p.m. The event will be held at the FDA White Oak Conference Center in Silver Spring. Individuals who wish to attend this workshop must register by Nov. 25.

The FDA intends to follow this up with two additional electronic cigarette workshops — one on individual health effects and the other on population health effects

Downstream Marketers Find Significantly Lower New York Harbor Spot Gasoline Prices.

A drop of a dime or more is on the calendar as high-RVP winter-grade gasoline becomes the standard fare in the region.

Winter typically brings a small difference between the value of CBOB and RBOB, as opposed to the 15-25cts/gal separation witnessed in the ozone season. Hence, the most dramatic drops in fuel costs will take place in reformulated gasoline markets.

Marketers are coming off of what was arguably the best summer for gross rack-to-retail margins, and that trend looks to continue with the New York Harbor market switching RVP. But much less conspicuous has been a precipitous drop in ethanol. Spot prices for ethanol slipped below \$2/gal in all locations but the West Coast, and that should push finished conventional and reformulated gas lower this week.

Chicago ethanol is in the low \$1.80s, and the futures market is similarly priced. Thanks to multi-year lows for corn futures, there are predictions that ethanol won’t find a bottom until \$1.20-\$1.50/gal.

Refined products futures closed on a weak note Friday. In fact, it was the lowest front-month close for RBOB (\$2.5188/gal) since Nov. 7, 2013. Weakness in crude oil helped influence the fall with Brent futures dipping to their lowest close since April 2013.

The most recent gasoline demand figures from the EIA showed a significant but somewhat suspect plunge from the pre-Labor Day period. Chances are that this week will see a modest recovery. Meanwhile, an exclusive OPIS survey of nearly 5,000 stations showed that demand this past summer was down 1.2% and 2.1% versus the summer of 2013 and 2012.

--Denton Cinqugrana, dcinqugrana@opisnet.com
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OPIS Survey: Huge Volume Drop Seen Post-Labor Day Week

An exclusive OPIS survey of nearly 5,000 retail gasoline stations nationwide last week showed that stations volumes were off by 6% for the week ending Sept. 6

While the OPIS data does show a sharp week-to-week drop, the gasoline demand decline was not quite as drastic as the figures provided by the EIA, which reported a 9.2% slide.

Both the monthly and yearly comparisons for gasoline demand also show declines.

Compared to last month, gasoline volumes were down by 2.81% with about 59% of the stations participating in the survey reporting volumes being down. The most common change per site month-to-month was a drop of 2.4%.

For a year-to-year comparison, average store volumes were down 1.65% with 55% of the stations reporting a year-to-year drop. For comparison, the DOE data says that year-on-year gasoline demand is slightly higher at 0.07%.

For more details on volume analysis by state, please contact Brian Norris at 301- 287-2413.

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NY Makes Inroads On Illegal Cigarette Trade

University College London (UCL) researchers called recent claims made against electronic cigarettes by the World Health Organization (WHO) "alarmist" and "bizarre," reports BBC News.

The researchers said that increasing e-cigarette use among smokers could actually save lives, noting that for every one million current smokers who switch to the devices, more than 6,000 lives a year could be saved.

WHO has made claims about the risk of e-cigarettes acting as a gateway for non-smokers to start smoking nicotine cigarettes. However, the UCL team found that the number of non-smokers using e-cigarettes amounted to less than 1% of the population, according to the Smoking Toolkit study, a monthly survey of smokers in England, reports the BBC.

Professor Robert West added that even though some toxins were present in e-cigarette vapor, the concentrations were very low.

"You have to be a bit crazy to carry on smoking conventional cigarettes when there are e-cigarettes available," he told the BBC, adding, "The vapor contains nothing like the concentrations of carcinogens and toxins as cigarette smoke. In fact, concentrations are almost all well below a twentieth of cigarettes."

Researchers at the National Addiction Centre and the Tobacco Dependence Unit at Queen Mary University agreed, adding that some of WHO's assumptions are "misleading" and based on "little hard data."

"I think any responsible regulator proposing restricting regulation has to balance reducing risks with reducing potential benefits," lead researcher Professor Peter Hajek told the BBC.

The BBC adds that WHO has yet to respond to the criticisms of its work on electronic cigarettes.

Illegal Cigarettes Seized

Six months after taking aim at the illegal cigarette market in New York, the state's Cigarette Strike Force seized nearly \$1.7 million in contraband and cash. The task force also took hold of 2.7 million cigarettes and cigars.

"Cigarette smugglers should be on notice -- our administration will not stand for those who break the law

and steal from taxpayers," Gov. Andrew Cuomo said. "With 36 separate interventions since January, our Cigarette Strike Force is aggressively cracking down on individuals who store, traffic or sell contraband products. This quick success is a reminder to would-be traffickers that New York has zero tolerance for this illegal activity, and those who further it will be brought to justice."

According to the governor's office, cigarette and tobacco-related seizures by the Strike Force, a unit within the New York State Department of Taxation and Finance's Criminal Investigations Division, include 12,236 cartons of untaxed cigarettes, 254,873 cigars, 2,061 pounds of loose tobacco and 24,773 counterfeit cigarette tax stamps.

Last year, Gov. Cuomo signed legislation authorizing the Tax Department to impose a penalty of up to \$600 for each carton of unstamped or unlawfully stamped cigarettes seized -- an increase from \$150 per carton.

The cigarette black market is a growing problem in New York State, which boasts the highest state cigarette excise tax at \$4.35 a pack. Adult smokers face an even steeper price in New York City, which tacks on an additional \$1.50 per pack.

Cooperation between the Tax Department and 12 federal and local law enforcement agencies is a key factor behind the Cigarette Strike Force's successes, according to state officials.

"All these agencies realize those among us who sell illegal cigarettes are a threat to government tax revenue. These are economic crimes that fill the pockets of criminals," said state Department of Taxation and Finance Commissioner Thomas H. Mattox.

By combining resources, the members of the Strike Force have improved their database of crime-related intelligence and are sharing critical information as they work together to dismantle major cigarette trafficking organizations.

In one of the largest operations conducted by the Strike Force, the Tax Department seized 3,236 cartons of contraband cigarettes in Brooklyn, along with 3,795 counterfeit tax stamps and more than \$130,000 in cash. In another sweep, agents arrested a Queens resident and charged him with transporting 942 cartons of untaxed out-of-state stamped cigarettes.

The Strike Force recently hired Robert Michaelis to head the team. Michaelis spent 25 years with the U.S. Drug Enforcement Administration. He replaces former Cigarette Strike Force Chief Michael W. Spinosa, who was promoted to acting director of investigations, criminal investigations division.

DMV Record Retrieval

DMV record retrieval is available to association members and affiliates at a cost of \$12 per record. Additionally, you may order DMV certified paper abstracts of driver's license, vehicle registration, and vehicle title records for an additional fee of \$2 per abstract. Please call 716-656-1035.

\$afety Group 536

With a Financial history like this you have lots of reasons to smile.

Dividend History

20%	2012-2013
20%	2011-2012
35%	2010-2011
35%	2009-2010
35%	2008-2009
35%	2007-2008
30%	2006-2007
30%	2005-2006
25%	2004-2005
22.5%	2003-2004
17.5%	2002-2003
10%	2001-2002
15%	2000-2001

Discount History

20%	2014
25%	2013
25%	2012
25%	2011
20%	2010
20%	2009
20%	2008
25%	2007
25%	2006
25%	2005
20%	2004
20%	2003
20%	2002

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