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June 2015

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## Retailers File New Opt-Out Suit Against Card Companies

A consortium of retailers – including Wawa, Quick Chek and Waffle House – filed a complaint this week accusing Visa and MasterCard of conspiring to fix interchange fees imposed on merchants for the privilege of accepting their credit and debit cards.

Because nearly all card issuers in the U.S. are members of Visa and MasterCard, and because those card issuers have agreed to rules that preclude them from independently competing for merchant acceptance, the two companies are violating the Sherman Act by restraining competition, according to the filing in Texas federal court, writes Law360.

The retailers allege that the setting of “default” interchange fees effectively fixes the price of acceptance at a supra-competitive level, forcing them to pay significantly higher costs to accept Visa-branded and MasterCard-branded credit and debit cards than they would if member banks issuing such cards competed for merchant acceptance.

“Visa and MasterCard, on behalf of their member banks, have exploited their market power in the market for merchant acceptance of credit cards and the market for merchant acceptance of debit cards,” the complaint alleges. “The exercise of this market power has led merchants to pay excessive interchange fees.”

In March, the credit card giants settled with the state of Arizona, the Minnesota Twins and more than a dozen retailers and restaurateurs who opted out of a \$7.25 billion class action over similar interchange fee allegations. The settlements were for an unspecified amount.

## Labor Age Law

One of our members asked “What age does a person have to be to be employed in a c-store. The answer is 14 but there are restrictions on the hours the youth can work. When school is in session one may work 3 hours on schooldays, and 8 hours on other days for a maximum of 6 days and 18 hours per week. If they are in an approved work study program, they may work a total of 23 hours week. When school is not in session they may work up to 8 hours per day, 6 days a week, for a total of up to 40 hours

During the school year 16 and 17 year olds may work 4 hours per day Mon-Thurs, and 8 hours per day, Fri-Sun, for a maximum of 6 days and 28 hours per week. Those enrolled in a cooperative education program can work up to 6 hours, Mon-Thurs, so long as the work is in conjunction with that program. When school is in session, or if the

minor is not in school, the 16 or 17 year old may work 8 hours per day, 6 days a week, for up to 48 hours per week.

C-stores should be aware of the age at which a clerk can sell alcohol and cigarettes. A clerk under the age of 18 must be in the presence of and supervised by a person 18 or over to sell alcohol. The NYS Department of Health says there is no such restriction for tobacco sales.

## INSIDE THIS ISSUE

- 1 *Retailers File New Opt-Out Suit Against Card Companies*
- 1 *Labor Age Law*
- 2 *Beware, The Feds Are Coming*
- 2-3 *Tire Registration Update s*
- 3 *Median Sale Price Of C-Stores Off To Good Start In 2015*
- 3-4 *Thieves Find Low-Tech Way To Steal Gas*
- 4 *Congress Introduces Bill To Raise Federal Minimum Wage*
- 4 *AUDI Researchers Make Fuel From Water And Air*
- 4-5 *Chicago Council Considers Mandating E15 Fuel At Some Stations*
- 5 *7-Eleven Franchisee Gets Prison Time For Exploiting Illegal Aliens*
- 5 *Hawaii Poised To Raise Smoking Age*
- 5-6 *Deadly Spice Craze Intensifies*
- 6 *Congressional Leaders Agree On Terms For Trade Promotion Authority*
- 6-7 *House Votes To Repeal Estate Tax*
- 7 *Safety Agency Releases Vehicle Maintenance PSA For Post-Winter Corrosion*
- 7 *As Transportation Funding Deadline Looms, New Tax Proposals Appear For Temp Solutions*
- 7-8 *Sales Of E-Cigarette Devices Up Last Month*
- 8 *U.S. Energy Imports, Exports To Balance For First Time Since 1950s*
- 8 *DMV Record Retrieval*
- 8 *Attention Inspection Stations*

## **Beware, The Feds Are Coming**

The association has received several telephone calls from tobacco retailers saying that the U.S. Department Food and Drug Administration are performing tobacco undercover stings in New York State.

There are some differences in the federal and the state law concerning the age that a person purchasing tobacco products must appear to be so as not to require checking their ID. In New York State the law is 25 but the federal law is 27. To confuse the issue further its 30 in New York City.

The violations we have seen so far appear to be a warning letter telling the facility to correct their procedures, when selling to tobacco products, and asking them how they are going to correct the problem. There is no mention of fine of any other penalties. Hopefully, that will not come later.

Please pay attention to your tobacco sales, the State, the counties and now the federal government are coming after you.

Be sure your clerks are certified. if they are not call the association office at 518-452-4367 and we will make arrangement to help.

## **Tire Registration Update**

For over thirty years, tire registration has operated under a voluntary system where the consumer is ultimately responsible for submitting the Tire Identification Number (TIN) for every new tire purchased to the manufacturer. The system itself is mandated and covers Tire Identification and Recordkeeping. Under current law the independent dealer or distributor selling or leasing new tires to purchasers or lessors must use one of three methods for registering tires:

- (1) Provide the customer with a paper tire registration form that includes the TIN and the distributor/dealer's contact information.
- (2) Record the information on a paper registration form and return to the tire manufacturer or its designee on behalf of the customer at no charge.
- (3) Electronically transmit the information on behalf of the customer to the manufacturer or its designee at no charge.

The purpose of tire registration is to ensure that motorists can be notified in the event of a safety recall. Since the TIN can identify the exact week and year of production, tire manufacturers can use claims data to pinpoint the production dates sizes and tread designs that need to be recalled. In a tire-related accident investigation by the National Transportation Safety Board (NTSB), a motorist was driving on recalled tires. While the tires were properly registered under the voluntary system at the time of sale, the owner had moved prior to the accident so there was never any notification. The ensuing investigation led the NTSB to analyze the entire registration and recall system so they could make recommendations to the National Highway Traffic Safety Administration (NHTSA) on how it can be improved.

The first step in that process was to hold a Tire Safety Symposium in December of 2014. Various experts were brought in to provide their input on a number of different topics, including tire registration. During the Symposium, the Rubber Manufacturers Association (RMA) testified that they believe the solution to low tire registration rates is to reinstate the mandatory system that was in place decades ago. Under the old mandatory system, independent tire dealers and distributors were required to collect the information from the consumer and submit it to the manufacturer or its designee. Failure to collect and submit the registration data would result in fines of \$1,000-\$10,000 per tire up to a maximum fine of \$800,000 per location. By returning to a mandatory system, all of the expenses and liability for tire registration would become the responsibility of the tire dealer.

Immediately after the RMA announcement that they would be seeking a return to mandatory tire registration, representatives of the retail industry initiated an education campaign with the Congressional Committees that would be responsible for any such legislation. Even though no bills had been introduced at the time, they felt it was necessary to inform our elected officials of RMA's intent to transfer all of the expense and liability for tire registration onto small businesses. During those discussions, we made it clear that the tire manufacturers were not proposing a solution to the problem of low registration rates; they were just shifting the liability to independent tire dealers.

On March 30, 2015, Secretary of Transportation Anthony Foxx introduced the "Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act" or "GROW AMERICA Act". The current laws and titled the initiative "Tire Registration by Independent Sellers." The proposed revision of paragraph (3) is as follows:

- (3) The Secretary may initiate a rulemaking to consider requiring a distributor or dealer of tires that is not owned or controlled by a manufacturer of tires to maintain records of the name and address of tire purchasers and lessors and information identifying the tire that was purchased or leased, and any additional records the Secretary deems appropriate. Such rulemaking may also consider requiring a distributor or dealer of tires that is not owned or controlled by a manufacturer of tires to electronically transmit such records to the manufacturer of the tire by secure means at no cost to tire purchasers or lessors.

If passed, the amendment would give the Department of Transportation (DOT) and the National Highway Traffic Safety Administration (NHTSA) the authority to make changes to the current law. It's reasonable to assume that NHTSA would require the distributor or dealer to maintain the records and electronically transmit the information to the manufacturer at no cost to the customer. Based on those assumptions, we believe that NHTSA intends to reinstate some form of a mandatory tire registration system.

Shortly after the release of the GROW AMERICA ACT proposal, representatives of the retail tire industry met with NHTSA officials to discuss the subject of tire registration. We offered views on how the tire manufacturers have done nothing to leverage technology and streamline the registration process. We also made it clear that returning to a mandatory tire registration system would unfairly increase the burden on small businesses and allow the tire manufacturers to shift all of the liability to companies that bear no responsibility for the recall in the first place. NHTSA officials understood our concerns and agreed that the current paper system is not effective or efficient, but they also made it clear that in order for the tire registration system to work, the consumer must be removed from the equation. As a result of the discussions we feel that the passage of the tire registration proposal in the GROW AMERICA Act will result in a return to mandatory tire registration.

At the recently Tire Conference, the RMA weighed in on the subject of tire registration again and announced their intentions to add email addresses and mobile phone numbers to the information that dealers would be required to collect at the point of sale and submit to the manufacturers. The RMA agenda of returning to mandatory tire registration does not appear to be changing nor have they provided any solutions on how technology could be leveraged to reduce the burden on independent tire retailers. At first glance, it would appear that the deck is stacked against tire dealers on the issue of tire registration.

However, the Republican Party has control of both the House of Representatives and the Senate and party leaders have made public their intention to not introduce any new legislation on businesses. Our representatives have met with elected officials on key committees and they have shared their belief that the issue of tire registration is best solved by the industry without any legislative input. They agree that more government intervention is not answer, but politics in Washington DC mean anything can happen between now and the end of May when the summer recess begins.

It is time to contact our Congressional Delegation and Senator to ask them to oppose any initiative to revive the mandatory tire registration requirements.

We shall monitor the issue carefully.

### **Median Sale Price Of C-Stores Off To Good Start In 2015**

Sale prices of convenience stores were on the rise in the first three months of 2015 compared to both one year ago and one quarter ago, according to BizBuySell.com's First Quarter 2015 Insight Report.

The median sale price for c-stores was \$195,000 during Q1 2015, up from \$185,000 in the first quarter of 2014. This also marked a sharp increase from the median price of \$150,000 during fourth-quarter 2014.

Median revenue for stores sold during Q1 2015 was \$614,500, compared to \$540,000 a year ago and \$600,000 in the previous quarter.

"While it's great to see the median sale price of convenience stores increased in Q1..., it's just as notable to see the median revenue and cash flow remained strong. Strong revenue and cash flow performance indicate the convenience store sector is growing healthier," said Bob House, group general manager of BizBuySell.com and BizQuest.com. "...The median cash flow stayed strong at \$100,225. This extra cash allows business owners to reinvest some of that money back into the store, which in turn, helps raise the overall value of the store. Improving revenue and cash flow numbers also allows sellers to ask for and receive more money for their convenience store."

The number of convenience store sales is likewise on the rise. BizBuySell recorded 87 sales during the latest quarter, up from 71 sales one year ago and 67 sales the previous quarter.

"We continue to see sustained growth in the business-for-sale market," said House. "It's now been more than two years of consistent financial improvement and we continue to reach new milestones each quarter. It's great to see that small-business owners can grow and successfully sell in today's environment."

The increase in transactions is due to growth of both supply and demand in the business-for-sale market, according to BizBuySell.com's surveys of buyers, sellers and business brokers. Baby boomers supply quality listings as they reach retirement, and buyers have more lending options to help them realize their small-business ownership plans.

Overall, sales of 1,830 small businesses were reported during the latest quarter, up 6 percent from one year ago.

San Francisco-based BizBuySell.com is the largest marketplace for buying or selling a small business, with more than 1.4 million monthly visits. Its Insight Report aggregates statistics from business-for-sale transactions reported by participating business brokers nationwide.

### **Thieves Find Low-Tech Way To Steal Gas**

In Sonoma County, California, thieves have hit upon a surprising low-tech way to steal gasoline, the Press Democrat reports. Instead of installing devices to gather credit and debit card information at the pump, these criminals put the nozzles from one side to the other and waited for a customer to enter payment information. Then the thief simply pumped the gas into his vehicle or container.

Peter Van Alyea, owner of Redwood Oil Co, which supplies and owns several stations in the area, called the scam low-tech but devious. "It's pretty appalling," he told the news source. Van Alyea has placed warnings at his locations and called the police to report the thefts.

Van Alyea has given some of the victims their money back, while others taken in by the scam have not requested a refund. "This is becoming a popular way of getting free gasoline and making the innocent consumer suffer," he said.

Santa Rosa Police Sgt. Eric Litchfield said although only one report has been received by his office, he expects more will come in if the price of gasoline starts to rise quickly.

Meanwhile, skimming continues to plague Florida stations. A recent statewide probe of 6,000 stations uncovered 81 devices. OPEC oil supply rebounded in March, reaching its highest levels since October as Iraq's exports rebounded after bad weather and Saudi Arabia pumped at close to record rates, according to a Reuters survey.

### **Congress Introduces Bill To Raise Federal Minimum Wage**

About a quarter of American workers would get a raise under a recently introduced bill on Capitol Hill. Co-sponsored by Rep. Bobby Scott (D-VA) and Sen. Patty Murray (D-WA), the bill would gradually increase the federal minimum wage to \$12 an hour over five years, and then index it to median wage growth.

For the past six years, the federal minimum wage has stayed at \$7.25 an hour, even as cities and states across the nation raised their local wages. The proposal before Congress would raise the minimum national hourly wage to \$8 in 2016 and increase it by a dollar annually in subsequent years, until hitting \$12 in 2020. The proposal would also gradually phase out the tipped minimum wage, which has held at \$2.13 since 1991, raising it to equal the minimum wage, followed by indexing.

Proponents of the bill argue that a hike in the federal minimum wage is not only long overdue but has widespread public support. A survey earlier this year by the National Employment Law Project found 75% of Americans favor raising the minimum wage to \$12.50 by 2020, according to a report by CBS News. On the other side of the argument, those opposed cite the nonpartisan Congressional Budget Office, which last year established that any poverty reductions from a \$10.10 wage hike would come at the cost of a half-million jobs, and a \$12 floor would just compound that damage.

Twenty-nine states and the District of Columbia, along with 21 cities and counties, have minimum wages above the federal rate, according to the Economic Policy Institute. Cities including Seattle and San Francisco have raised their minimum wages to \$15, and some of the nation's largest employers have also raised wages for their employees.

In the Senate, 32 Democrats signed on as co-sponsors to the Scott-Murray bill, while 160 Democrats are co-sponsoring in the House. Given the lack of support from Republicans who hold majorities in both chambers, advancing the measure could be difficult, if not impossible.

### **AUDI Researchers Make Fuel From Water And Air**

Audi announced that its researchers have created the first batch of liquid "e-diesel" at the auto manufacturer's research facility in Dresden. The synthetic diesel fuel is made using only water and air, produced through a "power to liquid" process, masterminded by the German clean tech company and Audi partner Sunfire.

The process uses carbon dioxide, the most common greenhouse gas, which can be captured directly from air.

Carbon dioxide is created largely by burning fossil fuels and contributes to global warming. Now Sunfire said it can recycle the gas to make a more efficient, carbon-neutral fuel.

Unlike conventional fossil fuels, the "e-diesel" doesn't contain sulphur and other contaminants. "The engine runs quieter and fewer pollutants are being created," Sunfire's Christian von Olshausen said, in a report from CNN Money.

According to reports, the fuel is produced in three steps. First, the researchers heat up steam to very high temperatures to break it down into hydrogen and oxygen. This process requires temperatures of over 800 degrees Celsius (1,472 Fahrenheit) and is powered by green energy such as solar or wind power. Second, they mix the hydrogen with carbon dioxide under pressure and at high temperature to create what is called "blue crude." Lastly, the blue crude is refined into fuels in a similar way fossil crude oil is refined into gasoline.

Audi has said that its lab tests have shown the "e-diesel" can be mixed with fossil fuels or used as a fuel on its own. The new fuel was tested by German Education and Research minister Johanna Wanka last month. She put the first five liters into her official car, and declared the project a success.

Sunfire said its plant is set to produce more than 3,000 liters of the "e-diesel" over the coming months. The company said it was aiming for a pre-tax price of between 1 and 1.20 euros per liter (\$1.10 to \$1.30), compared to the current German pre-tax price of around 0.6 euros per liter of gasoline.

### **Chicago Council Considers Mandating E15 Fuel At Some Stations**

Should Chicago require E15 pumps at larger city gas stations? That's a proposal before the City Council that an editorial in the Chicago Sun-Times considers ill-advised.

The ordinance under review would mandate that larger gas stations in the city have at least one E15 pump. Those in favor of the measure point to \$11 million earmarked by the industry to assist stations in making the transition to E15. These alternative-fuels supporters want Chicago to be the first major city in the United States to have E15 at around a quarter of the city's gas stations.

The price tag to retrofit around 100 stations with E15 pumps would run about \$300,000 per station — with no guarantee that the funds set aside for such construction would even be enough, according to the Illinois Retail Merchants Association.

The editorial also pointed out that, "E15 can damage lawnmowers, snow blowers and other gasoline-powered tools, especially older models. It could invalidate warranties on some of the city's 13,000 boats. Older cars, trucks and motorcycles also would be at risk. Auto companies say E15 would void warranties for many models, and not all models now coming off the assembly lines are compatible with E15."

Meanwhile, the Illinois Senate killed a similar bill last week, while a House version has been stuck in committee. Several gas station chains have recently announced their

own plans to expand E15. Kum & Go will add the higher ethanol blend to 65 locations, and Murphy USA will make E15 available in the Chicago and Houston suburbs.

### **7-Eleven Franchisee Gets Prison Time For Exploiting Illegal Aliens**

A former convenience store operator will be spending the next seven years behind bars after pleading guilty to committing wire fraud and concealing and harboring illegal aliens.

Farrukh Baig was sentenced to 87 months in prison following his Sept. 22 plea in connection with illegal workers at his 7-Eleven Inc. franchise stores located throughout Long Island and Virginia. He was sentenced at the federal courthouse in Central Islip.

The sentence was announced by Kelly T. Currie, Acting United States Attorney for the Eastern District of New York; Raymond R. Parmer Jr., Special Agent-in-Charge, Homeland Security Investigations, New York Field Office (HSI); Joseph A. D'Amico, Superintendent, New York State Police; Edward Webber, Commissioner, Suffolk County Police; and Irv Miljoner, District Director, United States Department of Labor.

"Using the 7-Eleven brand in our neighborhoods, the defendant exploited his alien employees, stealing their wages and requiring them to live in unregulated boarding houses. He now faces time in prison for not only systematically employing illegal aliens, but also for concealing their employment by stealing the identities of children and even the dead," Currie said. "We are committed to preserving the rule of law and protecting our communities from the abuses of corrupt businesses seeking to gain illegal advantage. I would like to thank our partners at HSI, New York State Police, Suffolk County Police and the United States Department of Labor for their hard work on this important and ongoing investigation."

According to court filings and facts presented in court, the defendant owned, managed and controlled 14 7-Eleven franchise stores during the course of the conspiracy. He hired dozens of illegal aliens, equipped them with more than 20 identities stolen from U.S. citizens, housed them at residences he and his co-conspirators owned, and stole substantial portions of his workers' wages. During the scheme, the defendant generated more than \$182 million in proceeds from the 7-Eleven franchise stores, according to a government release.

"Today's sentencing holds Farrukh Baig accountable for knowingly stealing identities to hire and employ an illegal workforce. He also stole more than \$2.6 million from his overworked and underpaid employees," said Parmer Jr. of Homeland Security Investigations. "This case serves as a stern reminder about the consequences facing employers who exploit illegal alien labor and violate our nation's laws."

This is one of the largest criminal alien employment investigations ever conducted by the Department of Justice and the Department of Homeland Security. In addition to the prison sentence, the court entered an order forfeiting the

defendant's rights to 10 7-Eleven stores in New York and four 7-Eleven stores in Virginia, as well as five houses in New York worth more than \$1.3 million. The court also ordered Baig to pay \$2.5 million in restitution for the back wages.

Baig is one of five people who pleaded guilty to exploiting undocumented immigrant workers in connection with a federal probe into alleged illegal immigration-related activities. The other defendants are Malik Yousaf, Bushra Baig, Shahnawaz Baig and Zahid Baig, as CSNews Online previously reported.

On June 16, 2013, federal officials seized 14 7-Eleven stores in Long Island and Virginia, charging nine owners and managers of harboring and hiring illegal immigrants and paying them using fake social security numbers. The alleged illegal conduct had gone on since at least 2000, federal authorities claimed.

The federal probe eventually expanded to include 26 additional convenience stores in seven states.

The government's case is being prosecuted by the U.S. Attorneys' Office Business and Security Fraud Unit. Assistant U.S. Attorney Christopher A. Ott is in charge of the prosecution, with assistance provided by Assistant U.S. Attorneys Brian Morris and Elliot M. Schachner of the Office's Civil Division, which is responsible for the forfeiture of assets.

### **Hawaii Poised To Raise Smoking Age**

Hawaii is on its way to becoming the first state to prohibit those under 21 from buying tobacco products or smoking them in public.

Last week the state legislature sent a bill to Gov. David Ige's desk for his signature that would raise the purchasing age of tobacco products from 18 to 21, and prohibit anyone under 21 from consuming tobacco products in a public place, including electronic cigarettes. The Associated Press reports that the governor has not decided whether to sign the bill into law, which would take effect January 1, 2016.

If enacted, those caught breaking the new law would be fined \$10 for the first offense, and subsequent violations would lead to a \$50 fine or mandatory community service.

Opponents of the measure say it's not fair that military veterans returning from service could be prevented from smoking. "You can sign up and be in the military and basically give your life for your country. You can vote," Michelle Johnston, owner of Sub Ohm Vapes in Kailua-Kona, on Hawaii's Big Island, told the news source. "Why shouldn't you be able to choose if you want to buy tobacco products or vaping products, when you're considered a legal adult?"

### **Deadly Spice Craze Intensifies**

Nearly four years after teen suicides, cannibalistic attacks and hospitalizations resulting from the use of Spice, Alabama thought it was moving past its problems with the synthetic drug. However, writes The Washington Post, "The

drug isn't just back. It's more prevalent and dangerous than ever." Just last week, Alabama health officials reported that 462 patients had visited hospitals in the past month after smoking or ingesting Spice. Ninety-six were hospitalized and two died.

In October 2011, Alabama passed a law that designates the active ingredients found in Spice, a synthetic drug, as Schedule 1 drugs. "Alabamians need to be aware that these goods contain synthetic drugs and other chemicals which are very dangerous to their health. They are being sold in convenience stores and tobacco shops all over this state to unwary individuals including our children," announced Governor Robert Bentley. "We are asking store owners and operators to remove these products from their shelves."

In 2012, President Obama signed into law the Food and Drug Administration Safety and Innovation Act, which made synthetic marijuana and "bath salts" controlled substances and therefore illegal to sell. The sale and distribution of these products is treated similarly to the sale of cocaine, ecstasy and other illegal drugs.

However, even with federal and state laws banning these substances, they still pop up in retail locations where operators either knowingly sell these products illegally, or believe the product is legal because it has been reformulated. Spice is a chemical (rat poison, fertilizers, pesticides, etc.) sprayed on something that is smokeable, making the ingredients easy to change, which is how Spice is able to stay one step ahead of authorities. As soon as one version is banned, another slightly different version is produced and ready for sale and distribution, notes the Washington Post.

Nationwide, the sharp rise in emergency room visits and calls to poison control centers has brought to the attention of health officials that more potent and dangerous variations of Spice are circulating.

The New York Times reports that health departments in Alabama, Mississippi and New York issued alerts this month about increases in the amount of Spice users being rushed to hospitals and experiencing extreme anxiety, violent behavior and delusions — and some of the cases resulted in death. Similar increases have been reported in Arizona, Florida, New Jersey and Texas.

"We had one hospital in the Baton Rouge area that saw over 110 cases in February. That's a huge spike," Dr. Mark Ryan, director of the Louisiana Poison Center, told the Times. "There's a large amount of use going on. When one of these new ingredients — something that's more potent and gives a bigger high — is released and gets into distribution, it can cause these more extreme effects."

In 2014, U.S. Drug Enforcement Administration agents made about 40 arrests and seized more than 400 pounds of synthetic drugs in Alabama and Mississippi. "Yet supply chains clearly remain," writes the Times.

### **Congressional Leaders Agree On Terms For Trade Promotion Authority**

On April 16, Congress introduced long-overdue Trade Promotion Authority (TPA) legislation on a bipartisan basis.

Senate Finance Committee Chairman Orrin Hatch, R-Utah, Senate Finance Committee Ranking Member Ron Wyden, D-Ore., and House Ways and Means Committee Chairman Paul Ryan, R-Wis., introduced the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 to extend TPA for three years, with a potential additional three-year extension. The legislation sets forth strong negotiating priorities for new market-opening trade agreements on key issues of importance to U.S. companies.

TPA is a critical partnership between the president and Congress that facilitates negotiation and approval of trade agreements. It ensures congressional input on trade negotiations and increases Congress' power to shape and influence trade agreements. TPA strengthens the hand of U.S. negotiators by giving them congressional direction on key negotiating objectives and assuring our trading partners that the agreements that the Executive Branch negotiates will receive an up-or-down vote in Congress and not risk being substantially changed through the legislative process. Every president since Franklin Roosevelt has had authority from Congress to strike trade deals that open overseas markets for manufacturers and workers.

This legislation is expected to move quickly through the committees and then will be considered on the House and Senate floor possibly later this month but more likely in May.

To ensure passage of this important legislation, we need your help. If your company is engaged in international trade and exports and foreign sales are important to your bottom line, members of Congress need to hear from you and your employees. You can quickly and easily send a letter to your representatives here. Groups opposed to TPA are already hard at work to block this bill. We need to make sure need to make sure Congress understands this is important to the continued global growth and competitiveness of the auto care industry. More information on TPA is available here and here. Please contact Andres Castrillon with any questions regarding this issue at [andres.castrillon@autocare.org](mailto:andres.castrillon@autocare.org).

### **House Votes To Repeal Estate Tax**

For the first time in 10 years, the House voted for full repeal of the estate tax on Thursday, April 16. The vote on H.R. 1105 passed by 240-179, with several Democrat representatives voting in favor. Also known as the death tax, the current rate on inheritances is 40 percent, but allows an exemption of \$5.4M, and \$10.9M for married couples, both of which are indexed to inflation.

The legislation would also continue allowing decedents to pass along assets that have gained value without any tax on appreciation until the heirs sell off the property, with the gain tied to valuation at the time of transfer, not the original purchase.

The sponsor of the legislation, Representative Kevin Brady, R-Texas, said in a same-day press release that, "...It hurts our economy, punishes success and prevents family-owned businesses and farms from being passed down to the

next generation. Over time it will steal the nest egg of minority and women-owned businesses, the fastest growing group of new start-ups in America who are building wealth for the very first time.”

There is no vote currently scheduled for the Senate version of the bill, S. 860, which is sponsored by Senator John Thune, R-S.D. President Obama has already promised to veto the bill if it passes the Senate.

### **Safety Agency Releases Vehicle Maintenance PSA For Post-Winter Corrosion**

The National Highway Traffic Safety Agency (NHTSA) recently released a public service video encouraging owners of 2007 or older trucks to service their vehicles to address any looming corrosion issues caused by heavy road salt from the long 2014-2015 winter season. The video is part of an effort by the agency to develop their pro-consumer image with a new “Driven by Safety” campaign. This latest video also indicates a shift at NHTSA toward increased vehicle equipment safety scrutiny.

The Auto Care Association supports this new promotion by NHTSA to shine a light on the need for ongoing consumer involvement in the maintenance of their vehicle. The Car Care Council has taken up the message in the truck corrosion ad and has produced a video as part of the “Maintenance Mondays” outreach series.

Both the NHTSA and Car Care Council videos are available online and members are encouraged to use them for their organization’s own media content. The NHTSA video can be found at <https://youtu.be/XHqyVmt6-uI>. The Car Care Council video, along with other “Maintenance Monday” installments, is available at [here](#).

### **As Transportation Funding Deadline Looms, New Tax Proposals Appear For Temp Solutions**

Once again, the Highway Trust Fund (HTF) is going to go broke if Congress does not act before their self-imposed deadline of May 31. The HTF remains the account where federal gas tax dollars are collected and distributed in order to provide the country with a national transportation program.

For years now, the fund has been depleting to zero and accepting emergency influxes of cash from the Treasury’s General Fund, due to the disagreements in Congress over how to raise more money for transportation and infrastructure. With the next deadline coming, the best long-term strategy is yet to be seen. However, several members of Congress from both the Senate and the House have begun offering solutions to fund another temporary extension of the program while a comprehensive funding package is developed. Both solutions involve increased taxes, but what is different now is that there is some willingness by Republicans to support these ideas publicly.

The first, and most direct band-aid, is a House proposal to index the current gas tax rate with the rate of inflation, providing a small infusion of money while a special panel is

formed to create the long-term remedy. Introduced by Representatives Jim Renacci, R-Ohio, and Bill Pascrell, D-N.J., with an added seven Republicans co-sponsoring, the gas tax indexing would provide an estimated 0.4 percent increase in transportation funds. That should be enough to get the program through 2016. In the meantime, the select committee for transportation funding would be tasked with finding the best, most politically viable, combination of user-fee and tax manipulation options to keep the HTF full for years to come.

The second temporary option is a bill from Senators Rand Paul, R-Ky., and Barbara Boxer, D-Calif., that proposes a corporate tax repatriation holiday and short-term rate decrease that would funnel recaptured funds into the HTF. Not everyone is convinced that tax repatriation is the way to go, but it would provide path forward for some legislators opposed to an increase in the gas tax.

Neither of these bills are anticipated to move forward independently, but U.S. Secretary of Transportation, Anthony Foxx, recently told the media that he heard the transportation policy leaders in Congress would have an HTF funding extension bill ready soon that would at least carry funding through July. However, this is just one of the many rumors that continue to swirl in Washington, D.C. about a legislative solution for the HTF, and when it may arrive.

### **Sales Of E-Cigarette Devices Up Last Month**

A new study out this week shows that sales products related to e-cigarettes were up last month in the convenience channel. The latest Balvor Retailer Composite (BRC) shows that dollar sales of Electronic Nicotine Devices (END) were up 7.1% last month in the c-store channel, while retail units sold grew by more than a quarter (26.4%).

“It’s critical to have a deeper knowledge of the business as there are many factors causing fluctuations in the category’s performance,” according to Balvor Managing Partner David Bishop.

The March sales growth rate of 7% is dramatically lower than the prior Q4 of 2014 analysis, which showed that December sales grew more than 25% year over year. The slowdown can be explained by several factors, according to Bishop: More than 90% of retailers surveyed now sell refillables (also known as open systems), up from 50% last March. This means consumers have more options today in terms of where to buy these products, affecting same-store sales numbers. Secondly, according to Bishop, the VUSE system is expanding nationally with approximately 70% of the retailers reporting sales during March, but with possible negative impact on retailers who aren’t selling the brand. Other BRC findings include:

Disposable units continue to decline from 2014, both in sale dollars and units sold. Disposables now represent less than a third of the category’s dollar sales versus more than half last year.

Rechargeable units are experiencing strong sales and unit growth year-over-year due to significant product

innovation and promotional support from manufacturers. The units now account for over half of the dollar sales, up from one-third last year.

Refillable units are experiencing mixed results with sales down but units up, as sales shift toward the e-liquid segment, which has lower price points. Despite lower sales, the dollar share for refillables is up this year almost 6 percentage points to nearly 16%, driven by greater availability at retail.

“Understanding profits is vital to growing the business more effectively and we now have that missing piece,” Bishop mentioned. The BRC reveals that weighted average gross margin for the category is 40.4% during March, down around 60 basis points from 12 months ago. “Although no one likes margin compression, there aren’t many, if any tobacco segments where retailers are able to generate on average more than \$3.50 per unit sold,” Bishop highlighted.

### **U.S. Energy Imports, Exports To Balance For First Time Since 1950s**

The U.S. Energy Information Administration (EIA) launched its Annual Energy Outlook 2015 (AEO2015) this week, offering long-term projections of energy supply, demand and prices through 2040.

Projections in the AEO2015 focus on the factors expected to shape U.S. energy markets in the coming decades. The projections provide a basis for examination and discussion of energy market trends and serve as a starting point for analysis of potential changes in U.S. energy policies, rules and regulations, as well as the potential role of advanced technologies.

“EIA’s AEO2015 shows that the advanced technologies are reshaping the U.S. energy economy,” said EIA Administrator Adam Sieminski. “With continued growth in oil and natural gas production, growth in the use of renewables, and the application of demand-side efficiencies, the projections show the potential to eliminate net U.S. energy imports in the 2020 to 2030 timeframe. The United States has been a net importer of energy since the 1950s. In cases with the highest supply and lowest demand outlooks, the United States becomes a significant net exporter of energy.”

The analysis in the AEO2015 focuses on six cases: Reference, Low and High Economic Growth, Low and High Oil Price, and High Oil and Gas Resource. U.S. net energy imports are predicted to decline and ultimately end in most of the cases, driven by growth in U.S. energy production — led by crude oil and natural gas — increased use of renewables, and only modest growth in demand.

According to key findings:

- Continued strong growth in domestic production of crude oil from tight formations reduces net imports of petroleum and other liquids.
- Regional variations in domestic crude oil and natural gas production can force significant shifts in crude oil and natural gas flows between U.S. regions, requiring

investment in or realignment of pipelines and other midstream infrastructure.

- Technology and policy promote slower growth of energy demand.
- Renewables meet much of the growth in electricity demand.
- Energy-related carbon dioxide emissions stabilize with improvements in energy and carbon intensity of electricity generation.

Additional report highlights indicated that Brent crude oil will rise steadily after 2015, in response to growth in demand; however, downward price pressure from rising U.S. crude oil production keeps the Brent price below \$80/bbl through 2020. U.S. crude oil production starts to decline after 2020, but increased output from non-OECD and OPEC producers helps to keep the Brent price below \$100/bbl through most of the next decade and limits price increases through 2040, when Brent reaches roughly \$140/bbl.

There are variations among the alternative cases cited in the AEO2015: In the Low Oil Price case, the Brent price is \$52/bbl in 2015 and reaches \$76/bbl in 2040. In the High Oil Price case, the Brent price reaches \$252/bbl in 2040. In the High Oil and Gas Resource case, with significantly more U.S. production than the Reference case, Brent is under \$130/bbl in 2040, more than \$10/bbl below its Reference case price.

### **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 518-452-4367.

### **Attention Inspection Stations**

The association has received a flurry of requests for legal representation for violations of the DMV commissioner regulations known as "clean scanning." that is when a vehicle other than the one to be inspected is substitute for the OBD-II part of the test. We have no defense for these violations. DMV has the ability to trace the OBD-II inspection to the vehicle used for the inspection.

If you cannot pass a vehicle for any reason, get help. That help could come from DMV. This violation almost always results in revocation.

# NEWS FLASH

## **Gulf Oil to Be Acquired by Private Equity Roll-Up**

Gulf Oil has been sold.

The buyer is ArcLight Capital Partners, which prior to this spring was a little-known but especially well-heeled Boston-based private equity firm with over \$12 billion in investments. ArcLight burst onto the scene in February when it outbid Marathon Petroleum and several other publicly traded master limited partnerships and acquired Petroleum Products Corp. (OPIS 2/18/2015).

ArcLight is not to be confused with New York-based Arc Logistics LP, a public company that operates crude and products terminals in various Great Lakes and Southeastern states as well as in New York Harbor, Louisiana and Mississippi. The two companies have no affiliation.

ArcLight has been active in downstream petroleum before, however. The company at one point held a stake in the General Partner share of Buckeye, and helped launch public MLPs in natural gas, crude oil, shale and asphalt.

The deal was announced to employees at Gulf's Framingham, Mass., headquarters this morning and has been in the works since October. The company's assets elicited very strong interest from refiners, private and public companies, and especially within the segment of master limited partnerships, which need to grow in order to sustain their business models. Sources say that the Sunoco LP, and its affiliate Energy Transfer Partners, was among the finalists and ambitious bids were also received from Marathon, Global, Noble and others.

ArcLight will purchase the assets from the Haseotes family, which will in turn concentrate on expanding its Cumberland Farms' offering in the Northeast and elsewhere. The family had considered a sale or other options for the Gulf assets some seven years ago, but pulled the offering from the market when the economy slipped into recession. The ongoing sales process was managed by investment bank Evercore Partners.

ArcLight's first goal may be to figure out a plan to integrate the Gulf assets with the terminals it acquired from Petroleum Products (PPC) in April. Gulf has seven terminals in Pennsylvania, and when the PPC properties are added to the holdings, ArcLight will operate 19 supply facilities in the state.

New to ArcLight will be the branded business, which includes a network of over 2,500 sites in 30 states with hundreds of dealers and distributors. Gulf also owns a transportation fleet of nearly 200 trucks and has a significant network of unbranded fuel sales through proprietary and third-party terminals. Gulf also has a trading and blending operation and holds valuable legacy line space on Colonial Pipeline.

So far, there is no word on what price might have been paid for the Gulf Oil assets. ArcLight never disclosed the purchase price for PPC, but estimates put the value at above \$1 billion. Sources believe that the final price for Gulf may have been in the \$1.1-billion-to-\$1.3-billion range or higher.

--Tom Kloza, tkloza@opisnet.com  
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## Garage Insurance Survey

Name of Business:		
Street Address:		
City:	State:	Zip:
Phone #	Fax #	E-Mail:
Contact Person:		Phone # (if different from above)
Are you happy with the cost and service provided by your carrier/agent?		Yes      No
If yes STOP here...		
If NO or NOT SURE you may want to look at the following		
Is your coverage insufficient?	Yes	No
Is the service poor to non-existent?	Yes	No
Is the cost too high?	Yes	No
Are you satisfied with your current coverage?	Yes	No
Are you interested in a quote from another insurer?	Yes	No
Is so please check each that apply:		
<input type="checkbox"/>	<input type="checkbox"/>	Property & Casualty
<input type="checkbox"/>	<input type="checkbox"/>	Workers Comp
<input type="checkbox"/>	<input type="checkbox"/>	Disability
<input type="checkbox"/>	<input type="checkbox"/>	Health
If you checked one or more of the above please provide the following information:		
Name of Current Insurer:		
Type of Insurance:		
Renewal Date:		
When/How is the best time to contact you?		

If you are interested in learning how you may save on insurance costs  
Please fill out and fax to your local association at 518-452-1955

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“Turnkey” deal. Lifts and shop equipment included in the deal. 4500 square feet.

Office, customer lounge and stock room. Two Bathrooms.

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Phone Numbers stay with store along with

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Included equipment:

Four Rotary Arm Lifts (Three Asymmetrical, one Symmetrical)

Two Rotary drive on Lifts with two rolling jacks each

Hunter Digital Wheel Alignment Station

Hunter Stationary and On Car Brake Lathes

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Ben Pearson Exhaust Pipe Bender w complete attachments

Hunter Tire Machine and Wheel Balancer and Wheel Weights and Stand

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Negotiable:

Transmission Jack, Engine Hoist, Genesis Scan Tool, Miller Welder, Strut Tamer, DMV Inspection Station

**One year left on existing Lease. Options available.**

**Asking \$150,000**

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**Long established repair shop available  
for the first time in decades.**

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- **Located on a double yellow line, across from school.**
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**FULL SERVICE** – Marketing assistance, business consulting, equipment maintenance, environmental regulatory expertise, and more.

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**24/7 SERVICE** – We never shut down so we're always here when you need us.

**JUST TWO MONTHS** after converting to a Sandri supplied Sunoco station, Johnson VT station owner Mike Farrell saw a **20% increase in inside sales and fuel sales quadrupled**. He attributes some of the growth to the popularity of the Sunoco brand, the Price Chopper loyalty card program, and the modern look of the facility. But Mike feels that Sandri's service has been key.

*"Sandri's help in getting the station up and running has been phenomenal. I couldn't have done it without them."*

*Mike likes doing business with a local, family-owned company where "a handshake means something."*

## Questions?

To learn more, call Mike Behn at 800-628-1900 x200 or email [mbehn@sandri.com](mailto:mbehn@sandri.com)



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**Learn More:** See Mike and other satisfied Sandri supplied station owners share their stories online. Visit [YouTube.com](https://www.youtube.com) and search [SandriSunoco](https://www.youtube.com/search?q=SandriSunoco).



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## *Declared Dividend is 20%*

In 2015\* the New York State Association of Service Stations & Repair Shops, Inc. is proud to declare a dividend for the Workers Compensation Group #536 of **20%**. This will be the 23rd consecutive year that the group will pay the dividend.

This dividend is in addition to the up front 20% discount that all members could enjoy.

Checks will be processed on 4/17/2015 and mailed directly to your address by The State Insurance Fund.

*\* Applies to Policy Term 5/1/13 - 5/1/14*

### Further Details

***Please contact:***

Bill Adams at 716.849.8641 or by email at

[badams@lawleyinsurance.com](mailto:badams@lawleyinsurance.com) if

you have any questions or concerns.

### ***NYSASSRS & Lawley Partnership***



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City:	State:	Zip:
Phone:	Fax:	
Additional NAPA Dealer(s) you do business with:		
Name of NAPA Dealer:		
NAPA Street Address:		
City:	State:	Zip:
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# GRANY

## LEGAL PLAN

As a member in good standing of the Association, you are entitled to participate in our group legal service plan. If you are in need of this service, you must first call the Association office at (518) 452-4367. An appointment will be arranged that will be convenient for you and the attorney.

*Covered services available to members include:*

- Defense in Small Claims Court if your business is sued or at Department of Motor Vehicles or at any other New York State Administrative Proceeding hearing. (Once per year.)
- Review of leases, supply contracts and franchise agreements to advise you of your obligation under these contracts. The plan does not include actual negotiation on your behalf. (One hour per issue, up to five hours per year.)
- Consultation on legal questions pertaining to your business. (One hour per issue, up to five hours per year.)

Appeals of judgments against you are not a covered benefit, but are available to members at special contract prices.

Additional legal services will be provided by the designated law firm's standard hourly rate less 15%. Special contract prices have also been negotiated for the following services.

- Residential real estate purchase or sale. The designated law firm will represent you in the sale of purchase of your primary residence and/or a second home or vacation property at the following rates:

Sale	\$295.00
Purchase	\$350.00
- Simple will \$75.00                      Simple will (husband and wife) \$125.00

In order to participate in the plan you must be a member in good standing and must have been a member for ninety days prior to the need for legal service.

**CIGARETTE SALES TO MINORS  
CLERK CERTIFICATION**  
COMPLIANCE WITH THE NEW STATE CERTIFICATION OF  
CLERKS WHO SELL TOBACCO PRODUCTS

CERTIFICATION OF A CLERK WHO SELLS TOBACCO PRODUCTS  
*POINT REDUCTION CLASS*

NEW YORK STATE AMENDED ITS POLICY OF ENFORCEMENT FOR RETAILERS WHO SELL TOBACCO. UNDER THE NEW LAW A POINT SYSTEM HAS BEEN ESTABLISHED. EACH VIOLATION OF A TOBACCO SALE TO A MINOR WILL GENERATE A FINE AND TWO POINTS. THREE POINTS AND THE RETAILER'S LICENSE TO SELL CIGARETTES WILL BE SUSPENDED. HOWEVER, IF THE CLERK HAS RECEIVED A CERTIFICATION BY TAKING AN APPROVED SEMINAR, THE VIOLATION WILL RECEIVE ONE POINT.

**THE STATE IS ENFORCING THIS LAW**  
*IN ORDER TO ACCOMMODATE OUR MEMBERS,  
WE ARE CERTIFIED TO PROVIDE THIS TRAINING.*  
*PLEASE NOTE DATES, TIME, AND LOCATION OF THE NEXT SEMINAR*

WHERE:

ASSOCIATION OFFICE  
6 Walker Way  
Albany, New York 12205

WHEN:

The First Tuesday of every month at 2:00 PM  
The Third Wednesday of every month at 10:00 AM

COST:

MEMBERS: \$15.00 - NON-MEMBERS \$30.00

**PLEASE CALL FOR RESERVATIONS AT (518) 452-4367**

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Gasoline and Repair-shop Association of New York

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**If you are going without health insurance, you are taking a big risk. Now is the best time to stop exposing yourself to high medical costs. Even if you have insurance, you will want to check how our health insurance programs can better suit your needs. Here are some of the benefits of our program:**

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- **Choose from a wide selection of plans.**
- **Tailor your insurance to best suit your needs.**
- **Participating employees may choose different plans.**

**Let us work with you to find the best program at the best price. We will send you more information, and help you to navigate the selection of plans and options to find the one that is best for you.**

**To find out more information call  
John Casazza at (518) 452-4367**