

INSIDE

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SSDA News

Service Station Dealers of America and Allied Trades

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Generation Energy

By Roy Littlefield

On January 8, representing the Service Station Dealers of America and Allied Trades, we attended the annual State of Energy address sponsored by the American Petroleum Institute at the Reagan Building in the nation's capital.

Attendees at the invitation only event, which is televised, include members of Congress, of the U.S. Senate, of the Administration, and leaders of every major energy and transportation associations. Presidents, Chairmen, and lobbyists for all of Americas refiner companies are in attendance, and many spoke.

In my 40 years in the industry, the story has certainly changed. The reality of oil shortages, has changed to great surpluses. The pricing extremes have given way to consistent pricing and savings. America has gone from being dependent on foreign oil, to become the greatest experts of energy country to the world. And domestic refiners have reduced CO₂ emissions in America more than any other country.

Yes, the United States leads the world in producing natural gas as well as in reducing greenhouse gas emissions. While CO₂ emissions around the world have risen 50% since 1990, carbon dioxide emissions in the U.S. have dropped to their lowest level in 30 years.

API President and CEO Mike Sommers laid out the facts of the story of America's Generation Energy:

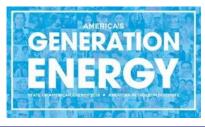
• America's Generation Energy creates jobs, lifts entire communities,

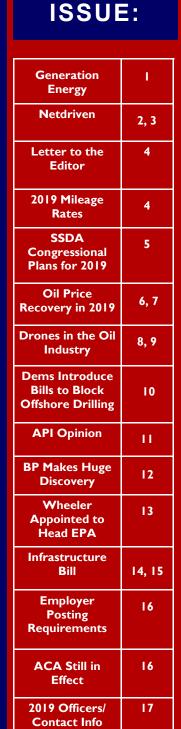
revitalizes manufacturing, strengthens U.S. security, and develops the technology of the future;

- America's Generation Energy has the skill, technological expertise, and the drive to make our future safer, cleaner, and better;
- Petroleum imports are at their lowest level in more than 50 years;
- The natural gas and oil industry supports more than 10.3 million jobs;
- No country can match the reduced carbon dioxide emissions of the United States
- 10.7 million barrels of U.S. oil is produced every day;
- Net U.S. petroleum imports have been lowered 70% since 2005;
- 88 billion cubic feet per day of U.S. natural gas and natural gas liquids markets production makes America the world's top producer;

You should all take great pride in your role in an industry that historically has been and certainly, will continue to be, decisive in the major political and economic struggle of the 20th and 21st centuries.

Our industry has made history, reshaping the global energy balance in our favor. America's Generation Energy will continue to make out future safer, cleaner, and better.





Your Website is an Investment: Trust the Professionals

By: McKensie Curnow of Net Driven
Building your own website has become increasingly simple and inexpensive in recent years.
Though easy and accessible, DIY websites do not guarantee a website that works well or leaves a lasting impression for your business and your audience.

Your website is a reflection of you and your business, so you're obviously going to want to build a strong, professional, and positive presence to attract customers. Taking the risk of building a website on your own is taking the risk of losing potential leads and damaging your business's reputation – we never get a second chance to make a first impression! When you invest in a professional web design team, such as our team here at Net Driven, you're not only investing in the visual appearance and accessibility of your website, you also invest in expert advice, techniques, and best practices to create the best possible user experience. Spending less money and trying to do it on your own may seem like the easy way out, but

let's dive into why it's important to give your business the professional auto service website design it deserves.

COMMON MISTAKES MADE BY INEXPERIENCED DESIGNERS

Poor Structure & Navigation

A website should be attractive, accessible, and easy to navigate; all in all, user-friendliness is vital. A site's content should be understandable and full of useful information without being cluttered.

In today's day and age, people like quick and simple. If they can't find what they need without gaining a headache, they're going to leave your site and find a frustration-free one instead. At Net Driven, we know how to organize automotive websites in a way that makes sense for both the business owner and their potential customers.

Lack of SEO

If no one can find your website, what's the point in making the effort of creating one? Many rookie designers forget the importance of SEO, or Search Engine Optimization.

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Your Website is an Investment: Trust the Professionals

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NET DRIVEN

As a certified Google Partner, our team highly knowledgeable of automotive SEO and works hard to make sure your site gets found.

Missing CTA

Your website is one of the most powerful marketing tools for your business.

Not only does your website have the power to bring in new customers, it also helps current customers remain loyal if they find what they're looking for with minimal frustrations.

One of the main components of a great website is a clear CTA, or call-to-action.

A CTA is what converts website visitors into customers by driving them to purchase your good or service.

If your website is missing a clear CTA, you'll lose sales and customers.

At Net Driven, our team ensures that every website offers conversion-focused responsive web design.

Using Free or Low-Cost Templates

Rookie designers are likely to use a free or lowcost template for their website.

While this may seem like an easy solution, it will make your website look generic and unconnected to your brand.

Your business is unique, your website should be, too. Our designers take the time to ensure each one of our automotive websites are exclusive to the client and capture the individuality of their business.

As with any service or good, you get what you pay for.

Your money buys value, which in turn, will actually build your business's bank account in the long run.

Your company's website is no exception. If you want to leave a lasting, positive impression of your brand, leave website design to the professionals.

Still not convinced?

Check out our <u>portfolio</u> of the finest responsive web design in the automotive industry.

For further details, visit our solutions and packages pages.

Letter to the Editor

Dear SSDA-AT,

The U.S. simultaneously leads the world in production of natural gas and oil and in reduction of greenhouse-gas emissions—a feat once considered impossible. Clean natural gas is now the leading source of electricity generation, driving U.S. carbon-dioxide emissions to their lowest levels since 1992. Further, the combined emissions of six key air pollutants dropped 73 percent between 1970 and 2016 even as GDP (up 253 percent since 1970), energy consumption (up 44 percent) and vehicle miles traveled (up 190 percent) increased. The natural gas and oil industry has invested billions in technological advances, improving the environmental performance of our products, facilities and operations. We're producing more natural gas more safely, and more cleanly, than ever. And when we export U.S. natural gas to global trading partners, we're also exporting a tool for climate progress to the world's worst polluters. Through technological innovation and production of clean natural gas,

the U.S. natural gas and oil industry is meeting the climate challenge head-on.

Sincerely,

MIKE SOMMERS, President and CEO, API



2019 Standard Mileage Rates Released

The Internal Revenue Service (IRS) has released the optional standard mileage rates for 2019.

The standard mileage rates for 2019 are 58 cents per mile for business uses, 20 cents per mile for medical uses, and 14 cents per mile for charitable uses.



SSDA-AT Congressional Plans for 2019

SSDA-AT will be actively involved in a variety of issues on the federal level this year but until we know when and where our fights will be in Washington, let's discuss more broadly the landscape of the new Congress.

Looking ahead more generally, this year is almost guaranteed to be a tumultuous one in Congress. In addition to the split in the party control between the House and Senate, the Democratic caucus in the House will be getting a number of new progressive freshman.

If history tells us anything, as a general rule these members will be less inclined toward moderate compromises and make the caucus itself more difficult to manage (not unlike the challenges House Republican leadership has experienced over the past few year with the Freedom Caucus).

The House Democratic leadership will also have to reconcile varying views in the party as to how far to take their investigation and oversight of the Trump Administration, including addressing any potential basis for impeachment that might arise.

With control of the House majority, a major priority for the Democrats will be trying to shore up key provisions the Affordable Health Care Act (ACA). To this end, recently the House Democratic leadership released a new proposed rules package for the House to debate and vote on when it convenes.

The new rules would, among other things, authorize the Speaker, Nancy Pelosi (D-CA) to intervene in pending federal cases. This would mean that the new Speaker could intervene in the Texas v. U.S. and join in appealing the U.S. District Court for the Norther District of Texas's December 2018 ruling that the ACA is unconstitutional.

On the tax front, incoming Ways and Means Committee Chairman, Richard Neal (D-MA) has promised to hold hearings on the 2017 Tax Cuts and Jobs Act on the grounds that interested parties (including Congressional Democrats) did not have sufficient opportunity to weigh in on the bill before it was passed.

On the other side of the Hill, Republicans will be growing their majority in the Senate, providing Majority Leader McConnell and the Republican leadership with a bigger margin of error when it comes to passing controversial bills. However, this will only take them so far when faced with the Democratic majority in the House.

With the parties, as well as certain individual members, trying to define their message and make a name for themselves ahead of the 2020 presidential elections, we can expect to see quite a few face-offs and fireworks this year. However, with the split in party control, we are not holding our breath for any major comprehensive legislation. That said, we are hopeful that this could leave room for compromise on less controversial items, including retirement reforms (which, as we previously reported, were the subject of a number of bipartisan proposals in 2018 that got sidelined amidst focus on the budget and other more controversial items).



We will continue to update you with our activities in Washington.

Analysts Bet on Oil Price Recovery in 2019



The world's biggest banks are reckoning on a rebound in oil prices next year as fears of a recession prove misplaced.

The Brent benchmark will average \$70 a barrel in 2019, almost a third higher than its price, according to a Bloomberg survey of oil analysts. Futures in London and New York plunged this quarter, with volatility soaring in its final week as crude tracked gyrations in equity markets.

Despite plans by OPEC and its allies to limit production next year to prevent a glut from forming, oil's fortunes have increasingly been driven by moves in financial assets and concerns about the global economy. However, analysts expect markets are about to tighten as growth stays strong, OPEC's supply cuts kick in, and unintended losses in Venezuela and Iran escalate.

"We could even see something similar to a V-shaped recovery next year, on two very important conditions," said Michael Cohen, head of energy and commodities research at Barclays Plc in New York. "One, that the reduction in OPEC exports leads to a reduction in inventories. And two, that we don't see a further deterioration in macroeconomic conditions."

Darkening Outlook

The recent weakness in financial assets has been led by a darkening outlook for the global economy amid prolonged trade dispute between the U.S. and China, and as the U.S. Federal Reserve embarks on tightening monetary policy.

While the ensuing retreat in oil prices has brought relief to consumers, it's battered the shares of companies like Exxon Mobil Corp. and BP Plc, as well as the economies of producers like Saudi Arabia.

So far, though, most commentators aren't seeing an actual recession biting the oil market next year. The median forecast of 24 oil analysts in a Bloomberg survey projects that London-traded Brent will average \$70 a barrel in 2019. The price on Thursday was about \$53.50 while the average so far in 2018 has been about \$72.

The median forecast for WTI is \$61.13. The grade traded at about \$45.50.

Fine Balance

"Fundamentally speaking, we believe that prices are nearing a bottom," said Michael Tran, commodities strategist at

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Analysts Bet on Oil Price Recovery in 2019

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RBC Capital Markets LLC. "Global supply and demand should reach a fine balance next year."

In the absence of a severe economic slump, most analysts anticipate that world oil consumption will continue to expand at roughly the pace seen in recent years, powered by emerging economies such as China.

And although doubts remain that OPEC will cut output deep enough to prevent a surplus, the survey shows analysts are confident that the group's strategy will ultimately succeed. OPEC will begin implementing the curbs next month, and leading member Saudi Arabia has pledged to slash output by even more than it formally agreed to.

Vigorous Rally

Some anticipate a vigorous rally. The most bullish forecasts in the survey, those of Morgan Stanley and Standard Chartered Plc, project that Brent will average \$78 a barrel.

The Organization of Petroleum Exporting Countries, along with allies such as Russia, announced in early December they would reduce supply by 1.2 million barrels a day in the first half of 2019.

"The production cut announced by OPEC+ is likely sufficient to balance the market in the first half of 2019 and prevent inventories from building," said Martijn Rats, managing director at Morgan Stanley.

But with uncertainty rife in both the political and economic spheres, the range of price estimates in the survey was broad, with a \$20 gap between the highest and lowest. For the most bearish, Citigroup Inc., the relentless growth of U.S. shale will keep a cap on prices.

"Oil hits \$70, \$75 a barrel and U.S. production starts soaring," said Ed Morse, the bank's New York-based head of commodities research, who predicts that Brent will average \$59.50 next year, still about \$6 above its price on Thursday. "The so-called low-cost producers in OPEC and non-OPEC are losing market share."

Shale Curbed?

U.S. production will surge to 12.06 million barrels a day in 2019, according to Energy Information Administration data, more than the other two major global producers -- Saudi Arabia and Russia -- are currently pumping.

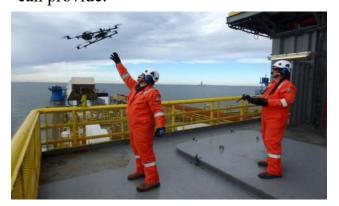
Yet the shale-oil industry may prove to be a victim of its own success. As prices in Midland, Texas -- the heartland of U.S. shale output -- fell below \$40 a barrel this month for the first time since 2016, some have begun to cast doubts on how much U.S. supply will grow.

"These weak prices are likely to force a slowdown in U.S. growth in the second half of 2019," said Warren Patterson, senior commodities strategist at ING NV.

How Drones are Making an Impact on the Oil, Gas Industry

Despite recent bad press following the flight disruption at London's Gatwick Airport Unmanned Aerial Platforms, or drones as they are more commonly called, have a vital role to play in industry. The use of drones, in the oil and gas industry, is growing and the technology is ready to take off in a big way. It offers benefits to oil and gas operations in a numerous ways—safe and efficient maintenance and inspections among them—but the data that UAS technology provides is transforming the industry.

"Oil and gas companies will continue to explore new technologies and digitize their operations, especially as crude prices have fallen in recent months," Renner Vaughn, Cape's director of oil and gas, explains. "Remote vehicles, including UAVs and underwater ROVs, will be operationalized, as enterprises get beyond the testing phases and begin to realize the safety advantages, the time saved on asset inspections and the situational awareness that live aerial video can provide."



Safety first

One of the most significant benefits of drones in the field to date has been their ability to improve safety in the field. As tools used to support and enhance emergency response and recovery, drones can provide live situational awareness during fires, spills, and other emergencies. Additionally, drones are enabling companies to safely and efficiently assess, monitor, and manage assets. This includes conducting routine inspections and providing real-time visibility into systems and sites that were once a challenge to view, fix, and maintain.

"With the ability to remotely pilot drones from anywhere in the world, whether onshore or off, operators can much more easily and quickly inspect well sites, pipelines, storage tanks, and offshore platforms, giving the right experts all the benefits of a first-person viewpoint, without the safety risks or time and cost required to manually traveling onsite," Vaughn explains. "For example, operators can deploy drones to get visibility on an alarm situation before sending a field operator out, helping them to more quickly get eyes on the situation while also keeping personnel out of a potentially dangerous situation.

"Additionally, the remote visibility offered through the drones can slash the costs of managing large-scale facility builds, minimizing timelines for approvals and drastically reducing costs previously required for

How Drones are Making an Impact on the Oil, Gas Industry

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travel, ensuring time, resources, and personnel are dedicated to more impactful areas of work."

Increased visibility

Drones provide a new and unmatched level of visibility and accessibility, both for operators in the field and for offsite experts around the world. Traditionally, visibility around oil and gas sites required manual, cost-and time-intensive, and inefficient methods. From lease operators physically driving out to inspect well sites, to deploying a helicopter to offshore platforms, inspections came with heavy resource requirements and often steep safety risks.

"Drones enable operators and experts to get complete, up-close, and real-time visualization into assets from anywhere in the world, for a fraction of the cost of traditional methods, and without the physical constraints or budget constraints," Vaughn adds.

"Additionally, access to real-time data and video footage allows subject matter experts to instantly assess assets in need of repair, without having to wait until post-inspection.

Future technology

Today, drones can be fitted with several payloads that enable faster and more accurate decisions for organizations across industries.

From software like the Cape Aerial
Telepresence that allows for easy remote
operation of the drone from anywhere in the

world and the ability to live stream the video to up to 50 credentialed users, to the use of thermal sensors and cameras to detect tank levels or potential issues, drones are unlocking a new level of information and insight never possible.

"The realm of possibilities for drone integration in oil in gas is quite literally sky high," Vaughn concludes.

"Widespread adoption of commercial drones, whether onshore or off, will require solutions that are both safe and easy to use," Vaughn concludes. "In the future, we'll see a focus on integrations to further enhance the capabilities of drones.

From gas detection sensors and advanced thermal imaging to autonomous flights, additional integrations and payloads will exponentially increase the value that drones already offer.

"We're already applying machine learning and AI capabilities to drones to help detect cues in video feeds, for example, and enable operators to automatically adjust systems based on those cues."



Dems Introduce Bills to Block Offshore Drilling

A group of House Democrats introduced a suite of eight bills aimed at blocking President Trump's proposal to expand offshore oil and natural gas drilling around the country.

Taken together, the bills would ban or put a 10-year moratorium on offshore drilling in the Atlantic, Pacific and Arctic oceans, as well as the eastern Gulf of Mexico.

The bills came as the Interior Department is expected soon to move forward on its plan released in January 2018 to open the offshore areas of the Atlantic, Pacific, Arctic and Gulf coasts to offshore oil and natural gas drilling. That plan has met stiff opposition from political leaders and coastal communities that neighbor nearly all of the areas.

"Today's bills are about a cleaner, more sustainable future for our country," House Natural Resources Committee Chairman Raul Grijalva (D-Ariz.) said in a statement.

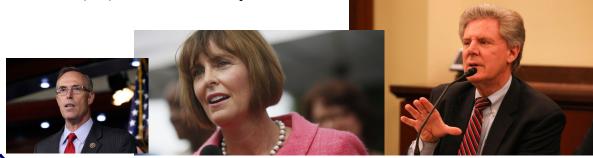
"We can create clean energy jobs and protect our coastlines at the same time with the right policy choices," he said. "The American people don't want oil rigs on every beach up and down our coasts, and our economy doesn't need them. Doubling down on offshore drilling would be a huge mistake, and we're proud to work together to make sure we take a better course."

Rep. Alan Lowenthal (D-Calif.), the incoming chairman of the energy and mineral resources subcommittee in the Natural Resources panel, is sponsoring bills that target drilling off California, the entire Pacific coast, the Arctic coast and the Atlantic coast.

"Time and time again, from Santa Barbara to Deepwater Horizon, we have seen the potential widespread devastation from offshore oil drilling," he said in a statement.

"We must make it clear, once and for all, that our coastlines will not pay the price of oil production greed and hubris. These bills will be a major step toward ensuring the coastlines remain unspoiled for generations to come."

Democratic Reps. Frank Pallone (N.J.), Kathy Castor (Fla.), Salud Carbajal (Calif.), David Cicilline (R.I.), Joe Cunningham (S.C.), Jared Huffman (Calif.) and Donald McEachin (Va.) are the bills' lead sponsors.



API: U.S. Must Grow Oil and Gas While Reducing Emissions

The American Petroleum Institute's president blamed rising U.S. carbon emissions in 2018 - after years of declines - on increasing energy demand from a strong economy and on pipeline shortages in areas like West Texas' booming Permian Basin.

API President and CEO Mike Sommers instead focused on how record-high U.S. oil and gas production is leading the world and setting the example for how to rely more on cleaner-burning natural gas. He called rising emissions in 2018 more of a blip and noted that the Energy Department projects a dip again in 2019.

In releasing API's State of American Energy report Tuesday, Sommers argued the U.S. can achieve the dual goal of growing the oil and gas industry while still cutting back emissions and operating more efficiently.

"We believe that the risks of climate change are real," Sommers said in a media call. "This industry is meeting the climate challenge head on."

He cited the API's Environmental Partnership group of many of the nation's top energy companies to voluntarily enact improved emissions protocols.

The API report comes as the Trump administration is trying to roll back regulations on greenhouse gas emissions, even though some companies like Exxon Mobil argue to keep many of the standards in place.

The API report argued the U.S. is more self-reliant on energy than ever with net petroleum imports the lowest in 50 years. Citing data from a Harris poll conducted in November and December, API said 76 percent of registered voters take pride in the nation's global energy leader-

ship, and 88 percent want energy companies to help solve environmental challenges.

U.S. air pollutants have plummeted by more than 70 percent from 1970 to 2016 because of cleaner fuels and more efficient engines, API contended.

However, even as the U.S. has continued to reduce its reliance on coal power, the research firm Rhodium Group this week estimated that U.S. carbon emissions jumped 3.4 percent in 2018.

U.S. energy demand rose because of a stronger economy with more factory work and greater usage from planes, trucks and more.

However, methane emissions also grew from natural gas from a variety of issues including leaks and, most notably, voluntary flaring because of pipeline shortages in areas like West Texas' booming Permian Basin. Because companies have few options of where to send the gas that's produced along with oil, a lot of the gas is being burned off into the atmosphere.

"The truth of the matter is no one wants to be flaring in oilfields," Sommers said. "That is a valuable product."

He argued in favor of the government expediting permitting processes for pipeline projects, liquefied natural gas exporting terminals and crude oil terminals.

Summers pushed for Congress to approve the U.S.-Mexico-Canada Agreement that revises the NAFTA deal. And he argued for the Trump administration to resolve the China trade war and end the steel tariffs that are costing the oil and gas industry many millions of dollars.

"It's not good for business," he said.

BP Unlocks a Billion Oil Barrels in Gulf of Mexico with New Technology

BP said it has discovered two new oilfields in the Gulf of Mexico and has identified an additional billion barrels of oil at an existing field thanks to new seismic technology.

The British company, which has only recently turned a corner following the deadly 2010 Deepwater Horizon spill, also announced plans to expand production at its Atlantis oilfield in the Gulf of Mexico, consolidating its status as the largest oil producer in that region.

The company has put a heavy emphasis on technology and data processing capabilities in recent years in order to unlock new resources and cut costs.

The \$1.3 billion Atlantis Phase 3 development will include drilling eight wells and a new subsea production system that will boost BP's production by 38,000 barrels of oil equivalent per day (boed). It is scheduled to start production in 2020.

Together with the new discoveries, BP aims to grow its Gulf of Mexico production from over 300,000 boed at present to 400,000 boed by the mid 2020s.

BP said that new seismic technology helped it identify an additional 1 billion barrels of oil at its Thunder Horse field within weeks, whereas previously it would have taken a year to analyse. BP also announced oil discoveries in the Manuel and Nearly Headless Nick prospect in the Gulf. The Manuel prospect, half owned by Royal Dutch Shell, will be linked to the Na Kika platform.

"BP's Gulf of Mexico business is key to our strategy of growing production of advantaged high-margin oil," BP head of upstream Bernard Looney said in a statement.

"And these fields are still young – only 12 percent of the hydrocarbons in place across our Gulf portfolio have been produced so far. We can see many opportunities for further development," he added.

BP said it is also considering the development of Atlantis phases 4 and 5 as well as expanding the Thunder Horse, Na Kika and Mad Dog fields.



Trump Formally Nominates Wheeler to Head EPA

President Trump has formally nominated Andrew Wheeler, a former energy lobbyist who has led the Environmental Protection Agency (EPA) in an acting capacity for six months, to serve as EPA administrator.

The White House said that Trump had sent Wheeler's nomination to the Senate, making good on a promise he made in November. "I am honored and grateful that President Trump has nominated me to lead the Environmental Protection Agency," Wheeler said in a statement. "For me, there is no greater responsibility than protecting human health and the environment, and I look forward to carrying out this essential task on behalf of the American public."

The nomination came despite the ongoing partial government shutdown, which has brought the EPA down to a skeleton staff.

Wheeler, a former lobbyist for coal mining giant Murray Energy Corp. and other companies, has been the EPA's acting head since July, when Scott Pruitt resigned due to growing ethics and spending scandals. The Senate confirmed him as deputy administrator in April.

Trump said in November that Wheeler had "done a fantastic job and I want to congratulate him."

If the Senate confirms Wheeler to head the EPA, his responsibilities and abilities wouldn't change. But without the confirmation, he may have been limited to 210 days as acting chief. The Senate currently has 53 Republicans, 45 Democrats and two independents who caucus with Democrats, so his confirmation is a near certainty.

Wheeler has overseen major action on some of the most consequential deregulatory proposals of the EPA under Trump. During his tenure as acting chief, the EPA has proposed to replace limits on carbon dioxide pollution from power plants with far looser rules, to stop plans to strengthen auto emissions and efficiency rules and to restrict the streams and wetlands that the EPA protects from harm.

Those actions have garnered repeated praise from affected industries, but sharp criticism from environmentalists.

The agenda is largely a continuation of Pruitt's plans, but Wheeler has not gotten into nearly the same high-profile ethics troubles as his predecessor.

Sen. John Barrasso (R-Wyo.), chairman of the Environment and Public Works Committee, which is responsible for reviewing Wheeler's nomination and taking the initial vote, cheered the nomination Wednesday.

"Acting Administrator Wheeler has done an outstanding job leading EPA and is well qualified to run the agency on a permanent basis. I will work with committee members to get him confirmed," he said in a statement.

Environmentalists, meanwhile, bemoaned Wheeler's nomination.

"The only thing Wheeler is going to protect at the EPA is the profits of polluters," Brett Hartl, government affairs director at the Center for Biological Diversity, said in a statement. "I'm sure corporate board rooms will celebrate this nomination. But for anyone who drinks water, breathes air or cares about wildlife, this will be nothing but awful."

Wheeler started his career in the early 1990s as a career employee at the EPA, working on toxic substance policy. He later worked on Capitol Hill as a top aide to Sen. James Inhofe (R-Okla.), a former chairman of the Environment and Public Works Committee and a vocal skeptic of climate change science.

Prior to becoming the EPA's No. 2 official, Wheeler worked at the law and lobbying firm Faegre Baker Daniels, where his clients included

Murray, led by outspoken coal booster and GOP donor Bob Murray.



Trump, Congress Eye Possibility of Infrastructure Bill in 2019



While the new Congress and the White House kick off 2019 in the midst of a partial government shutdown, President Donald Trump and the leadership of the U.S. House and Senate have acknowledged that authorizing funding for infrastructure projects will be atop their legislative priorities.

After it abandoned its infrastructure agenda shortly after proposing a 10-year, \$1.5 trillion plan in February 2018, the White House appears ready to try pushing a plan again this year with a divided legislative branch.

Counselor to the president Kellyanne Conway noted the potential for advancing the policy. Speaking to reporters at the White House on Jan. 3, she said, "We see some of the Democrats making joyful noises about infrastructure and keeping the economy humming and hopefully we can rely upon them."

Identifying a long-term source of funding for big -ticket construction and maintenance projects, however, remains elusive. Transportation policy-makers rejected the president's plan due to its significant reliance on private sector backing.

They continue to disagree on the best approach for securing dollars into a federal highway account headed toward insolvency in less than three years. As Senate Majority Leader Mitch McConnell (R-Ky.) put it after the midterm elections, "The question is how are you going to pay for it and that always becomes very challenging because there's no sort of easy way to pay for infrastructure without impacting an awful lot of Americans."

Besides the funding question, the ongoing tense debate over immigration that led Trump to proceed with the partial shutdown also threatens an infrastructure package. If Democrats continue to oppose his efforts for a wall along the southern border, Trump suggested an unwillingness to consider a deal on infrastructure policy in the near future.

"The Democrats, who know Steel Slats (Wall) are necessary for Border Security, are putting politics over Country. What they are just beginning to realize is that I will not sign any of their legislation, including infrastructure, unless it has perfect Border Security. U.S.A. WINS!" Trump tweeted Dec. 20.

The president's threat, however, failed to register with new Speaker of the House Nancy Pelosi (D-Calif.).

"I believe the president wants to do an infrastructure bill. I don't know that he'll throw a tantrum over it when he sees what the bill might be. We've talked in a very positive way. Almost every conversation I've had with him since he's been president ... has involved how we can work together on infrastructure," she told reporters Dec. 20.

Trump, Congress Eye Possibility of Infrastructure Bill in 2019

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"It's something the country wants very much. It's something he promised in the campaign. So, if he's keeping campaign promises to the letter, he probably would want to get to work on an infrastructure bill," Pelosi added.

Democrats took over the House and Republicans kept their power in the Senate after the November elections.

Rep. Peter DeFazio (D-Ore.), incoming chairman of the Transportation and Infrastructure Committee, said he intends to have infrastructure policy legislation ready by summertime. The plan, DeFazio explained, would include a nationwide vehicle-miles-traveled pilot program. It also would include provisions that would boost climate-resilient programs, as well as expand public and smart technology transportation programs.

"There's ways we could make the existing infrastructure carry people better, while we invest in the new infrastructure," DeFazio said in December. He is among the few lawmakers supportive of increasing fuel taxes for funding federal infrastructure obligations long-term.

The Republican leadership of the transportation panels in the Senate also agree the time is ideal for advancing an infrastructure bill, although they've yet to unveil a proposal. Senate Democratic leader Chuck Schumer of New York already proposed expanding funding for severe-weather resiliency in an infrastructure bill for major construction projects.

The proposal responds to the notion that storms will intensify over the years. The force of hurricanes has intensified, with most of the scientific

community linking such changes in the climate to human activity.

"We should make massive investments in renewable-energy infrastructure," Schumer wrote in an editorial. "We also must make our infrastructure more climate-resilient, particularly the electrical grid and our water and wastewater systems."

Under Republican control, Congress ignored Trump's 10-year, \$1.5 trillion infrastructure proposal, as well as an outline from their former top transportation authorizer, retired Rep. Bill Shuster (R-Pa.).

Transportation stakeholders, such as the U.S. Chamber of Commerce, the American Society of Civil Engineers and the American Association of State Highway and Transportation Officials are telling Congress to advance an infrastructure package in 2019. Raising the 24.4-cents-per-gallon diesel tax and the 18.4-cents-per-gallon gas tax would be an ideal approach for restoring the long-term solvency of the Highway Trust Fund account, stakeholders argue.

"We believe that it is now time for all transportation stakeholders, led by Congress and the president, to begin work on reauthorizing the FAST Act [2015 highway law] and to ensure a smooth transition to the next long-term bill without the need for disruptive extensions," Carlos Braceras, AASHTO's president and Utah Department of Transportation's executive director, told the Senate Environment and Public Works panel prior to the adjournment of the previous Congress.

The FAST Act expires in 2020. Federal fuel taxes were last raised in 1993.

All Employers Are Required to Display Federal and State Postings

All employers are required to post certain federal and state postings.

On a federal level, if an employer has less than 50 employees, they are required to post 5 notices: Fair Labor Standards Act; Employee Polygraph Protection Act; Equal Employment

Opportunity; Uniformed Services Employment and Reemployment Rights Act; and Occupational Safety and Health Administration.

If an employer has 50 or more employees, federal law requires that they also post a notice related to the Family and Medical Leave Act.

Each state has varying requirements on what notices must be posted.



ACA Still in Effect, Despite New Federal Court Ruling



A federal district court in Texas has ruled that The Patient Protection and Affordable Care Act (ACA) is unconstitutional following the repeal of the legislation's individual mandate penalty under the Tax Cuts and Jobs Act of 2017 (TCJA). The court accepted the argument of 18 state attorneys general and two republican governors that the individual mandate penalty was "essential to" the ACA, rendering the health reform law "untenable" in its absence. Although the court granted the states' motion for

summary judgment regarding the ACA's constitutionality, leaving the remainder of the ACA invalid, the court denied the states' request for an injunction.

As such, the ACA remains valid during the appeal process. Since the ACA was proposed, SESCO has provided guidance to all types of employers to ensure ACA compliance. If employers have questions on whether their policies or practices comply with the ACA and related issues, we recommend they contact SESCO to ensure compliance.



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