SSDA News

Service Station Dealers of America and Allied Trades

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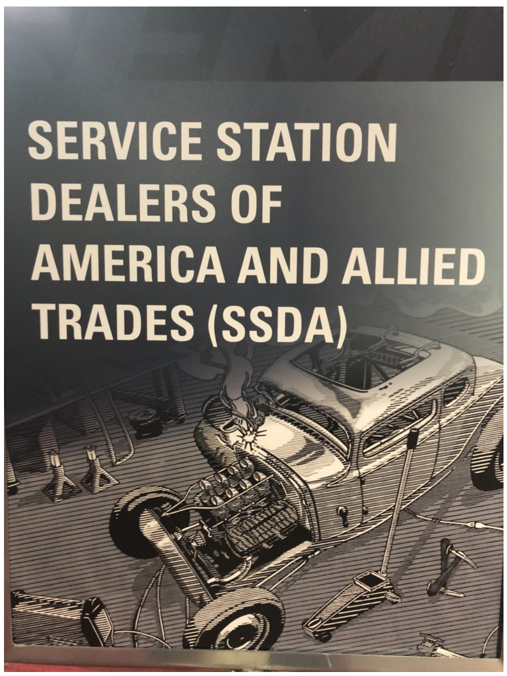
FINAL REMINDER TO SAVE THE DATE!!

SSDA-AT TO HOST ANNUAL MEETING IN LAS VEGAS

By Roy Littlefield



As a final reminder, SSDA-AT will host its annual meeting in Las Vegas in conjunction with the SEMA show on

Friday, November 8, 2019.

The SEMA show runs from Tuesday, November 5th to Friday, November 8th.

The SSDA-AT meeting will take place in the Las Vegas Convention Center Room S116 beginning at 9 am on November 8th.

We thank those who have already registered to attend!

To order a trade show pass:

CLICK HERE

To explore hotel options:

CLICK HERE

And to RSVP officially to the event, contact:

Roy Littlefield IV at rlittlefield2@tireindustry.org or call 301-467-1995.

We are working on an agenda and ask that you please send in all feedback for topics we will plan to discuss.

We look forward to seeing you in Las Vegas!

Building a Successful Website

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 po-

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NET DRIVEN

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tential 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.

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 low-cost 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 portfolio of the finest responsive web design in the automotive industry.

For further details, visit our solutions and packages pages.

API: Oil, Gas Can Coexist with Environmental Protection

With 78% of global energy needs likely met by fossil fuels by 2040, the US oil and natural gas sector is well positioned to satisfy that demand without sacrificing sustainability, American Petroleum Institute Chief Economist Dean Foreman writes.

The natural gas revolution and investments in zero- and low-greenhouse gas emission tech have helped the US cut emissions of six criteria air pollutants by 74% since 1970, Foreman adds.

Final EPA Rule Released: E15 Tanks

Last month EPA released its final rule (EPA released its final rule) to allow sales of gasoline blended with up to 15% ethanol (E15) year round. In light of this development the Office of Underground Storage Tanks is issuing a Compliance Advisory to remind owners and operators of their compatibility regulatory requirements. This advisory is posted on our web site at:

https://www.epa.gov/ust/compliance-advisory-about-2015-underground-storage-tank-

Keystone XL Clears Legal Hurdle as Nebraska Court Approves Route

TC Energy Corp.'s long-delayed Keystone XL oil pipeline cleared a significant legal hurdle as the Nebraska Supreme Court ruled that regulators' approval of the conduit's route through the state was valid.

The court found there was sufficient evidence to support the Nebraska Public Service Commission's decision that an alternative route for the pipeline was in the public interest, according to a ruling released recently.

The ruling removes a key roadblock to construction of the $8 billion pipeline, which has been on the drawing board for a decade. But challenges remain: The project is still tied up in a legal battle in Montana over its Army Corps of Engineers permits, and TC Energy said it has missed the window for starting major construction this year. The company has yet to officially declare it will build the pipeline.

"The Supreme Court decision is another important step as we advance towards building this vital energy infrastructure project," TC Energy Chief Executive Officer Russ Girling said in a statement.

Keystone XL also faces added scrutiny amid the U.S. presidential election. Democrat Elizabeth Warren has said permits for the pipeline and the similarly controversial Dakota Access project should be revoked.

It wouldn't be the first time the project has been the target of a new U.S. president. President Donald Trump issued a memo on his fourth day in office inviting TC Energy to reapply for a presidential permit that had been rejected by President Barack Obama on environmental grounds.

"With so much scrutiny on the project coming from the left, we believe TC Energy must wait to sanction the pipeline until it knows whether or not President Trump can hold onto the White House," said Katie Bays, an energy analyst and co-founder of Washington-based Sandhill Strategy LLC. "We don't expect any near-term action given the enormous binary risk posed by the election outcome."

The 1,200-mile (1,900-kilometer) pipeline would help carry 830,000 more barrels of crude a day from Alberta's oil sands to U.S. Gulf Coast refineries, providing relief from the pipeline shortage that has hampered Canada's oil industry.

The project has been a top target of environmentalists, who argue that the pipeline would contribute to catastrophic climate change by allowing more production from the oil sands.

The win "was expected, but it's still good news for the project in an age where wins aren't as commonplace as they used to," said Brandon Barnes, an analyst at Bloomberg Intelligence. Next will be an Oct. 9 hearing for the case in Montana, he said.

TC Energy shares fell less than half a percent in early trading on a day when most energy stocks were down after China hit back at the U.S. with tariffs on $75 billion of imports, including oil.

Estate Tax Update

As more and more tire dealers and repair facility operators purchased their location, passage of an estate tax repeal becomes a top priority for SSDA-AT,

SSDA-AT is a member of the Family Business Estate Tax Coalition (FBETC). This Coalition is dedicated to the full and permanent repeal of the estate tax. In working with Rep. Kevin Brady and the Coalition we were able to pass the Death Tax Repeal Act of 2015 (HR 1105) on a 240-179 vote.

We have supported efforts to fully repeal the Estate Tax in the 115th Congress by supporting the Death Tax Repeal Act (HR 63 and S 205).

At the end of 2017, Congress passed a tax reform package that doubles the estate tax exemption from now through the end of 2025. In 2026, the exemptions would revert back to their current levels ($5.6 million individual and $11.2 per couple), indexed for inflation. The new tax affects estates of at least $11.2 million, or $22.4 million for couples.

SSDA-AT wanted full and permanent repeal of the estate tax which is what was in the House version of the bill.

We are thrilled the exemption was raised as this will help more SSDA-AT members, but we have several other members who will still be negatively impacted by the estate tax and will find themselves over the exemption because of the value of their business.

SSDA-AT will support any efforts made in Congress to fully repeal the tax for the following reasons:

Repealing the death tax would spur job creation and grow the economy.

Many studies have quantified the job losses caused by the death tax. Last year the Tax Foundation and Heritage Foundation both found that the US could create over 100,000 jobs by repealing the death tax. A 2012 study by the House Joint Economic Committee found that the death tax has destroyed over $1.1 trillion of capital in the US economy — loss of small business capital means fewer jobs and lower wages. Lawrence Summers, former Secretary of the Treasury under President Clinton; Alicia Munell, member of President Clinton's Council of Economic Advisors; Joseph Stiglitz, a Nobel laureate for economics; and Douglas Holtz-Eakin, former CBO Director have all published work on the death tax's stifling effect on job growth and the economy as a whole.

The death tax contributes a very small portion of federal revenues.

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Estate Tax Update

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The death tax currently accounts for less than half of one percent of federal revenue. There is a good argument that not collecting the death tax would create more economic growth and lead to an increase in federal revenue from other taxes. A 2014 Tax Foundation analysis found repeal of the death tax would increase federal revenues by $3.3 billion per year using a more realistic, "dynamic" economic analysis.

A super-majority of likely voter's support eliminating the death tax.

Poll after poll has indicated that a super-majority of likely voter's support repealing the death tax. Typically, two thirds of likely voters support full and permanent repeal of the death tax. People instinctively feel that the death tax is not fair.

The death tax is unfair.

It makes no sense to require grieving families to pay a confiscatory tax on their loved one's nest egg. Often this tax is paid by selling family assets like farms and businesses. Other times, employees of the family business must be laid off and payrolls slashed.

For many family-owned businesses to keep operation after the death of the owner, they must plan for the estate tax.

Planning costs associated with the estate tax are a drain on business resources, taking money away from the day to day operations and business investment.

These additional costs make it more difficult for the business owner to expand and create new jobs. Protecting family business from the estate tax is important in order to keep these businesses operating for future generations.

SSDA-AT will continue to find co-sponsors for the Death Tax Repeal Act (HR 218 and S 215) in the 116th Congress as we work towards advancing the legislation.

Repeal of the estate tax (along with issues such as infrastructure and revenues, LIFO repeal, work opportunity tax credit, Magnusson-Moss, right-to-repair, overtime regulations, tariffs, and online sales) will be the focus of our next Federal Lobby Day, which will take place in the Spring of 2020.

Frackers Go Electric as Negative Gas Prices Spur Switch

Thrifty drillers have found a new use for the glut of natural gas that's sent prices for the fuel below zero in America's biggest shale patch: Use it to power fracking operations.

For decades, explorers have used massive diesel engines mounted on tractor-trailers to shoot a mixture of water, sand and chemicals down wells and blast open layers of oil-soaked shale rock. That's changing now that soaring output has crushed gas prices, especially in West Texas' Permian Basin, where the fuel is a byproduct of crude oil extraction. Explorers are switching to so-called e-fracking, using gas from their own wells to run turbines for electric motors that power drilling pumps. The move helps in two ways: It cuts about $1 million a month in fuel costs for a set of fracking equipment by 90%, according to Wells Fargo & Co., and it lessens the excess gas burned off at the well site, a practice environmental groups frown upon. Tudor Pickering Holt & Co. predicts electric pumps will represent about a third of the market in roughly the next five years, from about 3% now.

The e-frac movement is “probably going to have some legs," Jud Bailey, a senior equity analyst at Wells Fargo in Houston, said in a phone interview. “It's clearly a movement by some major operators to experiment with it,” though it's not clear how quickly a shift would happen, he said.

The savings could be a boon for an industry pressed to trim spending and return cash to investors amid crude-market volatility. Halliburton Co., the world's biggest provider of fracking gear, and a unit of Royal Dutch Shell Plc are already taking advantage. Halliburton plans to deploy fleets -- the term for rigs, pumps and other equipment that's generally brought by truck to the well site -- powered by electric motors in the third quarter. Shell subsidiary SWEPI LP signed an electric fracking equipment contract with U.S. Well Services Inc. in March, while oilfield service provider ProPetro Holding Corp. has said it plans to deploy two e-fracking fleets by the end of the year.

ProPetro and Liberty Oilfield Services Inc., which uses pumps that can run on diesel or gas, ‘‘could lead the next phase of innovation/transformation in a sector that badly needs a new type of pumping hardware,’’ AltaCorp Capital Inc. analysts led by Waqar Syed wrote in a note to clients June 20. The pumping equipment used in fracking “has seen no major innovation in the last 30 years, even as intensity of jobs has materially increased,’’ Syed wrote.

A conventional fracking job involves using about 20 giant diesel-powered pumps, each the size of an 18-wheeler trailer. In e-fracking, a small-diameter gas pipeline shuttles the fuel from the well to a turbine powering an electric motor. Though the electric pumps are still mounted on trucks, they're smaller than their diesel counter-

Frackers Go Electric as Negative Gas Prices Spur Switch

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parts. Some e-frac models can carry two pumps, significantly reducing the number of trailers and traffic and lowering labor costs. They're also more reliable than diesel engines, according to U.S. Well Services.

''I liken it to a diesel-powered car with all the parts moving and the susceptibility to failure versus the electric motor that runs in your refrigerator,'' Josh Shapiro, vice president of investor relations at the Houston-based fracking gear provider, said in a phone interview. ''You've probably never thought of replacing that.'' Switching to gas-powered electric motors could reduce flaring, which releases carbon dioxide into the atmosphere. The practice has reached record levels in the Permian as the oil boom leads to escalating output of gas. The total amount of gas burned off as waste worldwide in 2018 would have been enough to supply all of Central and South America, according to the World Bank.

Still, there are hurdles to widespread adoption. Oilfield service operators struggling with a glut of gear may be reluctant to shoulder the upfront cost of deploying e-fracking, which Tudor Pickering estimates at $50 million to $60 million, compared with $30 million to $40 million for diesel fleets. Producers, meanwhile, are focused on capital discipline and pipeline constraints that keep wells from being completed.

Higher initial capital costs, the early-stage nature of the technology and commitment to generating free cash flow are adding to e-frac ''hesitation,'' which may lead to slow adoption and capital deployment, Wells Fargo's Bailey wrote in a June 13 note to clients. But there may be no turning back now. E-fracking will likely allow the best pumpers to differentiate themselves from the rest of the pack the same way land drillers did with their higher-technology rigs at the turn of the century, according to Wells Fargo.

''Broadly speaking,'' Bailey wrote, ''we think 'the horse has left the barn.'''

SSDA-AT Plans for 2020 and a Review of Legislative Activity on Capitol Hill

The Service Station Dealers of America and Allied Trades has set an aggressive schedule for 2020. Working with other automotive aftermarket associations, 2020 efforts include:

Lobby Day

At SSDA-AT's semi-annual Federal Lobby Day, members nationwide are invited to the Nation's Capitol to meet with Federal lawmakers on proposed regulations and legislation that would have a direct impact on the industry. Throughout the day, members will meet with and circulate industry position papers to agency officials and to members and staff of the U.S. House of Representatives and the U.S. Senate. Lobby Day activities scheduled would include private tours of the U.S. Congress building (confirmed), the Library of Congress (confirmed), and an issue briefing at the White House (invitation pending).

National Environmental Summit

In the Spring of 2020, SSDA-AT will hold its second National Environmental Summit. The first summit, that was held in conjunction with a WMDA/CAR Ocean City convention, attracted some 176 registrants.
Speakers will include EPA officials, state environmental agency officials, industry leaders, and state and Federal legislators.
Industry leaders are now preparing "best practices" for the handling and disposing of some 8-10 industry products.

International Summit

Recognizing that this is a global industry, the first ever Aftermarket International Summit will focus on the industry's most challenging issues. Dealers, press, and association leaders around the globe will convene at the November 2020 SEMA Expo in Las Vegas. Manufacturers and dealer panels will discuss the issues and propose solutions. Recommendations will be formatted in resolutions which, if adopted, will be sent to manufacturers, legislators, industry press, and industry associations worldwide.

2020 will be an aggressive year, and a unique opportunity to bring high priority issues to lawmakers in the administration, on Capitol Hill, and in regulatory agencies. Watch for details and dates and participate in the process.

Without Help From Washington, Governors Chart Own Path on Infrastructure

Congress this week took a small step toward providing new funding for the nation's infrastructure needs, but state leaders remain nervous about how much help they'll actually get from Washington.

The Senate Environment and Public Works Committee voted unanimously to advance a $287 billion bill that would replace the current five-year surface transportation program, which is set to expire in September 2020. The bipartisan bill would increase spending by 27 percent over current levels. President Trump signaled his support for the legislation, tweeting that it would have a “big impact on our highways and roads all across” the country.

State leaders cheered the development.

“On behalf of the nation’s governors, we applaud the Senate Environment and Public Works Committee for taking this first step," the National Governors Association (NGA) said in a statement. "The bill’s emphasis on formula funding, safety and resiliency comes at a critical time for states."

But committee passage does not guarantee a new law. The last major transportation bill, enacted in 2015, had been delayed for years, with Congress passing multiple short-term extensions. Even then, Congress did not increase the federal gas tax, leading to concerns the federal highway trust fund could run dry. Thirteen states have raised gas taxes this year, desperate for more money to build and repair roads, bridges and other infrastructure.

“There’s kind of a consensus among all 50 governors, everybody on both sides of the aisle, that this is probably the most important thing that we’re all dealing with,” Maryland Republican Gov. Larry Hogan told Governing at NGA's Salt Lake City meeting last week. “We have to deal with a lot of issues, but it’s one that governors have sort of led on and Washington has failed.”

For that reason, Hogan has made infrastructure the central focus of his tenure as the new chair of the NGA. Over the next year, he will lead discussions at multiple summits on how not only to finance and build roads and reduce congestion but safeguard critical infrastructure, such as utilities, from cyberattacks. At the Salt Lake meeting, governors made it clear that they’re also concerned with making roads safer. Since 2000, more than 600,000 Americans have died in car crashes.

“If a plane crashed on the other side of the world, it’s front page news,” said North Dakota GOP Gov. Doug Burgum. “We’re killing a plane’s worth every day, and it’s been happening for decades.”

Cutting Red Tape

Hogan touts his own record on infrastructure in Maryland -- new lanes on state highways, construction of a light rail line linking two counties outside D.C., and a $600 million investment in Baltimore’s airport. He's been criticized at home, however, for not making transit more of a priority.

Some of Hogan's biggest projects are public-private partnerships (P3s), which he touts as a smart way for governors to increase investments in infrastructure. The P3 model was applauded by a panel that Hogan convened in Salt Lake that featured executives from construction, labor and industry.

“We need to prioritize projects like airport and roads that can be tolled, that can generate revenue,” said Bill Calhoun, vice chair of the Clark Construction Group, a national firm based in Bethesda, Md.

In addition to tolls, the major concern expressed by the private-sector players was the permitting process. It can take years to build anything, leading Tom Farrell, the president of Dominion Energy, to suggest that states find ways to speed the process up, perhaps by performing their reviews concurrently with federal agencies.

“To make us world class, whether it’s roads, bridges or ports, we need to not cut corners with the regulatory process, but speed it up,” Farrell said. “It’s already happening, [but] only very large companies with the patience and expertise will do this.”

The U.S. leads global petroleum and natural gas production with record growth in 2018

U.S. petroleum and natural gas production increased by 16% and by 12%, respectively, in 2018, and these totals combined established a new production record. The United States surpassed Russia in 2011 to become the world's largest producer of natural gas and surpassed Saudi Arabia in 2018 to become the world's largest producer of petroleum. Last year's increase in the United States was one of the largest absolute petroleum and natural gas production increases from a single country in history.

For the United States and Russia, petroleum and natural gas production is almost evenly split; Saudi Arabia's production heavily favors petroleum. Petroleum production is composed of several types of liquid fuels, including crude oil and lease condensate, natural gas plant liquids (NGPLs), and bitumen. The United States produced 28.7 quadrillion British thermal units (quads) of petroleum in 2018, which was composed of 80% crude oil and condensate and 20% NGPLs.

U.S. crude oil production increased by 17% in 2018, setting a new record of nearly 11.0 million barrels per day (b/d), equivalent to 22.8 quadrillion British thermal units (Btu) in energy terms. Production in the Permian region of western Texas and eastern New Mexico contributed to most of the growth in U.S. crude oil production. The United States also produced 4.3 million b/d of NGPLs in 2018, equivalent to 5.8 quadrillion Btu. U.S. NGPL production has more than doubled since 2008, when the market for NGPLs began to expand.

U.S. dry natural gas production increased by 12% in 2018 to 28.5 billion cubic feet per day (Bcf/d), or 31.5 quadrillion Btu, reaching a new record high for the second year in a row. Ongoing growth in liquefied natural gas export capacity and the expanded ability to reach new markets have supported increases in U.S. natural gas production.

Russia's crude oil and natural gas production also reached record levels in 2018, encouraged by increasing global demand. Russia exports most of the crude oil that it produces to European countries and to China. Since 2016, nearly 60% of Russia's crude oil exports have gone to European member countries in the Organization for Economic Cooperation and Development (OECD). Russia's crude oil is also an important source of supply to China and neighboring countries.

Russia's natural gas production increased by 7% in 2018, which exceeded the growth in exports. The Yamal liquefied natural gas (LNG) export facility, which loaded its first cargo in December 2017, can liquefy more than 16 million tons of natural gas annually and accounts for almost all of the recent growth in Russia's LNG exports.

Since 2000, more than 80% of Russia's natural gas exports have been sent to Europe.

Saudi Arabia's annual average crude oil production increased slightly in 2018, but it remained lower than in 2016, when Saudi Arabia's crude oil output reached a record high. Saudi Arabia's crude oil production reached an all-time monthly high in November 2018 before the December 2018 agreement by the Organization of the Petroleum Exporting Countries (OPEC) to extend production cuts.

In addition to exporting and refining crude oil, Saudi Arabia consumes crude oil directly for electricity generation, which makes Saudi Arabian crude oil consumption highest in the summer when electricity demand for space cooling is relatively high. Since 2016, Saudi Arabia's direct crude oil burn for electric power generation has decreased for a number of reasons, including demand reductions from a partial withdraw of power subsidies, greater use of residual fuel oil, and increased availability of domestic natural gas.

Crude oil exports account for about 60% of Saudi Arabia's total economic output. China, along with Japan, South Korea, Taiwan, and the United States remain critical markets for Saudi Arabia's petroleum exports.

Drilling Down: Top 10 Drillers So Far This Year

Exxon Mobil has unseated EOG Resources as the top driller in the Lone Star State.

During the first six months of the year, Exxon Mobil's shale arm, XTO Energy, has filed for 352 drilling permits with the Railroad Commission, which oversees the state's oil and gas industry. EOG, which was last year's top driller, has filed for 282 permits halfway through the year.

Some 86 percent of Exxon Mobil's drilling permits this year were for projects in the Permian Basin of West Texas, followed by the Eagle Ford Shale of South Texas and the Haynesville Shale of East Texas.

Looking statewide, drilling permits are down by 10.3 percent in the first six months of the year, compared with the same period in 2018. Oil prices, at about $59 a barrel, are down about 20 percent from a year ago, when crude was trading around $74 a barrel. Exploration and production company budgets tightened following the sharp price drop at the end of last year, when oil plunged from about $76 a barrel to less than $45 per barrel.

Some 687 companies have filed for 6,275 drilling permits through June compared with the 766 companies that filed for 6,991 permits during the same period last year.

Permian Basin

After Exxon Mobil, Midland oil company Diamondback Energy is the next biggest driller in the Permian Basin with 213 permits. Houston oil company Occidental Petroleum is third with 198.

It's pending merger with The Woodlands-based oil company Anadarko would give the combined company 292 permits.

Eagle Ford Shale

With 221 permits in South Texas, EOG Resources remains the top driller in the Eagle Ford Shale. Chesapeake Energy's nearly $4 billion deal to buy WildHorse Resources helped make the company the second largest driller in the Eagle Ford with 104 permits. Houston oil company Sanchez Energy fell from third place to eighth place amid a series of financial problems.

Haynesville Shale

Houston-based Sabine Oil & Gas is the top driller in East Texas with 24 drilling permits. British-owned BP and Houston oil company Rockcliff Energy tied for second place with 17 permits each.

Barnett Shale

Horizontal drilling has become increasingly rare in North Texas. Mexican oil company PetroBAL is the region's top driller with 57 permits, but 90 percent of the projects were for vertical wells.

Oklahoma oil company Devon Energy, Houston oil company Lime Rock Resources and the American subsidiary of French oil giant Total were the region's top horizontal drillers.

Conventionals

Houston oil company Hilcorp Energy Co. has become the state's top conventional oil well driller. Out of the 74 permits filed so far this year, more than a third were for the company's West Ranch project in Jackson County. The project takes carbon dioxide from a Houston area coal plant and injects it underground to stimulate oil and natural gas production.

SSDA-AT Takes Part in FTC's Magnuson-Moss Warranty Act Workshop; Efforts Renewed

Has a consumer turned down service at your shop because a manufacturer threatened that their warranty was voided?
It's a common misconception that only car dealers can perform the routine maintenance and repairs on a newer vehicle that is under warranty. In fact, it is law that consumers can patronize their neighborhood repair shop or do the work themselves without violating the manufacturer's warranty.
The law, known as the Magnuson-Moss Warranty Act, which was enacted by Congress in 1975, prohibits the conditioning of consumer warranties by product manufacturers on the use of any original equipment part or service.
Under the statute, a manufacturer can only deny warranty coverage if the manufacturer, not the consumer, can demonstrate that it was the use of a non-original equipment part or service that created the warranty related defect.
With new car sales waning, the car companies and their franchised dealers have been pursuing an increasingly aggressive strategy aimed at growing the sales of their original equipment replacement parts and repair services. However, despite calls by SSDA-AT and other aftermarket trade groups, the Federal Trade Commission (FTC) has taken little action to ensure consumers receive accurate information regarding their rights under new car warranties.
SSDA-AT along with other aftermarket groups have filed complaints in the past regarding both releases with the FTC, taking issue with the unsubstantiated claims made by car companies regarding the quality of aftermarket parts. SSDA-AT further contends that the releases violate the Magnuson-Moss Warranty Act since they clearly mislead consumers to believe that they must use dealer service and original equipment in order to ensure the integrity of their new car warranties.
While the FTC has failed to take formal action against car manufacturers, the Commission did issue a "Consumer Alert" informing consumers of their right to have their vehicle serviced or maintained at a repair shop of their own choosing or perform the service themselves without any concern that their warranty would be voided by their vehicle manufacturer.
The Magnuson-Moss Warranty Act impacts a variety of businesses across the economy and many are being impacted unfairly by a lack of action.
This topic is always on the minds of service station and repair shop owners who have lost service for this very reason.
With complaints continuing to flood the Federal Trade Commission, on July 16th, staff of the FTC hosted a workshop to examine ways in which manufacturers may limit third-party repairs. SSDA-AT took part in the workshop with other industry groups.
The workshop discussed some of the issues that arise when a manufacturer restricts or makes it impossible for a consumer or an independent repair shop to make product repairs and whether such restrictions undercut the Warranty Act's protections.
Topics at the workshop included: The prevalence of the certain types of repair restrictions, The effect of repair restrictions on the repair market in the United States, and the impact that manufacturers' repair restrictions have on small and local businesses, The effect repair restrictions have on prices for repairing goods, accessibility and timeliness of repairs, and the quality of repairs, The effect of repair restrictions on consumers' ability to repair warrantied products or to have the products repaired by independent repair shops, The relationship between repair restrictions and the sale of extended warranties by manufacturers, Manufacturers' justifications for repair restrictions and the factual basis for such justifications, The risks posed by repairs made by consumers or independent repair shops, The liability faced by manufacturers when consumers or independent repair workers are injured while repairing a product, The liability faced by manufacturers when consumers are injured after using or coming into contact with a product that has been repaired improperly by a consumer or independent repair shop, and Whether con-

SSDA-AT Takes Part in FTC's Magnuson-Moss Warranty Act Workshop; Efforts Renewed

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sumers understand the existence and the effects of repair restrictions.
At the workshop SSDA-AT heard a welcome and opening Remarks from Christine S. Wilson, Commissioner, Federal Trade Commission. This was followed by a panel that explored the technological and financial impact repair restrictions have on small businesses and consumers, as well as potential safety concerns surrounding uncertified product parts.
The panel was led by Walter Alcorn, Vice President, Environmental Affairs and Industry Sustainability, Consumer Technology Association, George Borlase, Research Staff Member, Institute for Defense Analyses Science and Technology Policy Institute, Jennifer Larson, CEO, Vibrant Technologies, Eden Prairie, MN, Theresa McDonough, Owner, Tech Medic, Middlebury, VT, Nathan Proctor, Director, Campaign for the Right to Repair, U.S. PIRG, Claire Wack, Moderator, FTC Division of Marketing Practices.
The next panel discussed: What are the arguments for and against repair restrictions? This was led by Earl Crane, Security Advisor, Security Innovation Center, Gay Gordon-Byrne, Executive Director, The Repair Association, George Kerchner, Executive Director, PRBA - The Rechargeable Battery Association, Gary McGraw, Security Researcher, Securerepairs.org, Christine Todaro, Moderator, FTC Division of Marketing Practices.
The program concluded with a panel on proposed state legislation and industry initiatives. This was led by Aaron Lowe, Senior Vice President, Regulatory and Government Affairs, Auto Care Association, Hon. David Osmek, Minnesota State Senator, Hon. Chris Pearson, Vermont State Senator, Kyle Wiens, Co-founder and CEO, iFixit, Sarah Faye Pierce, Director, Government Relations, Association of Home Appliance Manufacturers, Dan Salsburg, Moderator, FTC Office of Technology Research & Investigation, and Lois C. Greisman Associate Director, Division of Marketing Practices.
It was clear in the program that Federal Law protects your right to choose between an Independent Shop, or a Dealership.
SSDA-AT urges legislators to call on the FTC to protect consumers and the aftermarket by aggressively enforcing its rules governing unfair marketing practices and new car warranties as specified in the Magnuson-Moss Warranty Act. Car companies are taking aggressive action to misinform consumers regarding their rights under the warranty and as to the quality of aftermarket parts.
Aftermarket parts are of a similar or even greater quality than the original equipment parts that they replace. In fact, many of these parts are made by the same company but may come in different packaging. Furthermore, aftermarket companies have the benefit of observing a part's performance and can then correct problems that are discovered only after the part has been in-use for some time.
SSDA-AT believes that the FTC must:
-Conduct greater oversight and enforcement on vehicle manufacturers who do not comply with the Magnuson-Moss Warranty Act and who seek to discredit aftermarket products;
-Aggressively enforce requirements that vehicle manufacturers must substantiate all claims that use of non-original equipment parts could jeopardize a vehicle warranty; and,
-Require better consumer disclosure by car companies regarding their rights under the warranty.
This might entail compelling the car companies to:
-Include in their warranty booklets a prominently placed statement that, as a motor vehicle manufacturer, they are prohibited from conditioning the warranty on the use of any non-original equipment part or service; or,
-Inform consumers of their rights with a written statement of reasons when a warranty is denied due to the use of a non-original equipment service or part.
We remind our members that the FTC works to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or get free information on consumer issues, visit ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261.
After attending the FTC seminar on Magnuson-Moss we realized that we have a long way to go as an industry and we hope to make this topic a focal point for our lobby day in 2020.

Employers Must Provide Disabled and Pregnant Employees Reasonable Accommodations

The U.S. Equal Employment Opportunity Commission (EEOC) has announced that a large health network which owned and operated three Arizona hospitals has agreed to pay $545,000 to settle a lawsuit which alleged discrimination against employees with disabilities and pregnant women with pregnancy-related medical conditions. The employer was faulted because it: refused to provide reasonable accommodations such as extended leave, reassignment, or assistive devices to employees with disabilities; had an inflexible 90-day leave policy and that they terminated employees with disabilities at the end of the 90 days without considering reasonable accommodations that would allow the employees to return to work; and discriminated against pregnant employees by refusing them accommodations provided to non-pregnant employees and by discharging pregnant employees who could not return to work within 90 days because of pregnancy-related medical conditions. Under the Americans With Disabilities Act (ADA) and the Pregnancy Discrimination Act (PDA) an employer must make reasonable accommodations for employees who have disabilities or who are pregnant, and must engage the employee in an interactive dialogue. An employer cannot have a one-size-fits-all inflexible leave policy; an employer must “make an individualized assessment of each request for accommodation. This lawsuit is a reminder to employers they have an obligation to make exceptions to attendance policies and provide leave as a form of reasonable accommodation unless doing so would result in undue hardship.

NLRB Rules Parts of Social Media Policy Are Unlawful

The National Labor Relations Board (NLRB) has found the following rule to be unlawful: "Employees should refrain from posting derogatory information about the Company on any such sites and proceed with any grievances or complaints through the normal channels." This rule is unlawfully overbroad because a rule prohibiting disparagement of the employer has a significant impact on employee's rights under the National Labor Relations Act (NLRA). Since this rule is an absolute ban on employees making any comments on social media disparaging the employer and is not limited to prohibiting disparagement of the employer’s products or services, the provision would have a significant impact on online protected concerted activity that is not outweighed by any legitimate employer interests. That employees must take their grievances to the employer is an independent violation of the NLRA. Requiring employees to first take work-related complaints to management tends to inhibit employees from banding together. There is no legitimate business interest in preventing employees from discussing grievances among themselves or other third parties before going to management. The NLRB has also found the following rule to be unlawful: "Employees may not post to any on-line forums . . . providing any Company telephone number or extension." The ban on providing the employer’s telephone number is unlawful, as employees have a right under the NLRA to concertedly communicate their workplace complaints to the public, customers, and others. The employer is effectively banning employees from soliciting customers and/or the public to call the employer to express support for the employees’ NLRA activities and since the employer’s telephone number is publicly available on its website, it failed to provide a legitimate business interest supported by such a rule.

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