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YOU SET THE ASSOCIATION POLICY

By Roy Littlefield

Each year at our annual convention and trade show, SSDA-AT members are invited to attend the SSDA-AT Board of Directors Meeting to consider, debate, and pass Association Resolutions, which become association policy and dictate future Association activity as it relates to the issues at hand.

Once the membership sets policy, neither the Board of Directors nor the staff can supersede the will of the general membership.



2014 SSDA-AT Board Meeting in Ocean City, MD

This year you will have an opportunity to weigh in on new resolutions on Friday, September 11, at 9:00am in the Ocean City Convention Center.

Typically resolutions address specific industry issues or concerns. This year, however, two resolutions are being offered to the Board of Directors which

involve legislative and regulatory proposals which, if they become law, could hurt your bottom line.

Overtime Pay

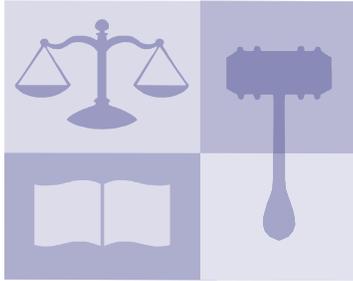
The Wage and Hour Division of the United States Labor Department has issued a Notice of Proposed Rulemaking to raise the salary threshold for overtime from \$23,660 to \$50,440. That means employees earning a yearly salary of \$50,440 or less would automatically be eligible for overtime pay.

Hourly employees are automatically eligible for overtime pay. This used to be the case for most salaried workers, but not so much anymore. Currently, workers whose yearly salary

is less than \$50,440 are not automatically eligible for overtime pay. This used to be the case for most salaried workers, but not so much anymore.

Currently, workers whose yearly salary

GENERAL COUNSEL CORNER



Litigation Lessons

By Peter H. Gunst, Esquire
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After too many decades representing dealers against their suppliers and lessors, I feel there are some lessons that may be worth sharing.

Own the Dirt.

Owning the service station premises provides business and legal advantages. From a business standpoint, ownership permits the dealer to negotiate with the supplier of his or her choice, rather than being bound to his or her lessor as a sole supplier.

From a litigation standpoint, ownership protects the dealer who is in a dispute with his or her supplier from threatened or actual eviction. The option of, say, going unbranded gives the dealer a better chance of surviving and succeeding in litigation against a supplier.

Know Your Supplier/Landlord.

Franchise agreements are hopelessly one-sided, and franchisors will rarely if ever negotiate their boilerplate terms. The dealer is stuck with onerous payment, liquidated damages and other one-sided terms as well as the supplier's almost unlimited pricing discretion with respect to product sold to the dealer.

Because a dealer can find little protection under the terms of the franchise agreement, it is critical that he or she evaluate the franchisor's business reputation for fairness before entering into a long-term agreement. Of course, even then the supplier may assign the franchise agreement to another, more predatory supplier.

Be Prepared to Walk.

Too many times, a dealer will persist in continuing to operate his or her station in the face of mounting losses, either out of attachment to his or her business or because the dealer is unwilling to admit to making a mistake by entering into the arrangement in the first place. The result is a death spiral that only ends when the dealer's funds are exhausted.

Even if the dealer retains a significant legal claim against the franchisor, too often he or she will no longer have the means to pursue it, and will have provided the franchisor with a significant counterclaim for unpaid product, which also may constitute a justification for contract termination.

It is better to cut one's losses, no matter how difficult emotionally that is to do.

Don't Overestimate Legal Remedies.

The Petroleum Marketing Practice Act and supporting state statutes provide meaningful protection for service station dealers. Enforcing those protections in a court of law, however, is an expensive ordeal, made more difficult by the imbalance of money and staying power between the dealer and his or her supplier or landlord.

Litigation should only be pursued as a last resort, when it is clearly in the business interest of the dealer to resort to that course of action.

Highway Funding Remains Unsolved- Congress Passes 34th Extension

By Roy Littlefield, IV

With highway funding remaining a top legislative issue in on the national level, conversation will be sure to flow on the topic at the Industry Issues Forum in Ocean City. Be sure to attend on Friday, September 26 at the Ocean City Convention Center beginning at 1 pm for a full update on current bills and proposals.

Just recently, the House of Representation passed legislation that extends Highway Trust Fund authority for 3 months and funding for 6 months. It passed the U.S. Senate 91-4 on July 31 and was later signed by the president. The bill covers funding by dumping \$8 billion into the highway trust fund from a variety of offsets.

It was the 34th patch since 2009. We continue to kick the can down the ever crumbling road.

SSDA-AT would still like to see a long term bill but we were pleased that the short-term extension did not include the provision that could have reinstated the mandatory tire registration system nor did the bill include any tax increases.

Before the House initiated and passed legislation for the short-term extension, the Senate passed legislation that would fund the nation's crumbling transportation infrastructure for three years.

The bill authorizes spending levels for the Highway Trust Fund for six years but pays for only three with roughly \$45 billion spread out over the lifetime of the bill on top of funding from the federal gasoline tax. Senators approved the bill in a 65-34 vote. Eighteen Democrats and 15 Republicans voted against it.



Sen. Bob Corker (R-Tenn.) called the bill, which strings together funding from miscellaneous pots, "one of the largest budgeting failures in the federal government."

He added, "This bill represents the very worst of Washington and exemplifies why the American people are so frustrated," Corker said.

Over the past two weeks, the upper chamber has debated the plan put together by Senate Majority Leader Mitch McConnell (R-Ky.) and Sens. Barbara Boxer (D-Calif.) and Jim Inhofe (R-Okla.) – an unlikely bipartisan trio. It sparked tense Republican infighting and is disliked by the majority of members on the House side.

"Late nights, vigorous legislating and sometimes-unpredictable outcomes may make some reach for the aspirin," McConnell said.

Republican leaders have tried to downplay the dissenting views within their caucus over how to best fix the Highway Trust Fund. House and Senate GOP leaders agreed to a path just four days before funding is set to expire, after talking past each other for weeks.

Within the Senate Republican Conference, Sen. Ted Cruz (R-Texas) went so far as to call McConnell a liar after he allowed a vote on an amendment to reauthorize the Export-Import Bank, which was attached to the bill. According to Cruz, who is running for the Republican presidential nomination, McConnell promised he would not

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allow a vote to attach the Ex-Im measure to the highway bill.

"Republicans in the House do not agree with the Republicans in the Senate so you have once again an inside-the-party debate," Sen. Ron Wyden (D-Ore.) said. "I said to a friend this morning with apologies to the elephants: When the elephants lock tusks, it's never dull."

Instead of taking up the Senate's bill, the House will work on its own multiyear bill to fix the Highway Trust Fund when it returns in September. The two chambers will then iron out differences between the two pieces of legislation in a conference committee.

"We all want the House to have the space it needs to develop its own bill, because we all want to work out the best possible legislation for the American people in conference," McConnell said. "So we'll take up a measure this afternoon to give

them that space."

So for now, we live with the short-term extension. This Fall will once again spark debate in Washington as to long-term solutions for fixing the short fall in transportation.

When a tire registration provision was added to the Senate highway bill, SSDA-AT members mobilized quickly, contacting their Representatives in Congress and we would like to thank retailers for their overwhelming grass roots support. You made a difference. You told your story in a very honest and forceful way. Our effort is far from over. We suspect that the effort to pass this provision will continue and the need to reach out to legislators will continue.

SSDA-AT will continue to speak out in support of a long-term bill that adequately funds the highways in such a way that is not harmful and burdensome to our businesses.

The Convention is Coming!!

**Don't miss out - the Annual Convention
& Mega Show
will be in Ocean City, Maryland
September 10 - 12, 2015**

**Go to www.ssdA-at.com for more details, or call
Marta at 301-390-0900 ext 115**



Do you Know What a Commissioned Agent is? Find out at Murf's Turf Town Hall Meeting!

By Kirk McCauley, Director of Member Relations

This year Murf's Turf Town Hall Meeting at the annual Convention and Mega Show in Ocean City, Maryland, will cover a subject that every dealer should know as much about as he or she can, and that subject is Commissioned Agents (CA), AKA Management Fee.

The majority of the calls I get these days are from dealers asking me questions about Commissioned Agents.

I always answer - Basically a CA is a dealer that is paid a fee to collect payment of gas sales for the supplier. The Supplier owns the gas in the ground, and the supplier sets the gas price on the street.

For collecting the payment, and keeping islands and pumps clean, the dealer is paid a fee from the supplier and here is where the subject gets a little harder to define. There are many items that determine what that fee is, and it is different in each location due to volume, past history, credit card fees, cashier salary, lighting costs, competition, what the supplier has invested in location, if there is a car wash on site or can one be put on site, etc. Some new locations built (NTI) will only be leased as a CA site because of the size of investment. This is what is now trending and judging from past experience when these trends start and if successful they spread rather quickly.

This is not saying a supplier is going to require you to turn a station you are already in into a CA, but we are seeing more and more dealers switching over to CA for a variety of reasons. Looking at some of these NTI that have been built, you might want one of them or maybe your c-store does great or your bays but the gas - not so much.

The only thing I'm saying is you should know the facts - how am I protected if I go CA ? Do I lose

all my PMPA rights? Do other laws protect my business? WMDA/CAR attorney Harry Storm will be there to answer those legal questions. Harry Storm will also give you some history on the subject.

How about all the other questions you have for the distributors themselves? WMDA/CAR will have Mark Samuels from The Wills Group (SMO/PEH), Jay Tan from Carroll Fuel, Mike Harrington from PMG, and Steve Hull from Ewing Oil. These gentlemen will give you the answers to those questions from the supplier's perspectives

Please send me any questions you may have for the panel, and please keep the questions general - not site specific.

Be ahead of the curve and find out now what you need to know to make intelligent choices. You will not get this chance again to have 4 of the top people in the industry in the same room - and our own Harry Storm - to answer your questions. I will be the moderator at Murf's Turf Town hall Meeting, so send those questions in to me. I will also have forms for questions at Murf's Turf. See you there, Friday, September 11th at the ocean City Convention Center, room 217 from 2 to 4pm - before the Mega Show opens.



Explorers In Need of Cash Are Selling Oil Fields as Last Resort

Energy explorers reeling from the rout in oil prices are looking for liquidity in an obvious place: their rocks.

Having exhausted other ways to raise cash as a glut of global supply depresses prices, a slew of producers from Anadarko Petroleum Corp. to Comstock Resources Inc. announced more than \$2.4 billion in asset sales last month, according to data compiled by Bloomberg. Selling oil and gas fields to pay off lenders and fund new drilling – often a wildcatter’s option of last resort – is surging after a six-month lull.

There’s more to come – by one estimate, another \$20 billion this year – as executives at Occidental Petroleum Corp., Whiting Petroleum Corp., Penn Virginia Corp., Exco Resources Inc., Chesapeake Energy Corp. and Ultra Petroleum Corp. have all said in recent weeks that they are selling assets or exploring sales.

The surge shows how the industry’s two-pronged strategy for staying financially healthy since oil prices started tanking – raising capital while tightening belts – may not be enough, particularly for companies with a lot of outstanding debt. Bank regulators are getting nervous about the industry’s exposure to drillers, creating another incentive to sell assets.

“For the most part, lending banks have worked with their clients to provide temporary relief,” said Ron Gajdica, co-head of energy acquisitions and divestitures investment banking with Citigroup Inc. “That relief can’t go on forever.”

Energy companies tend to meet with their lenders to review their credit lines in April and October. While conversations were relatively painless

this spring they are likely to be more heated this fall, Gajdica said.

Sidelined Rigs

Until July, explorers were reluctant to sell assets because prices were so low. U.S. explorers sold \$6.8 billion of assets in the first half of 2015, a decline of about 76 percent from the year-earlier period, data compiled by Bloomberg show.

Instead, they negotiated lower fees from services providers while sidelining rigs and cutting employees.

The industry also issued record levels of new equity and debt during the first six months of the year. Investors looking for bargains amid a booming stock market plowed money into depressed energy stocks, betting that prices would rebound.

“We didn’t see the selloff of assets that we had expected” after oil prices collapsed, said Michael Darden, global chair of Latham & Watkins LLP’s oil and gas transactions practice. “We didn’t see that selloff because companies were able to tap capital markets.”

Limited Recourse

Now, the industry appears to be losing access to capital markets as investors retrench from the oil patch. U.S. explorers – which had announced at least \$1 billion in stock offerings every month in the first half of 2015 – raised just \$300 million selling shares in July, according to data compiled by Bloomberg.

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Explorers In Need of Cash Are Selling Oil Fields as Last Resort

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With capital-raising off the table and cost-cutting mostly done, companies have little recourse except to sell assets. In the past two months, Goodrich Petroleum, Comstock Resources and Whiting Petroleum have sold fields.

“It’s clear that the asset market has higher valuation right now than the equity market,” Michael Watford, chief executive of Houston-based Ultra Petroleum, said in a conference call with analysts to discuss earnings on July 30.

There is “a growing benefit” in selling assets to raise money for paying off loans or buying back shares, he said.

‘Tough’ Markets

Penn Virginia announced this week it had retained Jefferies Group to “evaluate strategic alternatives” for its assets in the Eagle Ford shale basin. The news came just days after the Radnor, Pennsylvania-based company ruled out raising cash by issuing debt.

Explorers In Need of Cash Are Selling Oil Fields as Last Resort

“The markets are pretty tough right now across the board,” Steven Hartman, the company’s chief financial officer, said in a conference call with analysts on July 30.

A rebound in dealmaking is good news for companies eager to buy good assets cheaply, such as Concho Resources Inc. and QEP Resources Inc. It could also bode well for U.S. private equity firms, which have raised an estimated \$100 billion to bet on shale.

“There may be opportunities as things continue to play out in the second half of the year and into 2016 to pick up low-cost assets out of the chaos that this commodity price environment is creating,” Charles Stanley, chief executive of Denver-based QEP, said in a conference call with analysts this week.

EnerVest Ltd., a Houston-based investment firm that specializes in buying and operating orphaned assets, projects that \$20 billion in asset sales could be announced in the U.S. in the next five months.

“We made a bid yesterday; we made a bid today,” John Walker, chief executive of EnerVest, said in July. “The market has changed.”



Senate Confirms Nadeau as FHWA Administrator

The Senate on Aug. 5 confirmed Greg Nadeau to be administrator of the Federal Highway Administration, a position he has filled on an acting basis or as deputy administrator either as deputy or acting administrator since Jan. 1, 2014.

That was when Transportation Secretary Anthony Foxx tapped former FHWA Administrator Victor Mendez to serve as acting deputy secretary for the Department of Transportation. The Senate confirmed Mendez as deputy DOT secretary in July 2014.

Nadeau's was one of more than two dozen nominations the Senate approved that day by voice vote.

Another was Marie Therese Dominguez to head the Pipeline and Hazardous Materials Safety Administration. She has been that agency's deputy administrator.

Nadeau was appointed FHWA deputy administrator in 2009, and worked closely with state departments of transportation on highway infrastructure development and funding.

Earlier, he worked in various positions at the Maine DOT from 2002 to 2009, including deputy commissioner.

Before that he was senior policy adviser to then-Gov. Angus King from 1995 to 2002, a policy adviser in the Office of the Senate President of Maine from 1993 to 1994 and had been a member of the

Maine House of Representatives from 1978 to 1990.

Bud Wright, executive director of the American Association of State Highway and Transportation Officials, said: "Greg Nadeau is a proven leader who knows first-hand how to run a transportation agency on the state and federal levels.

Greg is also a valued partner who has teamed with AASHTO to develop practical transportation policies, advance safety, and implement new cutting-edge technologies.

"We look forward to continuing our collaboration with Greg and the FHWA to make transportation in America stronger."

Maine's two U.S. senators, King and Susan Collins, issued a joint statement announcing his confirmation.

"Greg Nadeau is the right person to lead the Federal Highway Administration," they said. "He is a true leader whose experience and strength of character position him to lead this critical agency into the future. We are delighted the Senate unanimously approved his nomination and look forward to working with him to modernize America's highway system."



Greg Nadeau



Alaskan Governor Eyes Natural Gas as Climate Solution

Alaska Gov. Bill Walker wants natural gas development in his huge home state to take center stage in complying with the Environmental Protection Agency's emission rules for power plants, and will seek to raise his plans directly with President Obama.

The independent governor told the Washington Examiner that his energy/climate plan rests on natural gas development as the best way forward for his state to reduce energy costs and emissions under the EPA rules, which are the centerpiece of the president's climate change agenda.

The governor says he is hopeful he can raise his energy/emission plans when President Obama arrives in Alaska on Aug. 31 to address a special international conference on Arctic policy and climate change.

After the conference, the president will stick around for a few days through early September, when Walker hopes he will have a chance to talk to him about natural gas development. The most "significant issue" he would like to raise is the fact "we have more natural gas than any state, or any country around the world," he said. "Now [we're] working on ... ways to take it to market."

Lower emissions will be a favorable byproduct of increased gas development, he said.

The EPA rules, known as its Clean Power Plan, put states on the hook to reduce their emissions from existing power plants 32 percent by 2030. But Walker's state is unique, EPA said in finalizing the rules. The agency effectively exempted Alaska from the regulations until it can better evaluate its unique energy situation.

"EPA officials said they would start work soon towards setting goals for Alaska and the other islanded

states, but did not set a deadline for accomplishing this task," Walker's office explained in an Aug. 3 statement. Walker said Alaska's energy network is much different than most states.

"We aren't tied together with [one grid]" like most states, but "300 micro-grids" powered primarily by diesel generators, which are expensive to maintain and fuel.

Walker's plan is to use natural gas development on the North Slope of Alaska to transition the state "from diesel to natural gas," which will reduce emissions under the EPA plan, while also lowering costs for Alaskans.

Thus far, much of Alaska's bounty of natural gas — an estimated 35 trillion cubic feet, or about one and half times of all U.S. production in 2013 — has gone untapped. The main problem has been moving it to market, which Walker says will require both pipelines and liquefaction terminals, requiring approvals from Washington.

All of the options are expensive and will take years to implement.

Walker says he wants to work with the federal government ahead of EPA regulating Alaska to push the emissions plan. The governor says there has been "no impediment" from the government thus far. They have been "pretty darn cooperative," and Walker expects them to continue to be moving forward.



Motor Fuel Price Drop Continues Even as Some States Hike Per-Gallon Fees

The pump price for gasoline and diesel fuel declined again in the latest week - even in Washington state after an excise fee increase kicked in to help beef up transportation project funding.

Nationwide, the average price of gasoline fell 5.6 cents a gallon in the week ending Aug. 3 to \$2.689, said the U.S. Energy Information Administration. Diesel's average fell 5.5 cents to \$2.668.

The summer decline in motor fuel prices left consumers paying about 83 cents a gallon less for gas than at the same point in 2014, the EIA said, while commercial truckers and other users of diesel enjoy a pump price that is \$1.19 lower than a year ago.

As previously reported, six states increased their gasoline and diesel excise fees on July 1 under laws to generate more revenue from

roadway users to improve roads, bridges and other transportation structures.

And on Aug. 1, Washington joined in with a 7-cent hike in its motor fuel fees. That is the first in a two-step process that will also see a 4.9-cent increase on July 1, 2016, and is part of a broader revenue package to boost the state's infrastructure funding.

But the national trend of declining pump prices was strong enough to absorb the state's fuel tax increase without pushing up pump prices week to week.

The AAA motor club reported that as of Aug. 4 the average retail gasoline price in Washington was \$3.173 a gallon, down 1.3 cents from a week earlier. The average diesel price in the state on Aug. 4 was \$3.128, down from \$3.152, AAA said.



Maryland Highway Agency Begins Providing Contractors Free PDFs of Project Plans

The Maryland Department of Transportation's State Highway Administration eliminated fees it previously charged for printed versions of state highway construction engineering plans, and is now giving contractors free access to the electronic files.

Gov. Larry Hogan touted that as an example of him delivering on a pledge to make Maryland government more business-friendly and efficient.

Previously, the agency printed engineering plans and sold copies at the agency's Baltimore office to potential project bidders at prices ranging from \$15 to \$175, allowing it to recover printing costs.

But as of July 1 the SHA started providing free electronic plans online at e-Maryland Marketplace with project advertisements, letting contractors have instant access and saving them money and the time spent

going to the SHA office for paper copies.

The agency's announcement said using the PDF files also allows contractors to review plans as soon as projects are advertised, and share them with potential subcontractors and partners in preparing a bid.

"The e-plans improve efficiency for hundreds of businesses, increase competitiveness for the overall industry, and eliminate tens of thousands of pounds of paper usage," it said.

Hogan said past Maryland practices "made doing business with the state costly and cumbersome. By eliminating this bothersome fee and allowing contractors to download engineering plans from their computers instead of driving to Baltimore, we are helping businesses save time and money."

McConnell: Chemical Reform Could Get a Vote in the Fall

Senate Majority Leader Mitch McConnell (R-Ky.) said that an overhaul of federal chemical safety laws could come up for a vote when lawmakers return from their summer recess.

A Senate panel passed a bipartisan update of the Toxic Substances Control Act (TSCA) in April, and McConnell said in June that the bill could hit the floor this summer. But lawmakers never considered it before they left town for a five-week recess.

At a press conference, McConnell plugged "an incredibly productive first six months" for the Republican-controlled Senate. He said he's still considering a legislative schedule for this fall.

"The TSCA legislation is another example of something important that enjoys bipartisan support," McConnell said. "I'm going to continue to look for things that make a difference for this country, that can clear the Senate, a body that requires 60 votes to do most things."

The TSCA overhaul, a bipartisan bill from Sens. David Vitter (R-La.) and Tom Udall (D-N.M.), would increase penalties for chemical violations and direct the Environmental Protection Agency to review new and existing chemicals based on safety and public health grounds.

The bill has more than 50 co-sponsors, though it has not won the backing of Sen. Barbara Boxer (D-Calif.), the ranking member of the Environment and Public Works Committee. She has said the Senate should call up the House-passed TSCA bill instead.

If lawmakers reach a deal on chemical safety reform, it would be the first rewrite of the law since the 1970s.

Last month, Vitter and Udall pushed leadership to bring up the bill before the end of the summer, but debate on the Senate floor focused on highway funding, Planned Parenthood and a cybersecurity bill instead.

Gas Prices Low Thanks to American Oil Industry Ingenuity

By THE WASHINGTON TIMES

The good news is that it's been a year since the price of gasoline hit the skids. The even better news is that the price could stay down there for a long time. The oil "freight train," as it's called, is on a roll, and OPEC is on the ropes. American industrial ingenuity is taking consumers past the obstacles to affordable fossil fuels, including the obstacles President Obama throws down. In an era in when economic struggle seems to be the new normal, cheap gasoline is the one bright spot.

The average price of unleaded regular gasoline at the pump is \$2.58 a gallon — 26 percent less than a year ago, as calculated by the American Automobile Association's Fuel Gauge Report. In several low-tax states like South Carolina, gasoline averages less than \$2.20 a gallon and could fall below \$2. In tax-happy states like California, drivers are still suffering self-imposed pain at the pump, at \$3.56 a gallon.

The price at the pump has followed the price of crude oil on a downward spiral. International benchmark Brent crude has fallen from \$115 a barrel in June 2014 to its current level below \$50. A struggling global economy is partly responsible for slowing the demand for oil, and the success of hydraulic fracturing, or fracking, to tap heretofore unreachable shale-based deposits has boosted supply. Amidst the market upheaval, Saudi Arabia has conducted a price war to drive the U.S. oil industry underwater, to recapture the market dominance that Americans won last year.

It hasn't worked. Though the war has forced a decline in the number of operational U.S. oil rigs, from 1,608 to 664, fracking has led production to climb to its highest mark in 43 years. "The freight train of North American tight oil has kept on coming," Rex Tillerson of Exxon Mobil tells Ambrose Evans-Pritchard of the London Daily

Telegraph. The Saudis are considering borrowing \$27 billion to balance their budget, but they're still pouring their cash reserves into the domestic economy to make up for declining oil sales. The sandworm has turned.

President Obama gets no credit for the good fortune of American consumers. His stubborn opposition to the Keystone XL pipeline from Canada to the Gulf will surely persist, though his preference for green energy has not yet persuaded him to swap his gasoline-guzzling presidential limousine for a modest plug-in electric. He disappointed allies in the labor unions by keeping the ban on exporting American crude oil. Lifting the ban might make the price of gasoline to fall further.

Some legislators across the land are dizzy from the fumes of abundant gasoline. In July, legislators in the state of Washington approved an 11.9 cent a gallon gasoline tax increase on top of a 55.9 cent state tax. In Washington, D.C., however, Congress resisted the proposal to raise the 18.4 cent a gallon federal gasoline tax to replenish the depleted Highway Trust Fund.

Politicians who regard pennies as pocket trifles should remember that each additional penny in gasoline tax siphons \$1.5 billion from the economy, money that won't be spent on other necessities like food and clothing. Retrieving some of the savings that consumers got from the cheap oil, while suffering through years of flat wages, would be heartless indeed. The days when OPEC had America over an oil barrel are long gone, and that's good news in red, white and blue.

Chamber Ramping up Attacks on Ozone Rule

The business lobby is ramping up efforts to sack a controversial air pollution rule from the Obama administration.

The Environmental Protection Agency (EPA) is preparing to levy new ozone rules in October that are intended to cut down on air pollution around the country. Communities that don't comply with the ozone rules risk losing millions in federal funding for transportation and other projects.

Climate activists say the rules are essential to protect the planet, but business groups say it could be the most expensive regulation in history.

The National Association of Manufacturers – which estimates the ozone regulation will cost \$140 billion each year in lost economic growth and lead to 1.4 million fewer jobs – is launching advertising campaigns against the rule in places like Colorado and Washington, D.C.

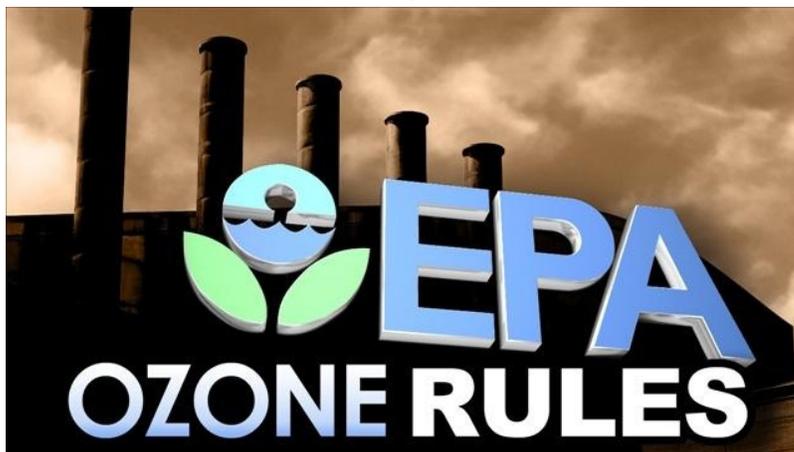
The U.S. Chamber of Commerce is also joining efforts to knock down the ozone rule.

The Chamber's Institute for 21st Century Energy is releasing a series of reports looking at the impact of the rule on local communities. In a report issued Tuesday, it claims the ozone regulation will reduce Nevada's gross domestic product by \$19 million between 2017 and 2040. This will lead to 6,000 fewer jobs each year.

Las Vegas could lose \$346 million in federal funds slated for 10 transportation projects between 2018 and 2019, according to the report.

The Chamber released a similar report last month looking at the impact of the ozone regulation on Washington, D.C. It found the District is at risk of losing \$511 million in federal funding for transportation projects between 2019 and 2020.

The EPA is looking to lower the air pollution limit to as low as 65 parts per billion from the current 75 ppb. This would force 331 new communities out of compliance with the rules, the agency estimates.



16 States Think The EPA's Emissions Rule Isn't Legal And They Shouldn't Have To Comply

The Clean Power Plan hasn't been out long, and 16 states have already formally requested that the Environmental Protection Agency (EPA) delay the rule.

The states, led by West Virginia, filed a letter with the department Wednesday asking for an "administrative stay" of the rule that requires all states to cut carbon emissions from stationary power plants. The finalized EPA rule calls for state-submitted plans by September 2018 (with an extension) and reductions beginning by 2022.

The rule gave states two extra years to submit their plans and to begin cutting emissions, over initially proposed timelines. If implemented on schedule, the rule will result in a 30 percent decrease in carbon emissions from the electricity sector, which currently accounts for roughly a third of emissions in the United States.

Wednesday's letter to EPA Administrator Gina McCarthy argues that the plan is not legal and that "absent an immediate stay, the [plan] will coerce the states to expend enormous public resources and to put aside sovereign priorities to prepare state plans of unprecedented scope and complexity." The letter requests a response by Friday.

The EPA intentionally left broad flexibility in the implementation plans, which means the states must come up with their own ways of reducing carbon, but are allowed to use their discretion in how best to manage it — including a carbon tax, investments in renewable energy sources, and multi-state trading systems. In 2009, the EPA issued an endangerment finding for greenhouse gases, which has led to this regulation under the Clean Air Act.

But while the fight to solve the climate crisis is a race against time, opponents to the CPP have identified various tactics to obstruct and slow the rule that would fatally delay it — and could make timely U.S. action on climate nearly impossible.

The letter is the first shot in what is expected to be a long salvo by states, industry, and congressional allies against the rule.

"This request is a necessary first step and prerequisite to confronting this illegal power grab by the Obama administration and EPA," West Virginia Attorney General Patrick Morrisey said in a statement. "These regulations, if allowed to proceed, will do serious harm to West Virginia and the U.S. economy, and that is why we are taking quick action to bring this process to a halt."

West Virginia was joined by Alabama, Arizona, Arkansas, Indiana, Kansas, Kentucky, Louisiana, Nebraska, Ohio, Oklahoma, South Carolina, South Dakota, Utah, Wisconsin, and Wyoming. Many of these states receive more than 90 percent of their electricity from coal, the most carbon-intensive source of electricity generation.

All but one of these states — Arizona — also joined an earlier lawsuit that sought to invalidate the Clean Power Plan before it was even finalized. A D.C. Circuit Court found in favor of the EPA, but when the final rule is entered into the Federal Register, the states will be able to pursue legal action again.

An EPA spokesperson told The Hill that the rule is legal and falls within the agency's discretion.

"These final guidelines are consistent with the law and align with the approach that Congress and EPA have always taken to regulate emissions from this and all other industrial sectors — setting source-level, source-category-wide standards that sources can meet through a variety of technologies and measures," Melissa Harrison said.

The CPP has been touted as the most aggressive action against climate change the United States has taken, and it comes at a critical time, just months before the United Nations Climate Change Conference in Paris in December. Scientists are increasingly saying that the world is nearing irreversible and catastrophic global warming. Reducing carbon emissions from power plants is a critical early step in helping the United States meet its overall goals — and could encourage other countries to act, as well.

Many states have reportedly already begun the planning process to begin to meet the goals of the plan.

LETTER TO THE EDITOR

Dear SSDA-AT,

It's time for Congress to do the right thing by American families and consumers—and the U.S. energy industry—and lift the 40-year-old ban on crude oil exports.

Look at what lifting the ban could do:

WHAT WILL EXPANDED
CRUDE OIL EXPORTS
DO FOR THE
UNITED STATES?

energynation

UP TO **300,000** ADDITIONAL JOBS
for American families by 2020, with a quarter
of the jobs not in crude oil producing states

INCREASED ENERGY SECURITY

REDUCED COSTS TO CONSUMERS

UP TO \$70 BILLION EXPANDED INVESTMENT

That's right - 300,000 additional jobs by 2020, \$38 billion added to our economy, and a \$22 billion reduction in the U.S. trade deficit!

Adding jobs and revenue to our economy brings us one step closer to American energy security. And now with U.S. officials considering a deal to allow Iranian crude exports, it's time we stop holding ourselves back.

We've ignored the huge potential economic and employment benefits of exporting crude oil for far too long. Tell your Members of Congress today—[lift the U.S. crude oil export ban!](#)

Thanks,

The Energy Nation Team

Kentucky Agency Joins E-ZPass, Getting Ready for Tolling on Bi-State Bridges

The Kentucky Public Transportation Infrastructure Authority voted July 29 to join the E-ZPass Group's electronic toll payment program, saying that will benefit future toll system users of the Louisville-Southern Indiana Ohio River Bridges project.

With an E-ZPass transponder, tolls can automatically be paid on any toll road or bridge operated by any member agency of the multi-state E-ZPass Group.

"Electronic toll collection is the most cost-effective system available to motorists for paying for the use of tolled highways and bridges," said Kentucky Transportation Secretary Mike Hancock, who also is KPTIA chairman.

"All E-ZPass toll facilities offer transponders that are interoperable - meaning that a single transponder will work for any and all E-ZPass

systems," Hancock said.

The KPTIA is financing the Downtown Crossing portion of the project, which is building a new bridge to carry Interstate 65's northbound traffic between Louisville and Jeffersonville, Ind., and convert the existing I-65 John F. Kennedy Memorial Bridge to carry southbound traffic.

Indiana is building the other half of the project - the East End Crossing between Prospect, Ky., and Utica, Ind.

Toll revenue will help finance all three crossings, and E-ZPass transponders can be used for all three. Tolling will begin in late 2016 and will be completely electronic, with no toll plazas, no coin buckets and no lines of traffic at pay stations.



Gov. McCrory Appoints Tennyson as North Carolina Transportation Secretary

North Carolina Gov. Pat McCrory announced Aug. 6 that he had appointed Nick Tennyson as secretary of the state Department of Transportation, effective immediately.

A former two-term mayor of Durham, Tennyson had been [NCDOT's chief deputy secretary since March 2013](#), and became acting secretary July 28 with that day's resignation of former secretary Tony Tata.

"Nick Tennyson is the perfect choice to continue the momentum we have made in North Carolina's transportation strategy," said the governor. "He has been involved in planning all of our key transportation strategies over the last two and half years, and is equipped to hit the ground running to continue our progress."

Tennyson was Durham's mayor from 1997 to 2001, and was executive vice president of the Home Builders Association of Durham, Orange and Chatham counties from 1995 until 2013 when he was appointed NCDOT's deputy secretary.

McCrory cited Tennyson's experience in making him the agency's permanent CEO, including his mayoral terms during what the governor said were "some challenging times" for the state's transportation system. And, McCrory said, "he served on the Metropolitan Planning Organization for his region, which

often tackled transportation issues."

Tennyson said: "We've accomplished many great things over the past 32 months with our incredible NCDOT team, and we look forward to continuing that momentum to better connect North Carolina and provide a safe and reliable transportation network for our citizens."



Nick Tennyson



Minnesota Agencies Direct Millions in Grants at Projects That Boost Economy

The Minnesota Department of Transportation and the Department of Employment and Economic Development are taking applications through Sep. 25 for \$30 million in annual competitive grants for infrastructure projects that support key industries and boost the state economy.

That 2015 Transportation Economic Development program allows Minnesota cities, counties and other government entities to seek matching funds for transportation infrastructure projects that "help meet the state's transportation and economic development needs by creating and preserving well-paying jobs and leveraging private and local investment in transportation infrastructure," the agencies said.

The \$30 million includes \$28 million in MnDOT trunk highway funds and \$2 million of DEED general obligation bond funding. The grant awards will be split between projects in greater Minnesota and the Twin Cities area of Minneapolis and St. Paul.

"There's been a great amount of economic development throughout the state because of this program," said MnDOT Commissioner Charles Zelle. "Transportation investments can create new jobs and spur economic growth in our communities."

DEED Commissioner Katie Clark Sieben said: "Roads, bridges and other transportation infrastructure are vital to the economic health of Minnesota. This innovative collaboration between DEED and MnDOT recognizes that transportation investments and economic development go hand in

hand."

To be eligible, the infrastructure projects must support one or more of several industries, including manufacturing, technology, warehousing and distribution, research and development, agricultural processing, bioscience, tourism/recreation and industrial park development.

Since 2011, that program has awarded more than \$77 million in grants to 28 projects, and helped leverage nearly \$120 million in local government and private funding.

A TED program solicitation website has a complete list of eligibility guidelines, but the agencies said projects will be selected for grants on the basis of transportation impact, statewide economic impact, financial plan and project readiness.



Scammers Pose as Sheriff's Officers to Scare Victims Out of Their Money

There is a scam going around right now intended to scare you out of some cash and it uses law enforcement to make it seem more realistic. A caller spoofs the phone number of the Sheriff's Department and tells the potential victim there is a warrant out for his or her arrest.

The most important piece of information to know is that no deputy or employee of the Sheriff's Department or law enforcement in general will call members of the public to demand payment for an outstanding warrant. In fact, an arrest warrant authorizes the arrest and detention of someone. It does not involve the arrest and detention of your money.

Scammers will use any means possible to try to trick people into giving them cash, credit card details, or send wire transfers or pre-paid debit cards. There are some indicators to listen for to determine if it is a scam and in this particular case, the caller will give reasons for the warrant as failure to appear for jury duty or failure to pay taxes. Some flags to listen for include:

- The caller is overly pushy or aggressive
- You are threatened with jail time or will have your driver's license taken away if you don't pay
- The caller gets very angry if you refuse to believe the story he or she is giving
- The form of payment is pre-paid card and they ask you to give them the card number via phone or they request payment by wire transfer
- They attempt to prevent you from verifying their information
- And the number one indicator is that you have not done anything against the law

Some tactics the callers are using to try to be more convincing are to use the name of an actual Sheriff's Department employee, give the phone number of an actual Sheriff's station, and/or have some information about you such as your birthdate or a former address. Due to all the breaches lately, most people have personal information currently for sale on the darkweb.

If you get this type of call, don't linger or give them any information. Just hang up the phone and report it to your local law enforcement and file a complaint with the Federal Trade Commission (FTC). There is a form on the FTC site.



LEGISLATIVE UPDATE

Continued from page 1

ries are \$23,660 or less automatically qualify for overtime pay if they work more than 40 hours in a week.

Currently, the Fair Labor Standards Act states that employees throughout the United States are entitled to overtime pay when they work more than 40 hours a week, but the law exempts a class of “white-collar” employees from earning overtime.

In order to prevent businesses from simply naming every employee a manager or supervisor to avoid paying overtime, the law also sets a minimum salary threshold of \$23,660, under which an employee must be paid overtime, regardless of his or her title and duties.

Currently, the overtime regulations do not provide an exemption for small businesses, and the rule will also apply to non-profits. Any enterprise with an annual gross volume of sales made or business done of \$500,000 is currently and will likely continue to be required to pay overtime.

Of great concern to WMDA/CAR members, and to the industry at large, the proposal would apply to managers and assistant managers.

The Obama administration says the proposed changes would affect an estimated 5 million workers nationwide. The new overtime regulations would cover about 40% of the country’s full-time salaried workforce, officials say.

In a recent conference call with reporters, Labor Secretary Thomas Perez said the new rules could add as much as \$1.3 billion nationwide to workers’ pockets.

The proposed resolution to be considered on September 11, would clearly spell out the Association’s opposition to the proposed rulemaking.

Social Legislation Intended to Strengthen Working Families

The second resolution targets the White House Council on Economic Advisers report to promote issues concerned with paid leave, increasing the minimum wage, equal pay, workplace flexibility, and child care to “strengthen working families across America”. Specifically, lawmakers are being urged to support legislation in these areas.

President Obama has called on Congress to pass the Healthy Families Act (allowing millions of Americans to earn up to 7 days

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per year of paid sick time), to amend the Family and Medical Leave Act (allowing workers to take up to 12 weeks of paid time to care for a new child, to recover from a serious illness, or to care for an ill family member), to assist states in building new administrative infrastructure to launch paid leave programs, to take action to modernize federal parental leave policy, and to raise minimum wage.

Roy and I, on the Federal level, are spending more and more time responding to these legislative proposals.

The second resolution asserts that the Association will oppose legislation that will cause economic hardships on its members.

SSDA-AT is an unusually open Association. You have an opportunity to set policy that impacts your bottom line. Make your opinions known. Be a part of the process.

There are so many opportunities at the annual convention and Mega Trade Show to improve your business, to meet with suppliers, to better understand legal and political trends, and to preserve and

strengthen your profitability. Participate in the process. Impact association policy. Be active to do what makes the best policy for you and for the future of your business.



**For More
Information
on SSDA-AT, or the
2015 Convention
& Mega Trade Show
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www.ssda-at.com**





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