SSDA SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

SSDA News

Service Station Dealers of America and Allied Trades

VOLUME 30, ISSUE 11 DECEMBER, 2016

INSIDE THIS ISSUE:

What a Trump Presidency Looks Like for the Industry

By Roy Littlefield

Donald J. Trump will be the 45th President of the United States of America. The President-Elect plans to focus his time in office on cutting regulations, boosting energy exploration, and adopting a far more aggressive trade-enforcement posture. Trump will propose a tax plan that would boost economic growth through a series of tax cuts. He has also pledged to reverse many of President Obama's executive orders.

So what does this mean for our industry? Let's take a look at a series of issues and how they might play out under a Trump administration.

Estate Tax

Under current law, if you die with an estate valued in excess of $5.45 million, you pay a tax of 40% on the excess value.

The Trump Plan will repeal the death tax, but capital gains held until death and valued over $10 million will be subject to tax to exempt small businesses and family farms. To prevent abuse, contributions of appreciated assets into a private charity established by the decedent or the decedent's relatives will be disallowed.

President-Elect Trump claimed throughout his campaign that he will fully repeal this tax. With a Republican Congress, he should be able to accomplish this. Last year, the House passed a bill calling for full repeal but the democratic controlled Senate never voted on the bill.

The estate tax would have never stood a chance of passing with a newly elected democratic Senate or President but with the entire legislature in control by the Republicans, repeal is a real possibility once again.

Tax Plan for Individuals

As far as individual taxes, Trump highlights the following plans to benefit all Americans:

-Reduce taxes across-the-board, especially for working and middle-income Americans who will receive a massive tax reduction.

-Ensure the rich will pay their fair share, but no one will pay so much that it destroys jobs or undermines our ability to compete.
-Eliminate special interest loopholes, make our business tax rate more competitive to keep jobs in America, create new opportunities and revitalize our economy.
-Reduce the cost of childcare by allowing families to fully deduct the average cost of childcare from their taxes, including stay-at-home parents.

Obamacare

Trump claims that one of his first acts in office will be to repeal and replace Obamacare. Trump believes every American deserves access to high quality, affordable healthcare, not just insurance. He adds that no person should be required to buy insurance unless he or she wants to. In many respects, Obamacare has failed on cost and quality to American citizens.

Trump calls for a patient centered healthcare system that allows families and their doctors to be primary decision makers. Trump also calls for the sale of health insurance across state lines in an attempt to increase competition and lower costs. To add, Trump's system would allow individuals to fully deduct health insurance premium payments from their tax returns under the current tax system. It would also

allow individuals to use Health Savings Accounts (HSAs). As well as, require price transparency from all healthcare providers, especially doctors and healthcare organizations like clinics and hospitals. His plan would also

Continued on page 19

What to Watch in Oil When Trump Moves Into the White House

Some U.S. oil policies are likely to shift significantly when Donald Trump assumes the presidency next year. While details remain sketchy, he's highlighted a number of areas where he differs significantly from current policy.

Relations with the Middle East and OPEC

Donald Trump has been critical of both Saudi Arabia and Iran during the campaign. He said that he was not a "big fan" of the Saudi government in a 2015 appearance on NBC's "Meet the Press" and told the New York Times in March that he might stop buying oil from Saudi Arabia and other Arab countries unless they committed ground troops to combat Islamic State or reimbursed the U.S. for its efforts.

Trump is also opposed to the nuclear deal with Iran that unlocked the country's oil exports. He said in a speech to the American Israel Public Affairs Committee in Washington in March that his "No. 1 priority is to dismantle the disastrous deal with Iran." While tearing apart the accord is "technically possible," it is "extremely unlikely" that the other world powers that negotiated with Iran alongside the U.S. -- China, France, Russia, the U.K. and Germany -- "would follow our lead," U.S. Energy Secretary Ernest Moniz said in April.

Speaking at the Williston Basin Petroleum Conference in Bismarck, North Dakota in May, Trump also promised independence from the Organization of Petroleum Exporting Countries, although he didn't elaborate on how that would be achieved.

Keystone Boost

At a press conference prior to the North Dakota event, he said he would approve TransCanada Corp.'s proposed Keystone XL oil pipeline, in return for the people of the

United States being given "a piece, a significant piece of the profits."

Trump has also pledged to renegotiate or terminate the North American Free Trade Agreement, which limits the cases in which Canada can restrict energy exports to its southern neighbor. Ending that agreement could leave the U.S. more open to disruptions to supplies from Canada, although this seems unlikely given the country's lack of alternative export options.

Support for U.S. oil

At the same North Dakota press conference , the president elect said he would remove any restrictions on U.S. energy exports and that he would support hydraulic fracturing, although he didn't elaborate on either.

Trump's victory will support U.S. oil and gas production, with less regulation on exploration and a lifting of drilling restrictions in certain locations, Goldman Sachs Group

Continued on page 3

What to Watch in Oil When Trump Moves Into the White House

Continued from page 2

Inc. analysts including Damien Courvalin and Jeffrey Currie said in a Nov. 9 report. His support for the U.S. shale oil and gas industry has not been unequivocal, though.

Trump had earlier caused concern among energy executives in Colorado when he said in July he supported letting local residents vote on fracking bans. In a statement after a meeting with oil executives in Denver last month, Trump's campaign said he supports "safe hydraulic fracturing" and "energy production on federal lands in appropriate areas."

"America is sitting on a treasure trove of untapped energy —- some $50 trillion dollars in shale energy, oil reserves and natural gas on federal lands, in addition to hundreds of years of coal energy reserves," Trump said during a keynote speech at the Shale Insight conference in Pittsburgh, a summit of natural gas producers. "I am going to lift the restrictions on American energy and allow this wealth to pour into our communities."

Wider Policies

Trump said he would open federal lands for oil and gas production, and free up offshore areas to energy development.

The biggest impact on crude markets may not come from Trump's oil policies at all given the importance of decisions that influence wider economic development, trade, and international relations.

He pledged during his victory speech to double economic growth during his tenure. That would imply annual expansion of 3 percent, a level last exceeded in 2005.

Against that, he's questioned climate-change science and vowed to withdraw from the Paris agreement to limit global warming, measures that would potentially redefine the nature of global energy consumption if coal returns as a growth fuel for power generation.

Lastly, observers including UBS AG and Nordea are now considering whether the U.S. will become more protectionist. Before the vote, Trump said China was a "grand master" at currency manipulation and was stealing American jobs.

He threatened punitive tariffs of up to 45 percent on the country's imports.

One U.S. State Where Natural Gas Output Is Still Going Strong

As U.S. natural gas production slows amid cost-cutting, one U.S. state is bucking the trend.

Gas output from Ohio, home to the Utica shale formation, jumped 13 percent in August even as supplies dropped across the bulk of the U.S., including the neighboring Marcellus play in Pennsylvania. Chesapeake Energy Corp., Rice Energy Inc. and Gulfport Energy Corp. drilled most of the new wells in the state, data from Bloomberg Intelligence show.

Producers are doubling down on Ohio amid speculation that gas flows from the Utica will eventually rival output from the Marcellus, America's biggest shale reservoir. An energy price rout earlier this year strained explorers' balance sheets, prompting drillers to refocus their efforts on regions that yield the most fuel at the lowest cost.

Ohio accounted for about 5 percent of U.S. gas supply in August, up from less than 2 percent for the same period in 2014, U.S. Energy Information Administration data show. The initial volumes of gas flowing out of wells in the Utica are climbing as operators improve well designs to extract more fuel, said Andrew Cosgrove, an analyst at Bloomberg Intelligence. The number of wells brought online in the play has risen versus a drop of 30 percent to 40 percent in the Marcellus, he said.

"If new wells coming online in the Utica flat-line at best, you can expect to see more gains," he said.

Top Trump-Backing Senator Declares the Trans Pacific Partnership 'Dead'

Alabama Sen. Jeff Sessions asserted that a massive trade pact backed by both Congressional GOP leaders and President Barack Obama has no longer has a shot of passing—whether in the post-election "lame duck" session this fall, or any time next year.

Speaking to the Observer at Donald Trump's election night party, Sessions argued the opposition of both presidential candidates to the Trans Pacific Partnership has precluded its passage. The TPP would eliminate an array of barriers to commerce between the United States, Australia, Japan, Vietnam, Chile and a host of other Pacific Rim countries.

"I think the TPP is dead, and there will be blood all over the floor if somebody tries to move that through the Congress any time soon," Sessions said. "Both candidates opposed it, Hillary Clinton and Donald Trump."

Trump has been a constant critic of free trade, but also manufactures most of his own branded product lines in foreign countries. Clinton supported and helped coordinate the TPP as secretary of state, but opposed it as a candidate—under pressure from her populist primary rival, Vermont Sen. Bernie Sanders.

Most of New York's congressional delegation, Republicans and Democrats alike, has come out against the deal. The biggest exception is Queens Congressman Gregory Meeks, a Clinton and Obama ally, who was a founding member of the "Friends of the TPP Caucus" in the House.

SSDA-AT Offers Continued Support to SEMA: RPM Act

Recognizing the Protection of Motorsports Act of 2016, RPM Act, S. 2659
Get Involved - Click Link Below to Send Letter

Converting a vehicle into a dedicated racecar is part of American heritage. Until now, it has been an unquestioned practice by enthusiasts, industry and regulators that has worked harmoniously with previous application of the Clean Air Act.

The Recognizing the Protection of Motorsports Act of 2016 (RPM Act), introduced by, U.S. Representatives Patrick McHenry (R-NC), Henry Cuellar (D-TX), Richard Hudson (R-NC), Bill Posey (R-FL) and Lee Zeldin (R-NY) will address any doubts regarding regulation of racecars and give the public and racecar industry much-needed certainty regarding how the Clean Air Act is applied.

Problem: In July 2015, the Environmental Protection Agency (EPA) issued a proposed rule that would:

- Prohibit the conversion of emissions-certified vehicles into racecars.
- Make it illegal to sell any emissions-related parts for those cars.

The EPA contends this is "tampering" and that a vehicle is forever a "motor vehicle" subject to the Clean Air Act, even if it is unregistered, the license have been plates removed and the vehicle is never driven on the highway.

Solution: The Recognizing the Protection of Motorsports Act of 2016 (RPM Act):

- Confirms that it has always been Congress' intent that racecars are not included in the Clean Air Act's (CAA) definition of "motor vehicle."
- Makes clear that it has always been legal to modify a street vehicle into a racecar used exclusively at the track.
- Confirms that modifying these vehicles for exclusive track use would not be considered tampering.

To send a letter to Congress supporting the RPM Act click here:
https://www.votervoice.net/SEMA/campaigns/45394/respond

The letter reads as follows:

Dear Congressional Member:

As a constituent, I respectfully request that you support H.R. 4715/S. 2659, the Recognizing the Protection of Motorsports Act of 2016, RPM Act, which protects our rights to convert an automobile into a racecar used exclusively at the track.

Modifying a vehicle and converting it into a racecar is an integral part of our American automotive heritage. It has brought joy and jobs to millions. In fact, NASCAR was founded in 1948 on the premise that ordinary street cars could be converted into racing machines. Today, there are a myriad of racing events all over the country, with participants that range from professionals to novices using vehicles that have been modified for racing use.

However, this time honored tradition is now under threat by the U.S. Environmental Protection Agency, EPA. The EPA has stated that it is illegal to convert street vehicles into race-only vehicles. Although the EPA agreed to withdraw problematic language concerning racing vehicles from an ongoing, unrelated rulemaking, the agency's position against street-to-race conversions has not changed.

Under the Clean Air Act, Congress never intended for the EPA to regulate vehicles built or modified for competition use only. However, the EPA is now attempting to circumvent Congressional intent without proper statutory authority.

Please support the RPM Act in order to provide certainty to the racing community and to protect the right to modify a motor vehicle for race purposes.

We will act on this bill in the next session.

Overtime Regulations

Throughout his campaign Donald Trump promised to "get rid" of many of the regulations that were implemented during the Obama Administration. Trump coming into office with this promise and a Republican majority in the House and Senate brings into question the future of a number of regulations – including the new overtime regulations that are set to go into effect on December 1, 2016.

That said, the process for eliminating or changing regulations is far more complex than campaign talking points often suggest. Moreover, as to the overtime regulations specifically, it is unclear whether a Trump Administration will have the incentive or time.

Here are the key points as to where things stand.

The new overtime rules are set to go into effect on December 1, 2016. There is currently a case pending in federal court in Texas challenging the new overtime rules (Plano Chamber of Commerce v. Perez). The judge in that case will be issuing a decision next week as to whether he will grant a preliminary injunction that would temporarily stay the immediate implementation of the new overtime rules. Most experts who have been following this case believe that there is a solid chance that the request for an injunction will be denied. That said, at the end of October, another district court judge in Texas issued a temporary injunction staying a big DOL government contracting regulation that was set to go into effect the next day, so a last minute injunction as to the overtime rules is certainly not outside the realm of possibility.

Assuming that no injunction is issued, the regulations will go into effect on December 1, 2016. President Obama would certainly veto any bill that Congress passes before then to repeal the rules and there are not enough votes to override such a veto. That said, there is currently a Democrat-sponsored bill pending in the House (H.R. 5813) that would amend the new overtime rules to phase in the new salary threshold and eliminate the provision to automatically update the threshold every three years. With the Trump victory it is unclear whether the Democrats will still be interested in supporting such a compromise or if the Congressional Republicans would be interested in anything short of a complete repeal.

Again, assuming that no injunction is issued, the overtime regulations will be in effect for fifty days before Trump even takes office. Every day that the regulation is in effect and that businesses do not comply with the regulation is another day for which a misclassified employee can claim overtime. In other words, by the time Trump takes office, most businesses will have already reclassified employees or increased employee salaries and employees will have seen the effect of these changes. From a political perspective, this may make it more challenging, and less palatable, for a Trump Administration to move for a full repeal. This is particularly true in light of the fact that much of Trumps success was due to support from blue collar and working class people, a group that is expected to benefit from the new rules.

Unlike executive orders, final regulations – that is all final regulations, not just the overtime regulations - cannot be changed simply with the flick of a pen. The ability to change regulations is limited by the Administrative Procedure Act (APA).

Under the APA, to change a regulation, an agency must make a determination that a change is necessary, propose the change and open the change up for public notice and comment. In general, this means that the agency must provide the public with sixty days after it proposes a regulatory change to comment on the changes and the agency must then give consideration to those comments. The APA only allows agencies to issue rules without engaging in the notice and comment period if the agency shows that there is good cause for the immediate issuance of the rule and that the notice and comment requirement would be "impracticable, unnecessary, or contrary to public interest." In short, there must be a real and time sensitive threat for an agency to avoid notice and comment, not simply a strong motivation on the part of the Administration to get something done quickly. Once notice and comment is complete, the agency can issue a final regulation. Absent good cause, the effective date of the final rule must be at least 30 days after its issuance.

In summary, even if the Trump Administration issues a proposed rule to change or repeal the overtime rules on Trump's first day in office (which is

Continued on page 7

Overtime Regulations

Continued from page 6

very unlikely), it would be at least another 90 days before the rule could be finalized. Thus, realistically, even if changing the overtime rules is Trump's #1 priority (which it does not appear to be), absent court or congressional action, by the time the overtime rules could be changed through regulation, they would have been in effect for almost half a year.

In theory, Congress could pass legislation to eliminate or force a change of the new overtime rules. However, while they hold the majority in both chambers, the Republicans do not have a filibuster proof majority in the Senate. Thus, Republicans would need Democratic support to get a bill like this passed. While, as discussed above, the Democrats may be willing to support certain changes to the new overtime rules, there is little to no chance that the Republicans would be able to get enough Democrats to support a repeal of the overtime rules to avoid a filibuster.

While applicable for the overtime rules, this need for 60 votes in the Senate for the regulation to be changed will not be true for all of the regulations issued by the Obama Administration. Under the Congressional Review Act (CRA), Congress has sixty legislative days (i.e. days that they are in session) after the issuance of a final regulation in which it can pass a resolution of disapproval by a simple majority to overturn the regulation. That resolution is then either vetoed or approved by the President. This means that the 60 day review period for regulations issued at the end of an Administration can carry over to the next Congress with a different president deciding whether to veto or approve the resolution. Since the CRA's passage in 1996 only one regulation has been repealed through this approach.

It remains to be seen exactly how many days the Congress will be in session before January 20. However, based on rough calculations the practical reality of the CRA means that any Obama Administration regulation that was issued after approximately May 31, 2016 can be subject to a resolution of disapproval by a simple Republican majority and approved by Donald Trump. Fully aware of this deadline, many of the Obama Administration's biggest regulations, including the overtime regulations, were issued well before May 31. However, there are more than a hundred regulations, including the regulation on mandatory paid sick leave for government contractors that, under the CRA, can be subject to review by the next Congress.

As noted above, in light of the populist message that helped carry him to victory, it is unclear how eager Donald Trump will be to fully repeal the new overtime rules. While Trump has made many general statements about eliminating Obama Administration regulations, he has never specifically stated an intent to eliminate the new overtime rules. The only definitive thing that Trump has said about the new overtime rules is that he believes that there should at least be an exemption for small businesses.

Technically, the overtime rules do already have an exemption for small businesses. The Fair Labor Standards Act (FLSA), which is the law from which the overtime rules stem, only applies to employers with annual sales of $500k or more or who engage in interstate commerce. Thus, businesses with annual sales of under $500k that do not engage in interstate commerce are not subject to the new overtime rules. However, in our digital inter-connected economy it is very difficult to find any business that is not engaged in interstate commerce. Thus, a "real" exemption from the overtime rules for small business would be welcome inasmuch as a company with sales under $500k is a very small business.

Should Donald Trump not seek a full repeal of the overtime rules (which would put him at odds with many members of his party who have called for full repeal), the three changes to the overtime rules which we are most likely to see are (1) an exemption for small business, (2) the elimination of the provision to automatically update the salary thresholds every three years, and (3) either a phase in or a reduction of the new salary threshold. As noted above, the second and third of these are items that have been supported by Democrats, meaning, theoretically they could get passed without much of a fight from the left (though they might face opposition from an all or nothing coalition on the right).

It is interesting to note that during his first presidential campaign, President Obama promised to repeal many of the Bush Administration regulations. However, President Obama ultimately ended up changing just a small fraction of the Bush era regulations even though the Democrats controlled the House and Senate in his first years in office.

Oil, Gas Important in Ways Other Than Use as Fuels

The development of the Marcellus and Utica shale has put the tri-state region and the Appalachian basin in an enviable position. This region is now one of the world's largest producing basins, which has helped make the United States the leading producer of oil and natural gas in the world.

Aside from being the source of fuel and energy, the oil and natural gas industry provides the feedstock materials needed to create many of the products we use in our everyday lives. Without this industry, many modern conveniences would not exist, including the ability to light, heat and cool our homes.

More than 6,000 common products contain refined oil and natural gas. These include shoes, clothing, electronics, toys, pharmaceuticals, cosmetics and many other items the majority of us consider essential for modern life. The components that make up these items, such as plastics, fabrics and rubber, are derived from oil and natural gas. Without these natural resources and the ingenuity to develop and utilize them in a responsible way, life as we currently know it would not be possible.

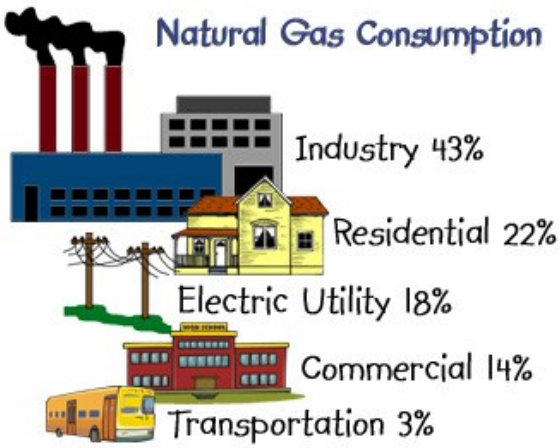
Even modern medicine relies on products dependent on oil and natural gas. Many of the items used in hospitals, doctor's offices and pharmacies are created using plastics, rubber, chemicals, and other materials derived from oil and natural gas. Some of these include the capsules and bottles in which our medications are contained, anesthetics, antiseptics, synthetics, surgical and x-ray equipment and artificial limbs.

As is evidenced by these examples, oil and natural gas have made a huge impact on the quality of life for Americans (and everyone around the world). It not only provides the fuel for our vehicles and energy for our homes, but also a great deal of the products we come in contact with on a daily basis.

In today's society, most of us cannot imagine going for one day without a cell phone or a laptop. A strong oil and natural gas industry grants the medical, chemical and manufacturing sectors the opportunity of long-term sustained competitive advantage, leading to innovation, jobs growth, tax base improvement, and economic development in our region.

It's important to realize the many contributions the oil and natural gas industry has made to our lives.

We should remember to not take the conveniences, necessities and luxuries made possible by oil and natural gas for granted, and continue to develop our resources for the benefit of future generations.



U.S. fracking sand firms boost prices in sign of shale recovery

U.S. producers of sand used to extract oil from shale are raising prices due to stronger demand, a sign higher oil prices are improving the outlook for the domestic fracking industry.

U.S. shale oil companies, which pump sand into oil wells to make them more efficient, were ravaged by a 2014 global crude glut that hammered prices from more than $100 a barrel to near $26 in February 2016. Dozens fell into bankruptcy.

However, publicly traded sand companies have pulled thousands of rail cars out of storage after oil hit a one-year high in October, thanks to rising demand, according to recent earnings calls and interviews. Sand companies idled half of the roughly 125,000 frac sand cars they had in service in 2014 after oil plunged, experts said, but nearly all are expected to return to service by 2018.

Companies including Chesterland, Ohio-based Fairmount Santrol Holdings Inc; U.S. Silica Holdings Inc of Frederick, Maryland; Southlake, Texas-based Emerge Energy Services LP; and Hi Crush Partners LP in Houston all saw increased business in the year's third quarter.

Smart Sand held its initial public offering on Friday in another sign of industry confidence.

Rangeland Energy LLC, a privately held logistics company in Sugar Land, Texas, that unloads sand from rail cars to put onto trucks, is eyeing expansion to handle more volumes, said Patrick McGannon, vice-president for business development.

"We'll have three more sets of three silos," he said of the company's sand storage facilities, which take months to set up. He said that will more than double current capacity, which is 26,000 tons of storage, according to the company's web site.

Hi Crush had just over 600 rail cars in storage at the end of the year's third quarter, down from about 1,900 six months ago, chief financial officer Laura Fulton said on an earnings call on Nov. 1.

"What a different picture we see from just six months ago," she said, adding that Hi Crush expects double-digit volume increases in the fourth quarter.

While the increase in sand volume represents a ramp-up of U.S. activity, it does not necessarily correlate with improved global oil demand, said Credit Suisse analyst Charles Foote. Fracking is unique because the sand is instrumental to the process, unlike other types of drilling. "It's a good little pocket of positive activity, but I don't think you can extrapolate it much," he said.

Still, in increasing prices, sand companies are betting on an improving outlook for the oil industry, said Scott Cockerham, managing director at the consulting firm Huron. "It's a very symbiotic system," he said.

However, of late, crude prices have dipped from their recent highs near $52 a barrel; U.S. crude futures on Friday were trading at $43.87 a barrel, a six-week low.

The United States has 450 active drilling rigs, according to oil services company Baker Hughes Inc. It has been steadily rising from a six-year low of 316 reached in May.

"Our customers are talking about actually adding some crews even in Q4 and certainly adding crews into Q1 2017," said Rick Shearer, chief executive of Emerge.

"We're very bullish, going forward, that our volumes and our pricing will continue to build."

Investors splurge with $28 billion in U.S. driller stock sales this year

Wall Street investors have poured an unprecedented sum of cash into U.S. drillers this year, providing cover from low prices and a chance to rearrange the board in oil-rich West Texas and Oklahoma.

Oil extraction companies like Anadarko Petroleum Corp., RSP Permian and Oasis Petroleum have collected $28 billion in more than 60 secondary stock offerings this year, outpacing every other industry group except real estate investment trusts.

The latest batch of deals, more than a dozen in the past two months, includes Rice Energy's $1.2 billion raise and Concho Resources' $1.4 billion raise. Anadarko has collected the highest amount this year, drawing $2.2 billion from investors in September, to help fund its acquisition of property in the Gulf of Mexico.

In fact, most of the cash drawn in the second half of the year, about $14.6 billion so far, have been tied to company efforts to snap up land, largely in the Permian Basin in West Texas, in the Scoop and Stack plays in Oklahoma and in the Appalachian region. The influx of fresh capital for mergers and acquisitions is another sign the industry plans to ratchet up drilling activity next year.

"Companies making an acquisition have to get rigs on it to make it worthwhile," said Pearce Hammond, an analyst at Simmons & Company International in Houston, a Piper Jaffray subsidiary. "The worst thing they could do is not drill for a couple of years. Investors don't want to hear that."

Simmons & Co. believes U.S. oil producers could hike domestic oil field spending 37 percent next year if crude prices hover around $50 a barrel. Whether oil prices can stay afloat largely hinges on a decision by the Organization of the Petroleum Exporting Countries due at the end of the month.

If Saudi Arabia and other large oil-producing nations can agree on how to curb global oil supply, shale drillers may be "off to the races" next year, Hammond said. "If OPEC doesn't go the right way, these guys will dial it back," he said.

Stock-market investors seem to be betting on an oil recovery. Oil explorers have raised $43.4 billion in stock sales since the beginning of 2015, the same amount they collected through the oil boom years of 2010 through 2014. It's also half the amount the industry raised from 1980 to 2014.

Though the public equity market has ebbed and flowed in its openness to the U.S. oil industry this year, activity has never really come to a screeching halt.

Drillers pulled in less cash in July than any month this year, at $890 million, but that's still more than the sum companies raised in October, November and December 2015 combined.

New EPA methane rules spell disaster for American economy

More than a dozen states have now filed lawsuits against the Environmental Protection Agency over its new regulations on methane emissions.

Court rulings against the Obama administration will likely start rolling in soon. The regulations are based on dubious data and driven more by politics than science. They would devastate the economy and the environment.
We simply can't let a federal power play bring the American energy revolution to a halt.

Last year, the EPA reported that, since 2005, net methane emissions from natural gas infrastructure had fallen 38 percent, while total methane emissions from natural gas had dropped 11 percent.

This year, however, the EPA claims methane emissions from the oil and gas industry are one-third higher than previously thought. And that overall methane emissions from natural gas have dropped only 0.68 percent since 2005. That's quite a turnaround. What happened?

The agency says it now has better data to determine methane emissions, but this new methane methodology is highly suspect, not only because of the administration's political objective here, but because of the methodology. The latest figures are based on older sources developed in the 1990s, and much of the EPA's "new data" is extrapolated from some of the largest methane emitters, which inflates the current measurements.

The EPA is now using the cooked-up data to justify imposing much tighter limits on methane emissions from oil and gas infrastructure -- at a hefty price. According to the EPA itself, the regulations will cost $530 million by 2025.

Other studies have found that the annual price tag to comply with these regulations could hit $800 million. National Economic Research Associates has concluded that, by 2020, the regulations could be three times more expensive than the EPA projects.

These costs would will undoubtedly be passed on to consumers in the form of higher energy bills and more expensive consumer products -- depleting the serious energy savings consumers recently have been enjoying along the way. Surging domestic energy production boosted the disposable income of the average American household by $1,337 last year, and saved consumers an average of $550 at the gas pump.

What's more, the new rules are sure to hamstring one of the American economy's precious few sources of job growth: natural gas. Between 2005 and 2012, the U.S. lost over 378,000 jobs across all sectors. During the same period, energy production created more than 293,000 jobs.

Hydraulic fracturing, or "fracking," and horizontal drilling, which produce most of America's natural gas, support 2.1 million jobs -- a figure expected to nearly double by 2025. The new methane standards would crush job growth by impeding new oil and gas projects.
Ironically, the new methane rules will hurt the environment. As of last year, natural gas-fired power plants tied coal-powered plants as America's biggest sources of electricity production.

Because gas-fired energy plants produce 50 percent less carbon dioxide than coal plants, natural gas infrastructure growth has played a key role in reducing carbon emissions.

The oil and gas industry has been very effective at reducing carbon dioxide emissions. The industry has invested $90 billion in zero or low-carbon energy technologies since 2000 -- almost as much as the federal government has spent on clean energy.

Finally, it's worth asking where exactly the EPA's legal authority to exert such tremendous control over the economy comes from. Congress has passed no law requiring the EPA to clamp down on methane emissions.

"This is yet another example of unlawful federal overreach," noted West Virginia Attorney General Patrick Morrisey. "The rules are a solution in search of a problem and ignore the industry's success in voluntarily reducing methane emissions from these sources to a 30-year low." Unaccountable federal bureaucrats shouldn't be allowed to raise energy prices or kill American jobs, period. Especially not when their agenda is political, not scientific.

Energy World Rocked by Trump Win

Donald Trump's election is sending shock waves through the energy and environmental world.

The Republican's victory surprised even his supporters after polls showed him steadily trailing, and the win shocked Democrats, environmentalists and others on the left who thought Hillary Clinton had the presidential race clinched. When he takes office, he'll be backed by two Republican-held chambers of Congress and could appoint one or more members of the Supreme Court, leaving him poised to dramatically reshape energy and environmental policy.

Trump, who declared victory just before 3 a.m. EST today, has promised a fundamental shift from the Obama administration's energy and climate policies. Trump has proposed eliminating U.S. EPA, pledged to boost fossil fuel development and called global warming "bullshit." Greens were dismayed last night as election results began to show Trump pulling ahead.

"This race was never as sure as I think folks had predicted," said Erich Pica, president of Friends of the Earth. "It's somewhat unfathomable to contemplate if Trump wins when it comes to climate change and what we have to do. We can't afford another four years of delay and four years of attacking the science and four years of ignoring an issue of such consequence."

Pica said environmentalists will take a page from their defensive playbook during the George W. Bush administration and the Reagan administration. "We rally the American people to fight against Trump's — what we would presume is an anti-environmental agenda," he said. Dan Weiss, a longtime environmental advocate, said in an interview in 2015 that greens were watching Trump's rise with "a mix of amusement and horror."

But as the election results came in last night, Weiss' amusement had subsided. "Donald Trump would be a nightmare for anyone who breathes air, drinks water or wants to have a livable climate," Weiss said last night in an interview.

If Trump does the things he said he would do on the campaign trail, "it would make his administration the dirtiest one since the first Earth Day in 1970," Weiss said. He predicted that Trump "would sign just about any anti-environmental legislation that the House has put through in recent years that have never made it through the Senate."

Industry ascendant

Thomas Pyle, president of the pro-industry American Energy Alliance, which offered Trump its first-ever political endorsement, hailed the results in a statement this morning.

"This election showed that the American people are tired of their interests taking a back seat to special interests in Washington," he said. "President-elect Trump's victory presents an opportunity [to] reset the harmful energy policies of the last generation. He has laid out an energy plan that puts the needs of American families and workers first."

Because the business mogul doesn't have a lengthy political record on energy, "we have to look at some of the things he said during the course of the campaign and some of the people who have been advisers to him," said Scott Segal, an energy lobbyist at Bracewell LLP.

Much of that campaign rhetoric has been welcome news for the energy industry and critics of the Obama administration's regulations.

During an energy speech he gave in North Dakota in May, Trump touted oil and gas production while casting doubt about the viability of renewable power sources, including wind and solar.

"The federal government should get out of the way" of energy production, Trump said.

He also unveiled a "100-day action plan" pledging to scrap Obama administration rules on carbon emissions and clean water that he said have crippled the fossil fuel industry. George David Banks, a Trump supporter who was White House climate adviser during the George W. Bush administration, said, "You're not going to have some energy sources that are politically correct and others that are not. Trump is going to be pro-energy across the board."

Energy personnel

Trump's transition team is expected to dramatically increase staffing as it prepares a policy agenda for the administration and works to fill top executive branch jobs.

Lobbyist and longtime congressional energy aide Mike Catanzaro is among those helping with the transition. En-

Continued on page 20

Lame Duck Session of Congress

As Republicans and Democrats in Washington prepare for an incoming Trump Administration in January 2017, there are roughly two months left in the year to finish any business Congress may wish to address before the start of the 115th Congress. As one reporter put it, "Lawmakers returning to the Capitol next week for the lame-duck session face two options: go big or just go home." If Congress decides to just "go home," the only legislation lawmakers will likely finish by the end of the Congress is a funding deal. If Congress decides to "go big" there are a variety of issues that Congress could attempt to complete during the lame duck session.

FY 2017 Federal Spending

Before recessing in late September, Members of Congress passed a continuing resolution (CR) that provided temporary funding for the federal government through December 9, 2016. However, a path forward on full fiscal year 2017 funding has yet to be finalized. At minimum, the one agenda item that Congress must address in the upcoming lame duck session is to finalize FY 2017 appropriations.

Speaker of the House Paul Ryan (R-WI) and Senate Majority Leader Mitch McConnell (R-KY) have both indicated that they would like to see the remaining spending bills bundled into small groups or "minibuses," as opposed to one large catchall "omnibus" package. Democrats disagree and have said they will not support a minibus approach.

The most conservative Republicans have signaled their preference for passing another continuing resolution through the end of the year, extending current governmental funding levels without enacting any new spending measures. Some conservatives are even advocating that FY 2017 appropriations be held over until the 115th Congress because the debt limit suspension expires on March 15, 2017. These Republicans believe that they might be able to use the debt limit issue as leverage during funding negotiations.

Prior to the election results, most Washington insiders would have argued that an omnibus and an extended lame duck session well into December was a likely outcome. However, now that Republicans are looking at a 115th Congress where Republicans control the White House and Congress, the decision may be made to do as little as possible, go home, and start fresh in January with a new Republican Administration and Congress.

Tax Extenders

The FY 2016 omnibus spending bill made permanent or extended over 50 tax credits. There are roughly three dozen tax credits set to expire at the end of this calendar year, worth an estimated $17.7 billion in annual tax relief. Of those expiring credits, about half are energy-related, including provisions focused on investment tax credits for technologies such as qualified fuel cells, microturbines, and thermal energy properties. Some of the other expiring provisions relate to a host of various issues including tuition and education expenses, mortgage insurance, and the horse industry.

Senate Majority Leader Mitch McConnell (R-KY) has indicated a willingness to address tax extenders during the lame duck session, but it remains unclear what an extenders package may look like. Some lawmakers have proposed rolling all of the energy-related tax provisions into a single package, while others would like to see a larger more robust package. House Ways and Means Committee Chairman Kevin Brady (R-TX) has argued against an across-the-board extension, but he has indicated a willingness to move those extenders that have bipartisan support. Senate Finance Committee Chairman Orrin Hatch (R-UT) has acknowledged that there are requests to do an extenders package, but he hasn't yet indicated what he thinks the best path forward may be.

Energy Bill

Congress has been working on a comprehensive energy bill for two years and conferees have been negotiating a final package since this summer. Senate conferees sent a compromise proposal to the House in October, and discussions are expected to ramp up once Congress returns next week.

Negotiations have continued to focus on LNG terminal and pipeline permitting, energy subsidies, energy efficiency, and grid modernization, among others.

One sticking point is the permanent reauthorization of the Land and Water Conservation Fund (LWCF), which uses revenue generated from offshore oil and gas royalties to fund the purchase of land for conservation and wildlife protection purposes. The fund was reauthorized in last year's omnibus appropriations bill for three years, and the permanent reauthorization language included in the Senate bill is backed by Democrats and some Republicans.

Many regard this language as the "silver bullet" to advancing the underlying legislation through the Senate, but the provision faces strong opposition from House Republicans, especially House Natural

Continued on page 21

Big Oil Looks Past Profit Crunch as Cash Flow Shows Recovery

Ask any oil-company accountant, “what’s the difference between income and cash flow?” and they’re likely to say income makes the headlines, cash pays the bills.

It may be glib, but there’s a nub of truth there. Cash generation is the yardstick used to judge a company’s ability to invest and pay dividends, and it’s been growing at the biggest oil producers for three quarters in a row.

Last quarter the world’s largest listed energy companies -- Exxon Mobil Corp., Royal Dutch Shell Plc, Chevron Corp., Total SA and BP Plc -- reported cash from operations of almost $26 billion, up 67 percent from the previous three months and more than double the first-quarter amount, according to data compiled by Bloomberg.

“The environment’s been tough but we’ve seen robust cash-flow delivery,” Brian Gilvary, chief financial officer of London-based BP, said Nov. 1 on a call with investors.

The growth in cash reflects lower day-to-day spending, higher oil and gas output and rallying crude prices. And if prices don’t fall again, next year could see the trend hold.

"Cash deficits should start to shrink in 2017 as oil prices gradually recover and cost-cutting initiatives continue," said Maxim Edelson, a senior director at Fitch Ratings Ltd. in Moscow.

To be sure, cash creation remains lower than a year ago, when oil majors generated $36.5 billion in the third quarter. And it’s well below the heyday of $150 crude, when the top five companies produced more than $65 billion in the first three months of 2008. The majors remain unable to generate enough cash to cover investments in new projects and payouts to shareholders, meaning debts continue to rise. At the end of September, their combined debt totaled $142 billion, up from $46 billion a decade ago, according to data compiled by Bloomberg.

But in a show of confidence, companies told investors that if oil prices stabilize next year above $50 a barrel, cash generation will be strong enough to cover dividends and investments, and even reduce debt with the help of asset sales. “Our overall financial picture is set to improve in

Big Oil Looks Past Profit Crunch as Cash Flow Shows Recovery

a meaningful way as we move into 2017," Patricia E. Yarrington, CFO of San Ramon, California-based Chevron, said Oct 28. "Our objective is to get cash balanced in 2017, assuming $50 Brent prices."

Benchmark Brent crude is currently trading around $46 a barrel, having topped $53 in October.

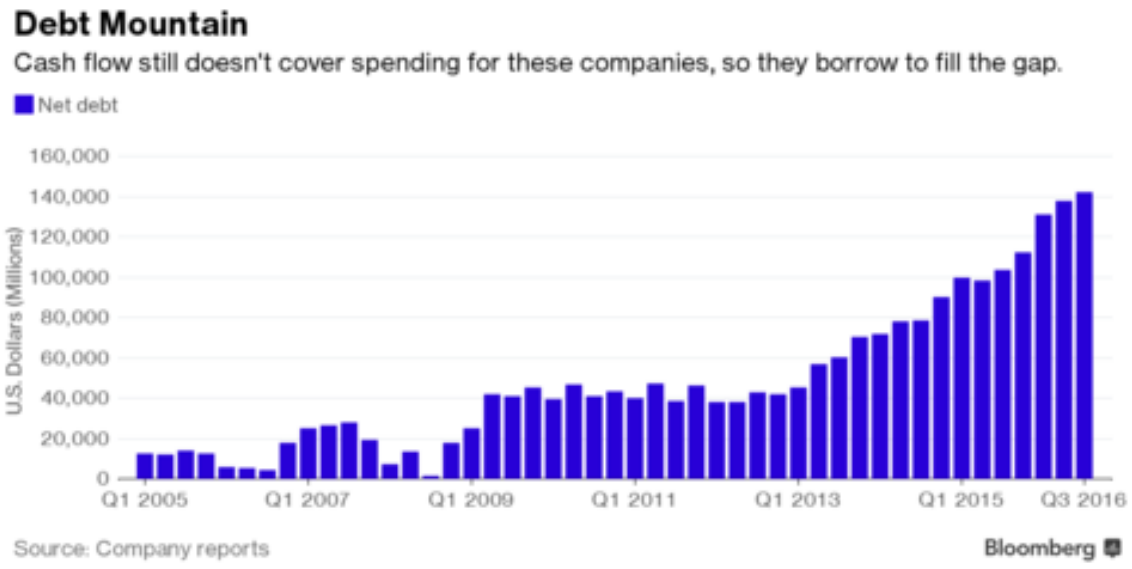
Europe's largest oil company, Shell, said Tuesday that it expects to increase cash to the "mid-$30 billions" next year from about $21 billion in 2016. "I'm sure we can cover even the dividend with organic cash flow" in 2017 at $50 oil, CFO Simon Henry told investors.

Shell was the only one of the five majors to post higher year-on-year profit in the third quarter. The company saw earnings boosted by its acquisition of BG Group Plc, and reported cash of $8.5 billion, up from $2.3 billion in the previous three months. That allowed the producer to almost balance its books.

While the BG purchase helps explain the increase in cash, Shell has also been chipping away at day-to-day costs. Operating expenses, or opex, stood at $10 billion last quarter, about $600 million lower than a year earlier -- despite the added cost of running BG. And executives say more savings are coming.

Opex will fall about 25 percent next year compared with 2015, CFO Henry told investors Nov. 1 on a conference call. "Where does it come from? Well, pretty much everywhere," he said of the cuts.

Competitors reported similar savings, taking the ax to everything from office supplies to business-class travel. Chevron plans to reduce opex by at least $2 billion this year from 2015. France's Total is targeting cost cuts of more than $2.7 billion in 2016 compared with 2014, up from an initial goal of $2.4 billion.



LETTER TO THE EDITOR

Dear SSDA-AT,

Consensus has been hard to come by during this election season, but if there's one issue that earns high approval from Americans of all political identifications, it's American energy leadership.

API conducted an election night survey of actual voters across the country, and the findings reveal that more than 80 percent of voters agree that U.S. oil and natural gas production can help achieve each of their most important priorities: job creation (86 percent), economic growth (87 percent), lower energy costs (82 percent), and energy security (85 percent).

With drivers saving more than $550 in fuel costs and household budgets growing by $1337 due to utility and other energy-related savings in 2015, it should come as no surprise that voters appreciate the positive economic impact of U.S. energy. Americans not only recognize the benefits of the U.S. energy renaissance but they also support actions that would build on our position as the world's leading oil and natural gas producer.

- 80 percent support increased development of U.S. oil and natural gas resources, including 71 percent of Democrats, 94 percent of Republicans and 76 percent of Independents.
- 81 percent support increased development of the country's energy infrastructure.
- 75 percent expressed concern about government requirements that would increase the amount of ethanol in gasoline.
- 72 percent oppose higher taxes that could decrease investment in energy production and reduce energy development.
- 77 percent support natural gas' role in reducing greenhouse gas emissions.
- 92 percent believe it is important that gasoline and diesel fuels are helping reduce air pollution.
- 77 percent oppose legislation that could increase the cost of domestic oil and natural gas operations and thus potentially drive up consumer costs.

Voters want a Congress and administration that works for their interests. And just as there is bipartisan voter support for energy priorities, there is an opportunity for Republicans and Democrats in Congress to work toward pro-development policies that provide economic growth, job creation and energy security.

Sincerely,

Jack Gerard
President and CEO
API

Can Trump deliver on immense energy, climate promises?

President-elect Donald Trump vowed on the campaign trail to topple just about every major energy and environment policy enacted in the past eight years.

From torpedoing the Obama administration's Clean Power Plan and international climate deal to expanding oil and gas development and overhauling the regulatory system, the incoming administration has big promises to keep.

But while massive change is expected, Trump will face limits on carrying out his plans.

Even with two friendly chambers of Congress, passing major energy legislation is time-consuming and politically daunting. Writing new regulations is a bureaucratic slog, and those are likely to face protracted legal battles. Trump might also face hurdles unraveling some Obama rules that are already on the books and trying to roll back some executive moves, such as designations of national monuments.

"We know even when presidents win a decisive victory and have majorities in their party in Congress, they don't get everything they want in that first two-year window," said Barry Rabe, a professor of public policy at the University of Michigan. He pointed to President Obama's failure to usher through climate legislation despite Democratic-led chambers of Congress.

"We've gone through now an extended period where, for the most part, new environmental legislation has not been adopted," Rabe said, despite White House attempts. "This is not going to be an exception, and we may see a very aggressive executive effort, ... but it's really hard to know over the course of a two- or four-year window what can be accomplished, even through purely executive action."

Energy and environmental experts also warn that the Trump administration could overreach and spark a public opinion backlash if it doesn't tread carefully on its regulatory rollbacks.

"EPA has extremely powerful statutory responsibilities, and it isn't as though the administration can get up one morning and decide not to follow them," said William Reilly, who led U.S. EPA in the George H.W. Bush administration and who endorsed Hillary Clinton for president.

If the Trump administration does take a major shift on environmental issues, "does that really trigger public reaction, public concern?" Rabe said, noting that crises like the Flint, Mich., water problems and the Deepwater Horizon oil spill can crop up at any time. "Would a Trump administration overplay its hand and go too far?"

The incoming administration has said it's committed to "conserving our wonderful natural resources and beautiful natural habitats," while simultaneously promoting energy production.

"America's environmental agenda will be guided by true specialists in conservation, not those with radical political agendas," the transition team said.

Here's a look at Trump's big plans on a range of energy and environmental issues, and some of the hurdles he might face:

Clean Power Plan on chopping block

The Obama administration's carbon rules for power plants are in dire straits.

Trump has pledged to "scrap" the Clean Power Plan. He's expected to take action quickly to try to unravel the rule, although it won't be instantaneous.

The federal courts could strike down the rule in pending lawsuits. Even if it's upheld in court, Trump's EPA could go through a lengthy formal rulemaking with public notice and comment to rescind the rule, and the administration would have to give an explanation for reversing course.

Continued on page 18

Can Trump deliver on immense energy, climate promises?

Continued from page 17

A faster way to ax the Clean Power Plan could be with legislation from the Republican-controlled Congress.
The Trump administration could also scuttle EPA plans to regulate emissions of methane — an especially potent greenhouse gas — from existing oil and gas operations.
Monuments, offshore oil and gas

Obama has unilaterally protected more land and water than any other president in U.S. history, creating or expanding 28 national monuments under the Antiquities Act. Environmental groups expect him to create even more before he leaves office.

If Trump wants to undo any of those monuments, he might run into trouble. The Antiquities Act does not expressly authorize a president to abolish existing monuments — and no president so far has tried. If Trump did so, he would likely face a legal battle. But Congress can do it. It has abolished a dozen or so monuments in the past, usually because it did not find them nationally significant.

Trump faces a similar dynamic for offshore oil and gas leasing. The Obama administration will soon release a five-year leasing program; environmentalists have pushed for it to not include three proposed leases in the Arctic.

A Trump administration could scrap the plan and start over. But Obama has another option: to use an obscure provision of the Outer Continental Shelf Lands Act in an effort to permanently withdraw Arctic waters. Like the Antiquities Act, OCSLA does not specifically give presidents the ability to undo such a withdrawal.

Energy on public lands, sage grouse

Trump has more wiggle room to reverse Obama's policies when it comes to energy development on public lands.

The Obama administration has emphasized the need for more renewable energy projects — and as Trump has said he supports an "everything" energy strategy, some of those efforts could continue. For example, a new rule from Interior establishing a competitive leasing process for renewable energy projects could be left untouched.

But Trump has also proposed expanding oil and gas development.

That could put the Obama administration's sage grouse plan in his sights. The 2015 plans from the Bureau of Land Management and Forest Service made an area the size of Ohio off-limits to surface impacts, prompting a lawsuit from the oil and gas industry.

But it's unclear whether Trump can dismantle the plan without running into opposition and legal roadblocks.

The same goes for regulations that cover oil and gas drilling on public lands, such as one upcoming rule to limit methane released by oil and gas operations. A Trump administration would have to propose new rules, carry out public comment periods, then withstand likely legal challenges.

What a Trump Presidency Looks Like for the Industry

Continued from page 1

Block-grant Medicaid to the states.

Trump states that by following free market principles and working together to create sound public policy, this will broaden healthcare access, make healthcare more affordable and improve the quality of the care available to all Americans.

Energy

President-Elect Trump wants to make America energy independent. He hopes to create millions of jobs with the changes in regulations towards the energy sector. Trump hopes to unleash an energy revolution that American will be able to thrive off of.

Trump outlines the following energy proposals as part of his plan:

-Rescind all job-destroying Obama executive actions. Mr. Trump will reduce and eliminate all barriers to responsible energy production, creating at least a half million jobs a year, $30 billion in higher wages, and cheaper energy.
-Encourage the use of natural gas and other American energy resources that will both reduce emissions but also reduce the price of energy and increase our economic output.
-Open onshore and offshore leasing on federal lands, eliminate moratorium on coal leasing, and open shale energy deposits.
-Become, and stay, totally independent of any need to import energy from the OPEC cartel or any nations hostile to our interests.
-Unleash America's $50 trillion in untapped shale, oil, and natural gas reserves, plus hundreds of years in clean coal reserves.

These plans, hope to make America a leader and top producer in energy so that the country can be self-sustaining.

Infrastructure/ Highway Funding

In his victory speech for President, Trump claimed that we must rebuild America's infrastructure. He said this must start with our roads, bridges, tunnels, airports, railroads, ports and waterways, and pipelines. Trump plans to pursue an "America's Infrastructure First" policy that supports investments in transportation, clean water, a modern and reliable electricity grid, telecommunications, security infrastructure, and other pressing domestic infrastructure needs. Trump has called for flexibility to the states to use funds as they see fit, rather than the federal government deciding.

He hopes to create thousands of new jobs in construction, steel manufacturing, and other sectors to build the transportation, water, telecommunications and energy infrastructure needed to enable new economic development in the U.S., all of which will generate new tax revenues. In addition, Trump aimed to leverage new revenues and work with financing authorities, public-private partnerships, and other prudent funding opportunities. In connecting the energy, he wants to approve private sector energy infrastructure projects—including pipelines and coal export facilities—to better connect American coal and shale energy production with markets and consumers.

Regulation

Trump recognizes the burdensome effects over regulation is having on American businesses and in his campaigned offered to curb regulations by 80%. Last year, OSHA conducted over 40,000 inspections on businesses and we hope for this to be drastically reduced under a Trump administration.

Marketplace Fairness

President-Elect Trump appears to support Marketplace Fairness based off statements he has made. Trump claims: "Amazon doesn't pay tax. … And a lot of people think Amazon should be paying tax, and they're not, and they're destroying department stores and retailing all over the country…" This signals Trump would support legislation to tax merchandise purchased online. A philosophy House Republicans have fought against as they have seen such an act as a tax increase.

In closing, if Trump can find a way to work with Republicans in the House and Senate, he has the opportunity to accomplish great chance in his time as president.

Energy World Rocked by Trump Win

Continued from page 12

ergy lobbyist Mike McKenna is leading the Energy Department transition team; climate change skeptic Myron Ebell of the Competitive Enterprise Institute is heading up the EPA transition team; and former George W. Bush administration Interior official David Bernhardt is working on the Interior transition.

Trump enraged environmentalists by picking Ebell, a well-known climate change skeptic, to lead his EPA transition team. Climate scientist Michael Mann said of the pick, "If ever there was a case of the fox guarding the henhouse, this would be it."

Others who have advised Trump on energy and could play key roles in the transition or administration include Oklahoma oil tycoon Harold Hamm, Murray Energy Corp. CEO Robert Murray and North Dakota Republican Rep. Kevin Cramer.

Names that have circulated for top energy jobs under Trump include Craig Butler, head of Ohio EPA, and West Virginia Attorney General Patrick Morrisey (R), who is leading states' legal fight against the Obama administration's signature climate regulation in federal court.

Hamm is seen as a possible choice to lead the Department of Energy.

Some Republicans, however, have pushed for lawmakers who are familiar with DOE's inner workings. The Trump team could also look for a business executive to become Interior secretary.

Fate of EPA, SCOTUS, Clean Power Plan

Trump has proposed eliminating EPA entirely, a plan that many experts have called unlikely. Still, his White House win may spur an exodus of workers at that agency and others where federal employees disagree with his policies. Former top EPA officials have said cutting the agency would involve a massive political lift, might lead to a patchwork of environmental policies across the country and could wind up hurting industries rather than helping them.

Banks said he thinks Trump will look to "reform how the EPA works and functions." Given that politically, "it would probably be very difficult to eliminate the EPA," Banks said, Trump's comments may be a "starting point in a negotiation" to reform the agency.

Banks is also expecting the Trump administration to aim to roll back some of the Obama administration's key climate change policies, including the Clean Power Plan to clamp down on power plants' carbon dioxide emissions.

Trump has released 21 names of conservative judges and has pledged to pick one of them for his Supreme Court nominee. Those lists enraged environmentalists and others on the left, who fear that another conservative justice on the court — or possibly more if more vacancies arise during Trump's term — could roll back agencies' authority and hinder environmental protections.

But Rhea Suh, president of the Natural Resources Defense Council, struck a defiant tone in a statement this morning. "It's time for every American who cares about a livable world — Republican and Democrat alike — to stand and defend our environment and health.

If Donald Trump thinks he can launch a big polluter assault on our air, waters, wildlife and lands, we'll build a wall of opposition to stop him.

Whatever else we may have voted for on Tuesday, we haven't turned away from generations of common sense environmental safeguards. We're not about to turn away now."

Lame Duck Session of Congress

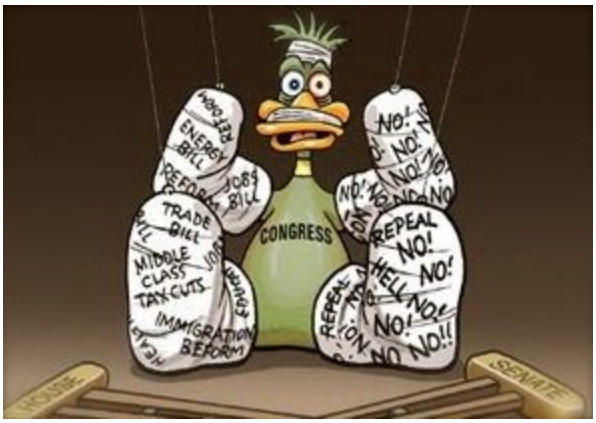
Continued from page 13

Resources Chairman Rob Bishop (R-UT), who has regularly advocated for reforms to the LWCF and strongly opposes any effort to permanently reauthorize LWCF.

An additional point of contention is a provision to direct federal agencies to treat biomass as "carbon-neutral" in certain circumstances.

Environmentalists are pushing hard to ensure this language will not end up in the final package.

The House bill also includes portions of 37 separate bills, some of which the White House has threatened to veto.



The following is a brief update on efforts to enact the RPM Act

Support for the legislation continues to grow. The current totals are:

- S 2659: 27 cosponsors (5 Democrats)
- HR 4715: 120 cosponsors (16 Democrats)

The legislation remains on the wish list for mark-up by the Senate Environment and Public Works Committee. SEMA and SSDA-AT are still pursuing lame-duck consideration and seeking additional House/Senate cosponsors. Given the unexpected election results, the pathway for enacting the legislation has expanded – Republican control of the House, Senate and EPA. In order to pursue quick action in 2017, we are sending a letter to Vice President-Elect Pence. The letter summarizes the issue and notes that we look forward to working with the new Administration to enact the legislation.

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Published monthly by the Service Station Dealers of America and Allied Trades, ©