SSDA
SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

SSDA News

Service Station Dealers of America and Allied Trades

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Government Affairs Update

By Roy Littlefield

SSDA-AT has spent 2017 lobbying on repealing the estate tax, individual tax reform, business tax reform, Obamacare repeal, infrastructure funding, and marketplace fairness in addition to others.

We have stayed busy attending fundraisers, lobbying on Capitol Hill, participating in Coalition meetings, conference calls, and meeting with regulatory officials.

And we most recently held industry meetings in Las Vegas to discuss issues around the country.

In Washington, President Trump vowed to change Washington dramatically in his first 100 days.

So where are we know a few months down the road?

Since taking office on Jan. 20, Trump has indeed shaken up politics, but his major accomplishments on policy have been limited.

So far, Trump's biggest three achievements have been filling a vacant Supreme Court seat, withdrawing from the Trans-Pacific Partnership and dismantling various Obama-era regulations.

Trump has aggressively gone after burdensome regulations. He signed an executive order earlier in the year calling for 2 old regulations to be removed for every new one enacted. Thus far into his presidency Trump has repealed 469 regulations.

Cutting these regulations have been beneficial, but we continue to be concerned with OSHA and the inspections they have performing. Last year OSHA conducted 45,000 inspections and only 25% were in full compliance. I recommend having a volunteer inspection to avoid fines.

Every day, the media bombards us with dishonest, anti-Trump articles with the intent of bringing this presidency down.

What they refuse to tell the people is that the stock market has gone up 25 percent, wealth has increased by $5 trillion, unemployment is at a 16-year low, food stamp recipients are at a seven-year low, businesses are beginning to expand, creating hundreds of thousands of jobs, and some corporations are starting to consider moving some of their operations back to the U.S. after being chased away by anti-business Obama policies.

A few weeks ago, Trump praised the House passage of a budget as a necessary step for a tax overhaul.

President Donald Trump has made a rewrite of the nation's tax code his top legislative priority. The tax bill is the top item on the GOP agenda as well.

It would be Trump's first major win in Congress — and, Republicans hope, a much-needed boost for the party's political fortunes in next year's midterm elections. In addition to passing other important pieces of legislation they campaigned on.

We try and keep everyone up to date on what is impacting the service station and repair industry on the federal level in our weekly legislative update. We also publish position papers that are distributed to our membership, members of Congress and the trade press.

We will update these position papers at the beginning of 2018.

Year End- SSDA-AT Government Affairs Report

SSDA-AT has spent 2017 lobbying on estate tax reform, individual tax reform, business tax reform, Obamacare repeal, infrastructure funding, and marketplace fairness in addition to others.

We have stayed busy attending fundraisers, lobbying on Capitol Hill, participating in Coalition meetings, conference calls, and meeting with regulatory officials.

The President thus far has had limited success working with Congress to pass substantial legislation and has thus used executive orders to address Obamacare, cutting regulations, boosting energy exploration, and adopting a far more aggressive trade-enforcement posture.

SSDA-AT continues to take part in ongoing efforts to form a White House Conference on Small Business (WHCSB) under the Trump Administration. Recently, we wrote to the President to respectfully requesting that he sign an Executive Order authorizing the next White House Conference on Small Business. White House Conference on Small Business (WHCSB) which has not taken place in over two decades. That is far too long to go without giving voice and a forum to America's small businesses which account for 99 percent of U.S. private sector employers and 64 percent of net new private sector jobs. In July, SSDA-AT took part in several conference calls focused on the formation of the WHCSB.

As transportation funding continues to be a topic of discussion, SSDA-AT met with Alan Pisarski who serves as a transportation and funding advisor on the Trump transition team. Pisarski lead a discussion on funding and finance in our new world, with reauthorization behind us for a change, and a trillion dollar program of infrastructure in the wings.

This year, SSDA-AT has also met with U.S. Congressman Lou Barletta (R-PA), Congressman Blake Farenthold (TX-27-R) and Senator Sheldon Whitehouse (RI-D) to discuss legislative options to finance President Trump's major infrastructure initiative. And with Jack Gerard, API President and CEO, who spoke about America's energy independence and the prospects moving forward.

I continue to serve as treasure for the Highway Users and will continue to be active players in transportation funding discussions.

In terms of tax reform, Estate Tax Repeal is now in sight and we hope for passage in 2017 or 2018 as a standalone bill or as a part of comprehensive tax reform. We continue to lobby on the Death Tax Repeal Act for the 115th Congress (Senate Bill: S. 205 House Bill: H.R. 631). We remain active in the Family Business Coalition and regularly attend meetings. This year we have heard directly from members and staff for Congresswoman Noem, Congressman Roskam, Chairman Brady, House Speaker Paul Ryan, Senate Majority Whip Cornyn, and Senate Majority Leader McConnell. SSDA-AT will continue efforts on Capitol Hill to gain support for repealing the estate tax once and for all.

Saving LIFO remains a priority as talks of tax reform intensify. With the border adjustability proposal facing backlash, there is a

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Year End- SSDA-AT Government Affairs Report

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possibility it could be off the table, with all other areas of revenue back on the table, including reforming or eliminating the LIFO system. It is expected that repealing LIFO could bring the federal government $80-105 billion on a one time hit. We remain active in the Save LIFO coalition and in tax reform discussions in Washington.

Although they have had little action this year, SSDA-AT continues to lobby on the Marketplace Fairness Act so that local family owned businesses in the tire industry can compete fairly with large online corporations. Both bills take different approaches to ending unfair competition caused by this loophole, which puts brick-and-mortar retailers at a price disadvantage to remote sellers. This has been an important piece of legislation for SSDA-AT members and we will continue lobbying efforts to gain support on these bills.

SSDA-AT regularly attends the monthly Small Business Labor Safety (OSHA/ MSHA) roundtable meetings. We recently learned that only 25% of OSHA inspections are in full compliance, so make sure your location is up to code. Under the Trump administration we will see very few new regulations. A there has already been a roll back of recently passed regulations including the new recordkeeping regulation that SSDA-AT opposed. We will continue to stay active on the regulatory front.

We continue to help SEMA on their bill, H.R. 350, the Recognizing the Protection of Motorsports Act of 2017 (RPM Act). SSDA-AT and SEMA have worked closely on this bill. The RPM Act is cosponsored by 118 members of the U.S. House of Representatives. The bill ensures that transforming motor vehicles into racecars used exclusively in competition does not violate the Clean Air Act.

Recently we met with members of SEMA's government affairs department to discuss the legislative initiatives for each association. SEMA has 8 members in their government affairs office in Washington and have spent this year focusing their efforts on the RPM Act. We will look to combine our legislative efforts with a joint SSDA-AT, TIA-SEMA reception at the end of the day on our lobby day in May of 2018.

Recently, Roy IV met with Courtney Brooks from USTMA to discuss state legislation. USTMA was able to pass their unsafe tire legislation in New Jersey which will take effect on July 1, 2018 but failed in other states including New York, Ohio, Florida, and Texas. They will look to re-introduce legislation in a few states to be determined next year. We have tried to remain transparent with USTMA on state legislation and we have looked for ways to work together. We have encouraged and asked USTMA for even more communication moving forward.

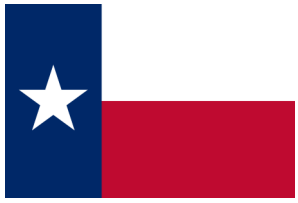
SSDA-AT has remained committed to state legislation and our monthly state newsletter is currently tracking over 250 state bills.

This year we submitted testimony on bills in Connecticut, Vermont, Arizona, Ohio, Alaska, Florida, Texas, California, and Maryland. In 2017, we traveled to several state shows around the country to discuss these government affairs efforts with members and bills impacting their states.

Texas oil, gas industry recovery gains momentum

Production from the Permian Basin and the Eagle Ford Shale climbed to 2.57 million barrels per day and 1.22 million barrels per day, respectively, in September, while Texas oil and natural gas sector employment rose nearly 2% to 222,000, according to the Federal Reserve Bank of Dallas.

However, uncertainty surrounding the NAFTA negotiations and a tightening market could hinder growth, warned Dallas Fed assistant economist Amy Jordan.



Oil majors join forces to lower methane emissions

Eight oil giants, including ExxonMobil, Total, BP and Royal Dutch Shell, pledged to curb methane emissions from the natural gas sector, improve emissions reporting and collaborate with governments on writing new methane rules, among other things.

"Since natural gas consists mainly of methane, a potent greenhouse gas, its part in the transition to a low-carbon future will be influenced by the extent to which the oil and gas industry reduces its methane emissions," the companies said.

America's oil and gas output could soar 25% by 2025

The International Energy Agency predicted that a dramatic increase in shale production will transform the U.S. into the world's largest exporter of liquefied natural gas by the mid-2020s.

Another milestone will be reached soon after: By the late 2020s, the U.S. -- which only lifted its ban on oil exports in 2015 -- will ship more oil to foreign markets than it imports.

The dramatic shifts envisioned by the IEA in its World Energy Outlook would transform the U.S. from an energy importer into a major player in global markets capable of producing 30 million barrels of oil and gas a day by 2025.

The U.S. surpassed Russia in 2011 to become the world's top producer of oil and gas, with a current daily output of 24 million barrels. But the expected increase would put the U.S. further into uncharted territory.

It's a revolution powered by one factor above all others: shale.

"A remarkable ability to unlock new resources cost-effectively pushes combined United States oil and gas output to a level 50% higher than any other country has ever managed," the IEA said on Tuesday.

Paris-based IEA predicts that U.S. shale oil producers will boost their output by 8 million barrels a day between 2010 and 2025, an increase that "would match the highest sustained period of oil output growth by a single country in the history of oil markets" -- rivaling even the massive increase posted by Saudi Arabia between 1966 and 1981.

The expected U.S. surge will account for 80% of the increase in global supply over the time period.

American shale producers have been forced to endure a collapse that sent crude prices from $100 a barrel in 2014 to a low of $26 in 2016. The decline left many producers unprofitable, and tens of thousands of jobs were lost.

But the price crash had another effect: it forced a wave of innovation that has improved shale producers' productivity and efficiency.

"The U.S. [shale] oil industry avoided the blow by morphing into a leaner, more agile version of its former self; it has since proved remarkably resilient to lower prices," the IEA said.

The report includes several caveats: While the U.S. will become a major exporter of light crude and refined products, it will remain a major importer of heavier crude oil that is used in many of its refineries.

"Even with the extraordinary move to a net export position, the health of the U.S. energy economy remains intricately linked with those of its neighbors in North America and with choices made by countries further afield," the group said.

The forecasts are also underpinned by some major assumptions: The report assumes that governments stick to promises they've made on energy, including pledges by India and China to move away from fossil fuels.

In the U.S., the report assumes that improvements in fuel economy standards for cars and trucks will help reduce demand for oil. If the standards stay at today's levels, the U.S. would remain a net oil importer in 2040.

If the assumptions do hold, the U.S. will find itself in a very rare position.

"There are many examples of a country switching from being a net energy exporter to a net importer: it is very rare to see the opposite, especially when the country in question is one of the world's largest importers of oil."

"Yet this is precisely what is happening as a result of the U.S. shale revolution -- both for oil and for natural gas," the IEA said.

Exxon Mobil CEO Makes First Big Changes to Refining

Exxon Mobil Corp Chief Executive Darren Woods is reorganizing the company's refining operations, part of a push to boost profits amid volatile oil and natural gas prices, the company said.

The changes at the world's largest publicly traded oil producer are the most sweeping to date by Woods, who became chief executive in January after former chief Rex Tillerson resigned to become U.S. secretary of state.

Woods has moved first to reshape the parts of the businesses he knows best, according to sources familiar with the matter. Before taking the helm at Exxon, Woods ran Exxon's refining operations.

Exxon spokeswoman Charlotte Huffaker confirmed the downstream business overhaul in a statement, adding the company expects it will "improve decision making and enhance performance in the market."

The parts of the business impacted were refining and marketing divisions, said spokesman Scott Silvestri.

Company sources told Reuters Exxon's chemical operation also has been restructured, but Silvestri denied this.

It was not immediately clear if the changes will involve job cuts or executive departures. Exxon's Huffaker said she could not say if there would be any impact on jobs.

The reorganization aims to squeeze more profits from the downstream business as the company works to improve its exploration and production operations, which have struggled since 2014 to adjust to lower oil and gas prices.

The downstream restructuring, disclosed internally last month, will combine the fuels and lubricants division with the supply and refining divisions.

Financial responsibility for the merged operation will rest with country and regional chiefs who report to Exxon's Irving, Texas, headquarters rather than divisional bosses as previously, according to people familiar with the matter.

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Exxon Mobil CEO Makes First Big Changes to Refining

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The changes are designed to simplify operations and increase accountability for profitability, the sources said.

REFINING STRENGTH

Exxon's refining and chemical operations have grown in stature under Woods, delivering steady earnings compared with its oil and gas production.

Exxon operates 22 refineries in 14 countries, processing nearly 5 million barrels of oil per day. The firm builds chemical and refining plants in the same location, allowing managers to shift production between fuels or chemicals based on demand.

The changes come as Exxon expands the refining division. The company is investing $20 billion through 2022 to expand its chemical and oil refining plants on the U.S. Gulf Coast.

The refining and chemicals arms contributed more than $4.2 billion apiece

to 2016 earnings, compared with a $196 million profit from exploration and production. Last year's results were affected by sharply lower crude prices.

In some quarters, Exxon would not have made any money were it not for its refineries.

This year, the company's oil and gas business bounced back to a $5 billion profit during the first nine months on stronger crude prices. Refining earnings were $4.03 billion and chemicals $3.25 billion, respectively, for the first three quarters this year.

Some staff members have raised questions as to whether there is any need to alter a system seen as largely successful, said the sources who declined to be identified.

It was unclear if the changes would impact an internal accounting practice known as general interest principle. That rule permits certain transactions to be loss-making for a local division if they are beneficial for the corporation as a whole.

Exxon did not comment on any potential accounting changes.

Victory for Keystone XL, but will TransCanda build pipeline?

The controversial Keystone XL pipeline cleared its last major regulatory hurdle when Nebraska utility regulators approved a route through their state, handing a victory to President Donald Trump's efforts to boost the oil industry and undo the climate change policies of his predecessor, Barack Obama.

The decision also dealt a blow to environmental activists, who had made Keystone XL a touchstone issue in their campaign to stop the development of projects that would increase the consumption of fossil fuels, a major cause of global warming. The pipeline would ship heavy crude from oil sands in Western Canada to refineries along the Texas Gulf Coast.

"This is clearly a by-product of (Trump's) election and there's no way to spin that positively," said Ben Schreiber, senior political strategist at Friends of the Earth, an environmental group that fought to block the project. "There's no question the election set back the movement to keep fossil fuels in the ground."

The 3-2 decision by the Nebraska Public Service Commission comes after nine years of stops and starts for the pipeline and its developer, TransCanada, which is headquartered in Calgary, Alberta, but employs close to 1,000 people in Houston. Obama killed the project in 2015, but Trump made that decision a focal point of his presidential campaign, arguing it had hurt the U.S. economy. He revived Keystone XL after taking office.

"President Trump is pleased the state of Nebraska moved the Keystone XL pipeline forward," said Hogan Gidley, White House deputy press secretary. "We look forward to seeing another promise fulfilled, which will create over 42,000 jobs and $2 billion in earnings for the American people."

If and when the pipeline gets built remains unclear. TransCanada first filed the application for the $5.2 billion Keystone XL in 2008, when oil prices were more than double what they are today, raising the question of whether the 1,100-mile pipeline still makes economic sense. TransCanada has yet to say whether it will move ahead on the pipeline, which could

Victory for Keystone XL, but will TransCanda build pipeline?

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deliver more than 800,000 barrels of crude a day to Texas refineries.

"We will conduct a careful review of the Public Service Commission's ruling while assessing how the decision would impact the cost and schedule of the project," Russ Girling, CEO of TransCanada.

Environmental groups, meanwhile, said they will continue to pursue legal options to block the Keystone XL. A lawsuit in the Montana federal courts aims to force the Trump administration to redo the environmental review of the pipeline - a process that can take years.

"This is going to be a pipeline that's going to take a good long time to build," Schreiber said. "The political winds might be different before it's done."

The route approved by Nebraska regulators was a compromise to avoid the state's ecologically fragile Sand Hills region. Just a few days before the vote, another TransCanada pipeline - the original Keystone pipeline - ruptured in South Dakota, spilling more than 200,000 gallons of crude onto the prairie. The pipeline is still shut down, according to TransCanada.

Still, the Nebraska decision marked a move forward for the oil and gas industry, which had watched with dismay in recent years as a number of pipeline projects were delayed amid what oil and gas lobbyists dubbed "the Keystone effect," including the controversial Dakota Access project in North Dakota. In Houston, pipeline companies, such as Kinder Morgan, Enterprise Products Partner and Plains All American Pipeline, employ tens of thousands of workers.

"The Nebraska Public Service Commission set an example for how to carefully evaluate critical energy infrastructure projects, even in the face of strongly held views and opinions," American Petroleum Institute President Jack Gerard said Monday. "It's been a long path to today's approval."

That path should eventually lead to the pipeline getting built, analysts said. Gulf Coast refineries are configured to process heavier crude, rather than lighter grades produced in Texas. But supplies of heavy crude have become tighter as output has dwindled from the two major producers, Mexico and Venezuela, increasing demand for the Canadian oil.

Texas Deemed Most Attractive Destination for Oil, Gas investments

Texas tops a list of 97 jurisdictions ranked by oil and gas executives for investment allure in an annual survey by the conservative Fraser Institute of Canada.

Venezuela ranked last in the survey, which had 333 respondents.

The survey ranks jurisdictions—states, provinces, geographical regions such as offshore areas, and countries—according to the extent of their oil and gas investment barriers.

It evaluates jurisdictions by assigning scores on each of 16 questions about factors known to affect investment decisions. The scores yield a "policy perception index," which the institute applies to jurisdictions grouped by proved oil and gas reserves.

Of the 15 jurisdictions with the largest petroleum reserves, the five ranking highest in investment attractiveness, in descending order, are Texas, the United Arab Emirates, Alberta, Kuwait, and Egypt.

The five least attractive jurisdictions in the large-reserves category, starting at bottom, are Venezuela, Libya, Iraq, Indonesia, and Nigeria. They account for 41% of the oil and gas reserves of all jurisdictions covered by the survey.

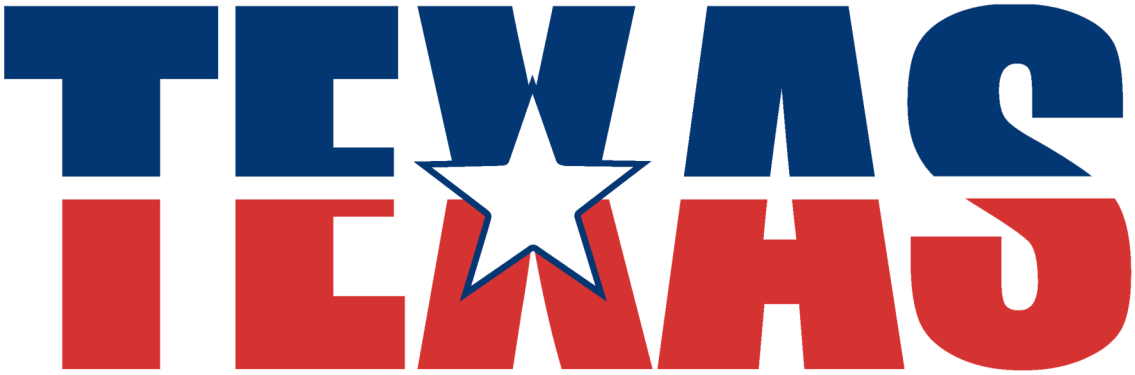
The 97 jurisdictions evaluated account for 52% of global oil and gas reserves and 66% of production.

In the group of 39 jurisdictions with medium-range reserves, the 10 most attractive for investment are Oklahoma, North Dakota, Newfoundland & Labrador, West Virginia, Norway-Other, Wyoming, Norway-North Sea, the UK North Sea Offshore, Arkansas, and the Netherlands.

Among 39 jurisdictions with relative small reserves, the top 10 are Kansas, Saskatchewan, South Australia, Manitoba, New Zealand, Mississippi, Montana, Namibia, the UK-Other, and Alabama.

Uncorrected for reserves size, the top 10 jurisdictions for investment allure are Texas, Oklahoma, North Dakota, Newfoundland & Labrador, West Virginia, Kansas, Saskatchewan, Norway-Offshore (except North Sea), Wyoming, and South Australia.

Without correction for reserves, the bottom 10 jurisdictions are Venezuela, Bolivia, Libya, Iraq, Ecuador, Indonesia, California, Cambodia, France, and Yemen.



Keystone XL pipe has adequate commercial support: TransCanada

TransCanada Corp (TRP.TO) has received adequate support from crude oil shippers on its long-delayed Keystone XL pipeline, but the parties still need to work out specific terms, the company said on Thursday as it reported a rise in quarterly earnings.

The pipeline, which would carry 830,000 barrels per day of Canadian crude to U.S. refineries, has been delayed for more than eight years by regulatory hurdles as North American energy projects face increasing opposition from environmentalists.

A period for gauging interest from shippers ended in late October. While Canadian Natural Resources Ltd (CNQ.TO), one of the country's largest producers, said last week it has increased its commitment, there was concern among industry participants that other producers may no longer be as keen as oil sands growth slows.

TransCanada's liquids pipelines President Paul Miller said on a conference call the company has obtained the desired volume commitment of about 500,000 barrels per day.

"We do have various conditions attached," he said, without disclosing the terms from shippers. "I believe the conditions are manageable."

Calgary, Alberta-based TransCanada said in its third-quarter earnings statement it expects the introduction of new shippers and reductions in volume commitments by others.

"We anticipate commercial support for the project to be substantially similar to that which existed when we first applied for a Keystone XL pipeline permit" in 2008, the company said.

It has said it will decide by December whether to proceed with the project after gauging shipper demand and is awaiting a decision from the state of Nebraska, through which the pipeline passes, by the end of this month.

"We still have a lot to do on both those events," Miller said. "We let those two events play out, and that will give us greater visibility into our investment, final investment decision."

TransCanada's net income attributable to shareholders was C$612 million ($482 million), or 70 Canadian cents per share, in the quarter, compared with a loss of C$135 million, or 17 Canadian cents per share, a year earlier.

The year-ago quarter included an after-tax goodwill impairment charge of C$656 million.

Excluding items, the company earned 70 Canadian cents per share, in line with analysts' average estimate.

TransCanada's revenue fell 10.7 percent to C$3.24 billion, but beat analysts' estimate of C$3.18 billion, according to Thomson Reuters I/B/E/S.

TransCanada shares were last down 0.9 percent at C61.34 on Toronto Stock Exchange.

ExxonMobil's Canada offshore project produces first oil

The Hebron oil project off the coast of eastern Canada has produced its first oil, operator Exxon Mobil said, in a boost to Atlantic Canada's output after years of weak crude prices.

At its peak Hebron will produce up to 150,000 barrels per day (bpd), Exxon said. It will help Atlantic Canada offshore production climb 44 percent to 307,000 bpd by 2024, according to estimates from the Canadian Association of Petroleum Producers.

The platform is located 200 miles (350 kilometers) off the coast of Newfoundland and Labrador in depths of 300 feet (92 meters) and the oil field, first discovered in 1980, is estimated to contain more than 700 million barrels of recoverable resources.

"The successful startup of the Hebron project demonstrates ExxonMobil's disciplined project management expertise and highlights its ability to execute large-scale energy developments safely and responsibly in challenging operating conditions," Liam Mallon, president of ExxonMobil Development Company, said in a statement.

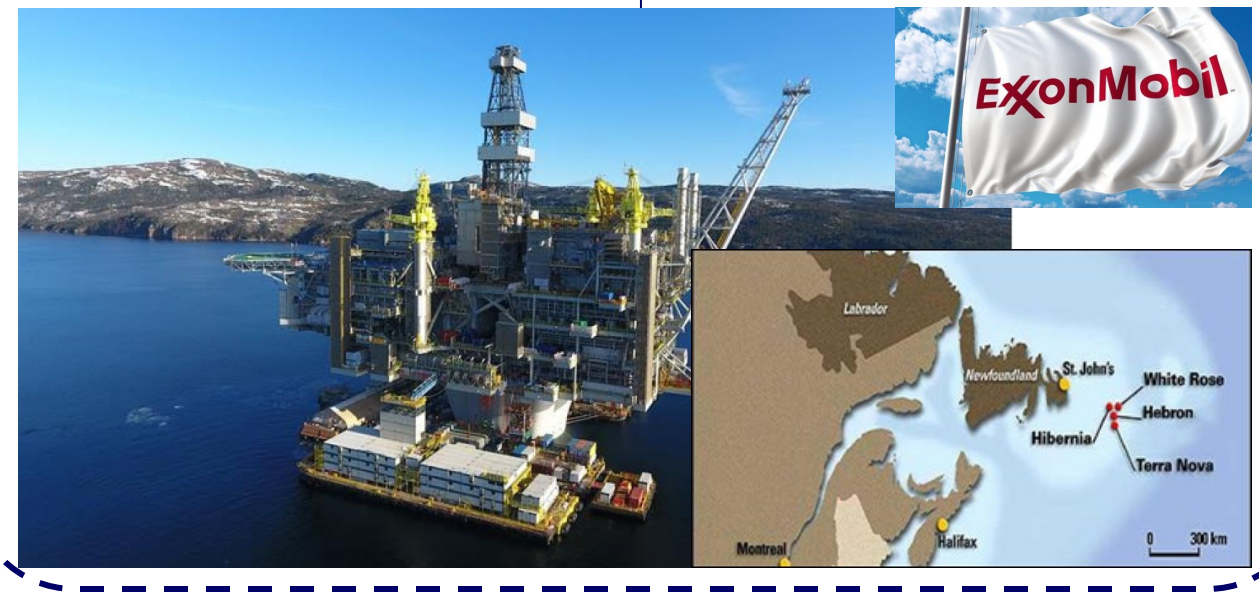
Offshore production is dwarfed by the 2.4 million barrels that comes from western Canada, but first oil from Hebron is still welcome news for the country's energy industry after foreign oil majors sold off around $23 billion in Canadian assets this year as a result of depressed prices.

While Canadian crude production is still growing thanks to Alberta's vast oil sands, forecasts have been scaled back since oil prices started slumping in mid-2014.

During Hebron's eight-year construction process U.S. oil prices collapsed from over $100 a barrel to as low as $26.

The platform holds living quarters, drilling and production facilities and storage capacity for 1.2 million barrels of oil.

It is operated by Exxon's ExxonMobil Canada Properties, which holds a 35.5 percent stake. Other joint venture partners are Chevron Canada Ltd, Suncor Energy, Statoil ASA and Nalcor Energy, the Newfoundland and Labrador provincial energy corporation.



Weekly US crude oil production hits highest level on record

-Weekly U.S. oil production rose to 9.62 million barrels a day, the highest level on record.

-The previous record according to government data was set in June 2015, just before the oil price crash sent U.S. oil output spiraling down to about 8.4 million barrels a day.

-The all-time monthly high still stands at just over 10 million barrels a day in November 1970.

Weekly U.S. crude oil production hit the highest level on record last week, according to preliminary government data, in another sign of the resilience of American shale drillers.

Independent Statistics & Analysis
U.S. Energy Information Administration

The United States produced 9.62 million barrels of oil a day in the week through Nov. 3, the U.S. Energy Information Administration reported. That just slightly topped a record high struck in June 2015, just before the oil price crash sparked a more than one-year decline that sent U.S. output to about 8.4 million barrels a day.

It's important to note that this is not the highest all-time level of U.S. oil production. The record still stands at just over 10 million barrels a day in November 1970. The EIA's weekly data only goes back to 1983.

To be sure, the weekly figures are subject to revision, but the latest data adds to signs of stubbornly high U.S. output and are likely to weigh on markets.

Recently, the EIA's Petroleum Status Report showed U.S. exports at an all-time high above 2 million barrels a day.

U.S. West Texas Intermediate crude prices initially extended losses after the latest report, which also showed oil sitting in storage in the United States unexpectedly rose last week. Futures recovered slightly but were still trading lower.

U.S. shale drillers, who use advanced drilling methods to unlock oil and gas from rock formations, have frustrated efforts by major oil producing nations to reduce brimming global crude stockpiles and boost prices.

OPEC and other exporters are keeping about 1.8 million barrels a day out of the market in order to end a persistent glut of crude oil.

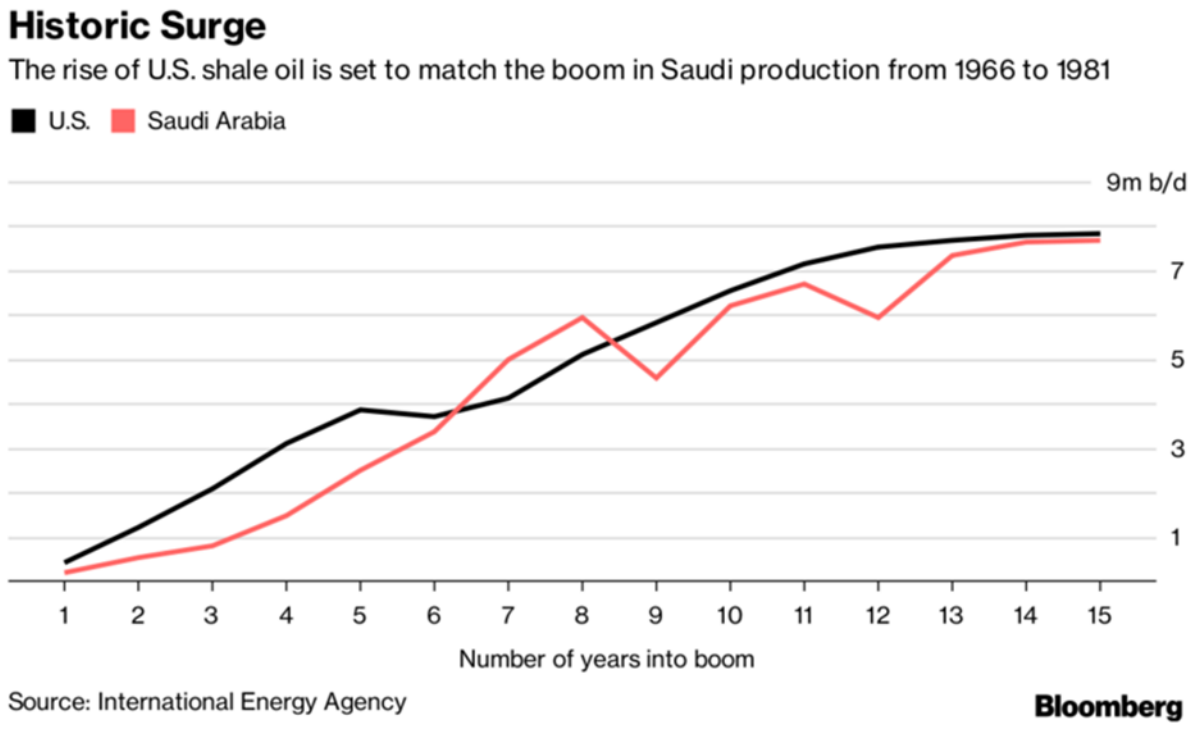
U.S. to Dominate Oil Markets After Biggest Boom in World History

The U.S. will be a dominant force in global oil and gas markets for many years to come as the shale boom becomes the biggest supply surge in history, the International Energy Agency predicted.

By 2025, the growth in American oil production will equal that achieved by Saudi Arabia at the height of its expansion, and increases in natural gas will surpass those of the former Soviet Union, the agency said in its annual World Energy Outlook. The boom will turn the U.S., still among the biggest oil importers, into a net exporter of fossil fuels.

"The United States will be the undisputed leader of global oil and gas markets for decades to come," IEA Executive Director Fatih Birol said Tuesday in an interview with Bloomberg television. "There's big growth coming from shale oil, and as such there'll be a big difference between the U.S. and other producers."

The agency raised estimates for the amount of shale oil that can be technically recovered by about 30 percent to 105 billion barrels. Forecasts for shale-oil output in 2025 were bolstered by 34 percent to 9 million barrels a day.



U.S. to Dominate Oil Markets After Biggest Boom in World History

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The U.S. industry "has emerged from its trial-by-fire as a leaner and hungrier version of its former self, remarkably resilient and reacting to any sign of higher prices caused by OPEC's return to active market management," the IEA said.

While oil prices have recovered to a two-year high above $60 a barrel, they're still about half the level traded earlier this decade, as the global market struggles to absorb the scale of the U.S. bonanza. It's taken the Organization of Petroleum Exporting Countries and Russia almost 11 months of production cuts to clear up some of the oversupply.

Price Cut

Reflecting the expected flood of supply, the agency cut its forecasts for oil prices to $83 a barrel for 2025 from $101 previously, and to $111 for 2040 from $125 before.

Lower prices are helping to support oil demand, and the IEA raised its projections for global consumption through to 2035, despite the growing popularity of electric vehicles. The world will use just over 100 million barrels of oil a day by 2025.

That will benefit the U.S. as it turns from imports to exports. The country will "see a reduction of these huge import needs," Birol said at a press conference in London. That "will bring a lot of dollars to U.S. business."

Nevertheless, U.S. shale output is expected to decline from the middle of the next decade, and with investment cuts taking their toll on other new supplies, the world will become increasingly reliant once again on OPEC, according to the report. The cartel, led by Middle East producers, will see its share of the market grow to 46 percent in 2040 from 43 percent now.

Yet that could still change, the IEA said. As shale has outperformed expectations so far, the IEA added a scenario in which the industry beats current projections. If shale resources turn out to be double current estimates, and the use of electric vehicles erodes demand more than anticipated, prices could stay in a "lower-for-longer" range of $50 to $70 a barrel through to 2040.

"There could be further surprises ahead," the IEA said.

Overtime Resolution

WHEREAS, we recognize that a review of the 2004 salary requirement under the Fair Labor Standards Act is appropriate;

WHEREAS, it is a common practice of SSDA-AT to have managers and assistant managers on salary.

WHEREAS, we will oppose efforts to change overtime pay to levels unsustainable for business owners;

WHEREAS, an unrealistic rule would cause more harm than good to many of the workers who could be covered by the new rule;

WHEREAS, we will pledge to support efforts by legislators and regulators to modernize the Fair Labor Standards Act in a responsible manor for business and workers.

NOW THEREFORE BE IT RESOLVED by SSDA-AT assembled this 29th day of October 2017, in General Assembly, that the Association urges rule makers and lawmakers to carefully consider the financial impact of changing the Fair Labor Standards Act and that the Association will oppose rules or legislation that will cause economic hardships on its members. While recognizing that the salary requirement under the 2004 rule is out of date, we urge the Department of Labor to adopt at most only a moderate increase (not to exceed 50% of an absolute minimum, making a new salary threshold of $35,000, to ensure that any increase is sustainable to small business). We further request that DOL allow all non-discretionary bonuses and commissions to be counted towards the salary requirement, it should be phased in over a period of at least five years. Finally, we believe that no changes should be made to the duties for the overtime exemption.

Conoco sets annual spending at $5.5 billion through 2020

ConocoPhillips will spend $5.5 billion annually in the oil patch through the end of the decade if U.S. crude prices stay above $50 a barrel, it said.

The Houston oil producer's three-year operating plan called for cutting debt to $15 billion by 2019 and repurchase $7.5 billion in shares through 2020.

The company said it cut costs this year and attempted to make operations profitable at lower oil prices. It said it brought its break-even price to $40 a barrel.

"We want to be the company that can attract and retain capital to this sector by offering superior returns to shareholders through cycles," Conoco CEO Ryan Lance said in a statement.

Natural gas tax comes up for debate in Pennsylvania House

Legislation to impose a tax on Marcellus Shale natural gas production is getting closer to a vote in Pennsylvania's House of Representatives, although the long-sought tax still faces hurdles in the nation's No. 2 gas state.

Debate over amendments lasted several hours, final vote may not occur before December. Democratic Gov. Tom Wolf and House Democrats have pressed Republican majority leaders to allow a tax vote.

The bill imposes a volume tax that rises with the price of natural gas. It would raise about $100 million in a full year for the cash-strapped state, using 2016 production and current prices.

Amendments added industry-friendly provisions designed to speed up the state's issuance of pollution-control permits, similar to provisions the Senate passed with a natural gas tax in July.

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