SSDA News

Service Station Dealers of America and Allied Trades

VOLUME 29, ISSUE 10 NOVEMBER, 2015

INSIDE THIS ISSUE:

Silent Auction/ Convention	1, 16
DOL Major Laws Summary	2
US Rule to Cut Toxic Emissions	3
Kerry on Canadian Vote	4
Canada on Keystone Pipeline	5
Bush on Overseas Markets	6, 16
DOi Cancels Arctic Leases	7
Kasich Energy Plan	8
Low Oil Prices Hurting the Industry?	9
Rubio's Energy Policy	10, 11
Carson on Eagle Ford Shale	12
Trump on EPA	13
Effectf of New Energy Taxes on PA	14
Letter to the Editor	15
EPA's New RefineryRule	17
Convention Highlights	18, 19

Silent Auction and Legislative Sessions Highlight the 2015 Mega Show

By Roy Littlefield, IV

A big thanks to everyone who took part in this year's legislative session and the federal PAC auction!

This year for the first time, SSDA-AT held a silent auction to raise funds for the federal PAC at the Mega Show. Attendees had the opportunity to bid on local sports memorabilia signed by professional athletes.

SSDA-AT President Peter Kischak

We thank all those who bought items in the auction to support the PAC!

The event was more than successful and by the end of the auction we raised just over $600 for the PAC. We hope to build off the momentum of this fundraiser and at next year's auction we will offer a better selection of items with longer hours to bid.

This year, the Mega Show took an expanded and focused approach on legislative issues affecting service station dealers and repair shop owners. Attendees of the "Industry Issues Forum" heard from a variety of speakers and representatives from AAA Mid-Atlantic, MD Dept. of Agriculture, Comptroller's Office, DANA Insurance, Ad Hoc Oil Com-

Continued on page 16

SSDA-AT TO HOST EARLY 2016 MEETING

SSDA-AT members will hold an open meeting on March 23rd, 2016 at the New Jersey Gasoline-Convenience-Automotive Association headquarters located at 4900 Route 33 West, Suite 100 - Wall Township, NJ 07753. The meeting will discuss legislation affecting the industry and a variety of other initiatives and programs.

Be sure to mark your calendars. More information will be coming soon!

Summary of the Major Laws of the Department of Labor

At the most recent SSDA-AT board meeting, members expressed interest in finding out the most up to date federal labor law guidelines to keep themselves and their employees informed.

The Department of Labor (DOL) administers and enforces more than 180 federal laws. These mandates and the regulations that implement them cover many workplace activities for about 10 million employers and 125 million workers.

Information on all the laws and regulations can be found here: http://www.dol.gov/opa/aboutdol/lawsprog.htm

The following topics are covered:

-Wages & Hours
-Workplace Safety & Health
-Workers' Compensation
-Employee Benefit Security
-Unions & Their Members
-Employee Protection
-Uniformed Services Employment and Reemployment Rights Act
-Employee Polygraph Protection Act
-Garnishment of Wages
-The Family and Medical Leave Act
-Veterans' Preference
-Government Contracts, Grants, or Financial Aid
-Migrant & Seasonal Agricultural Workers
-Mine Safety & Health
-Construction
-Transportation
-Plant Closings & Layoffs
-Posters

U.S. Rule to Cut Toxic Emissions at Refineries

U.S. oil refineries will face tighter standards in coming years on toxic emissions that cause lung problems and increase cancer risks, environmental regulators said.

The Environmental Protection Agency finalized a rule, to be fully implemented in 2018, that aims to reduce emissions of benzene and other toxic emissions.
The EPA said the capital cost to refiners will be about $283 million, with an annualized cost of $63 million, but that the standards will have a "negligible impact on the costs of petroleum products," like gasoline and diesel fuel.

Gina McCarthy, the EPA administrator, said the pollution cuts will lower the cancer risk from refineries for more than 1.4 million people and are a "substantial step forward in EPA's work to protect the health of vulnerable communities located near these facilities."
The standard will require continuous monitoring of concentrations of benzene and other pollutants at the fence line of refineries. The EPA said it would strengthen emissions controls at flares, storage tanks and delayed coker operations that will cut thousands of tons of hazardous air pollutants.

The American Petroleum Institute industry group said the EPA had made "substantial improvements" in the rule, but estimated that the regulation could still cost up to $1 billion.

"Despite these improvements, regulators need to be thoughtful about the additional impacts of new regulations and added costs to delivering affordable energy to U.S. consumers," said Bob Greco, an API refinery issues official.

Kerry: Canadian Vote Won't Change Keystone Review

A new government coming to power in Canada does not change how the Obama administration is handling the proposed Keystone XL pipeline, Secretary of State John Kerry said.

Kerry made the declaration the morning after Justin Trudeau was tapped to become Canada's next prime minister, since the Liberal Party he leads won a majority of Parliament seats in the election.

Trudeau, like outgoing Prime Minister Stephen Harper, supports the Canada-to-Texas oil pipeline, but he is unlikely to put as much of the government's support and resources into lobbying the Obama administration for it.

Kerry told MSNBC host Andrea Mitchell that the new regime will have no impact on how the State Department reviews TransCanada Corp.'s application to build Keystone XL.

"The decision on Keystone is being based on the merits and countervailing balance of all the input that has come from a very exhaustive agency review," Kerry told Mitchell at a forum hosted by the State Department, after she asked about possible changes to the equation surrounding Keystone. "I have said again and again, I want to get that done as fast as possible and that is very true."

Trudeau, son of former Prime Minister Pierre Trudeau, has criticized Harper for the degree to which his support for Keystone and for Canada's oil sands industry has strained relationships with other countries, including the United States.

"Unfortunately, Mr. Harper has narrowed the entire relationship with the United States to a single point around the Keystone XL pipeline, and he went to New York and criticized and harangued the president," Trudeau said during a recent debate.

Trudeau could also take some steps toward improving Canada's climate policies, after castigating Harper for making a mockery of Canada on the world stage for weakness on climate, the Canadian Broadcasting Corp. said.

Canada Will Aggressively Push Merits of Keystone Pipeline

Canadian Prime Minister Stephen Harper said he would keep aggressively pushing the merits of TransCanada Corp's Keystone XL pipeline, which U.S. President Barack Obama appears likely to veto soon.

Harper has pressed Washington to approve the pipeline, variously describing the project as a "no brainer", saying he would not "take no for an answer" and expressing the conviction the project will eventually get the green light.

"We will continue to make the case and make the case aggressively," he told a televised election debate.

Obama is under pressure from greens and other activists to block the pipeline, which would take oil from Alberta's tar sands to U.S. refineries.

The White House last week noted Obama has previously expressed skepticism about claims from Keystone XL supporters that the pipeline would create jobs and have a long-term economic impact.

New Democrat leader Thomas Mulcair said Harper had taken the wrong approach by lecturing Obama and mocked his comments about not taking no for an answer.

"Well guess what? The answer was no and you weren't able to do anything about it," he said, adding that Harper had been "pouring vinegar by the gallon on the Americans and it's not a surprise they were saying no to you."

Democratic U.S. presidential candidate Hillary Clinton, who has long avoided a firm position on the pipeline, last week said she opposed it.

Bush: US Should Open Overseas Markets to US Oil, Gas

Republican presidential candidate Jeb Bush says ending the ban on U.S. oil exports and easing restrictions on natural gas exports will unleash the nation's economy.

The former Florida governor is calling for ending the 1970s-era law prohibiting the U.S. from exporting crude oil at a time when domestic petroleum production has grown rapidly over the past decade.

Calling it a "once-in-a-generation opportunity," Bush says in a piece posted today on the website Medium that reversing the export ban and widening U.S. natural gas markets would benefit U.S. consumers with lower energy costs, create a new manufacturing sector and generally fuel more rapid growth in the nation's economy.

Bush is scheduled to discuss the plan at Rice Energy near Pittsburgh, Pennsylvania.

"More domestic energy leads to more jobs, higher wages, lower gas prices, and smaller electricity bills," writes Bush, according to provisions of the energy plan provided to The Associated Press Monday. "In short, it means more money in people's pockets, allowing them more freedom to make more choices for themselves and their children."

Bush has long said that opening domestic energy production is a key to sustained economic growth.

Once the presumed front-runner in the large Republican presidential candidate field, Bush now is fighting for traction among more than a dozen GOP rivals led by billionaire Donald Trump. The billionaire real estate mogul has been slower to introduce policy as he campaigns for the White House, although he unveiled a proposal to overhaul tax-policy on Monday.

The energy proposals not only could help the wonkish Bush take the policy mantle, it provides an opportunity to again take aim at Democrat Hillary Rodham Clinton, who leads in national preference polls for her party's presidential nomination.

Clinton, campaigning recently in Iowa, announced that she opposes completion of the Keystone XL pipeline, which would carry Canadian petroleum to refineries in Texas.

Bush supports completion of the pipeline, a popular rallying cry for Republican voters. But reversing the 40-year-old crude export ban is also popular with Republicans.

"Lifting the ban on crude oil exports and liberalizing natural gas exports

Continued on page 16

DOI Cancels Arctic Offshore Lease Sales

The US Department of the Interior said on Oct. 16 that it will cancel the two potential Arctic offshore lease sales scheduled under the current 5-year offshore oil and gas leasing program for 2012-2017. The agency cited "current market conditions and low industry interest" as reasons for the move.

The decision follows Shell's announcement that it will cease further exploration activity offshore Alaska for the foreseeable future, citing a "disappointing exploration outcome" with its Burger J exploration well.

"In light of Shell's announcement, the amount of acreage already under lease and current market conditions, it does not make sense to prepare for lease sales in the Arctic in the next year and a half," said Sec. of the Interior Sally Jewell.

"I am proud of the performance of Interior's Bureau of Ocean Energy Management [BOEM] and Bureau of Safety and Environmental Enforcement [BSEE], the US Coast Guard and others in ensuring that Shell's program this past season was conducted in accordance with the highest safety and environmental standards," she said.

Under the current program, Chukchi Sea Lease Sale 237 was scheduled potentially for 2016. BOEM issued a call for information and nominations in September 2013, in response to which industry submitted no specific nominations.

Beaufort Sea Lease Sale 242 had been scheduled potentially for first-half 2017. BOEM published a call for information and nominations in July 2014, but only received one nomination, thereby raising concerns about the competitiveness of any such lease sale at this time.

BSEE on Oct. 16 also separately denied requests from Shell and Statoil for lease suspensions that would have allowed the companies to retain the leases beyond their primary terms of 10 years. The Beaufort lease will expire in 2017, and the Chukchi lease in 2020.

"Among other things, the companies did not demonstrate a reasonable schedule of work for exploration and development under the leases, a regulatory requirement necessary for BSEE to grant a suspension," DOI explained in a news release.

Kasich Energy Plan Would Repeal Obama Rules, Boost Drilling

GOP presidential hopeful John Kasich wants to repeal impediments to oil and natural gas production, including Obama administration regulations and limits on offshore drilling.

The provisions are part of the energy plan the Ohio governor published, in which he frames energy limitations as roadblocks to economic growth.

But Kasich also called for balance in his energy approach, which he said does not ignore environmental protection.

"Too often we have seen America's energy policies swing wildly between cheap generation and environmental protection, as if those were our only choices," his campaign wrote in a fact sheet.

"Energy policies that only focus on low costs keep us from seeking technological breakthroughs that can improve efficiency and sustainability. An exclusive focus on unnecessary environmental regulation drives up energy costs and keeps energy independence out of reach."

Kasich specifically named the Environmental Protection Agency's carbon limits for power plants as a rule he would undo, along with the Interior Department's hydraulic fracturing rules for federal land.

The former congressman also wants to approve the Keystone XL oil pipeline, allow oil exports, increase oil and gas drilling on "non-sensitive" public lands and boost alternative and renewable energy, although the fact sheet does not identify how he would do that.

The Sierra Club criticized Kasich's plan as a giveaway to fossil fuel industries.

"Kasich's energy plan is nothing more or less than what we've heard from the rest of the Republican field, meaning it's copied directly from the playbook of the fossil fuel industry," Sierra Club political director Khalid Pitts said in a statement.

"Like [Jeb] Bush, Kasich does nothing to acknowledge the climate crisis or the urgent need for action, and in fact would eliminate existing clean air, clean water, and climate protections."

Are Low Oil Prices Threatening The Industry?

In a blog posting by fuelfix.com on September 21, 2015, Wood Mackenzie, the energy research firm, estimated that at $50 oil, the $1.5 trillion oil industry could not make money. Further, while oil producers are aiming to reduce project costs by 20 to 30%, savings may only be in the range of 10 to 20%.

The blog authors wrote that in the U.S. and Canada, 1,284 drilling rigs have been idled since this time last year and the International Energy Agency estimated that U.S. share oil production will decline by 400,000 barrel per day next year.

The oil industry has reduced jobs by an estimated 196,000 worldwide.

Wood Mackenzie believes that prices will start a recovery in 2017. Not everyone agrees with them. There is a chorus of voices stating the low oil prices are here for a sustained period of time. On September 22, 2015, Carl Bildt, the former Prime Minister and Foreign Minister of Sweden posted a statement on Twitter that the word in Stavanger, the oil capital of Norway, was low oil prices were the new normal.

The prospects of an extended period of low oil prices will have a profound impact on exploration and production in Ohio. Leases need to remain in production beyond their initial fixed term in order to remain enforceable. All of the support, servicing and ancillary services to the industry will be reacting to pricing. The dramatic effects of low oil prices will reach far and wide. Prompt and careful evaluation of lease portfolio terms and consideration of cost-effective options to preserve significant investments in the Utica and Marcellus shale plays is essential.

Marco Rubio's Energy Policy Centers on Drilling and Reversing Obama Rules

Senator Marco Rubio traveled to eastern Ohio, with its vast underground natural gas deposits, and laid out an energy policy that would rely on drilling and hydraulic fracturing and roll back many of the most aggressive components of President Obama's environmental agenda.

Mr. Rubio said he would immediately allow construction of the Keystone XL oil pipeline to go forward, which Mr. Obama has yet to commit to. Mr. Rubio would also permit more offshore oil and gas drilling, which the president has already expanded, and effectively nullify an international climate change accord the administration is pursuing.

And he vowed to reverse Environmental Protection Agency regulations on greenhouse gas emissions and hydraulic fracturing, known as fracking, to allow the extraction of gas buried deep in the ground near places like Salem.

Taking issue with what he described as a Democratic "fear campaign" against fracking, he said that the hundreds of billions of dollars' worth of natural gas and oil underneath the ground "are doing the people of Ohio no good pent-up in shale rock."

If his words left any doubt about the intended beneficiaries of his energy plan, the setting he chose spoke volumes: a company that makes equipment used to drill and refine fossil fuels, BOC Water Hydraulics.

Mr. Rubio's speech emphasized extracting natural resources from the ground, as opposed to investing in less polluting options like wind or solar power, and struck a combative tone. He promised the crowd of about 300 that there would be major differences in how a Rubio administration would balance energy policy with environmental protection and how a Democratic White House would.

"It is innovation, not regulation, that will prompt the development of affordable fuel alternatives," he said. "That is why conservatives, not liberals, have the more sustainable energy agenda."

To emphasize his point, he reached for a religious reference. He said that the Obama administration had issued nearly 30,000 pages of new regulations, which he noted was "about 46 times the length of the Bible."

And he named Hillary Rodham Clinton one of the biggest impediments to growth in the energy industry.

"This is what I mean when I say Democrats like Hillary Clinton are outdated," he said. "They label themselves 'progressives,' yet take great pride in opposing economic progress."

Mr. Rubio shares his Republican rivals' distaste for Mr. Obama's efforts to negotiate an international accord to combat climate change. And his plan appears explicitly intended to weaken the president's hand as Mr. Obama tries to reach an agreement with other United Nations members at a

Continued on page 11

Marco Rubio's Energy Policy Centers on Drilling and Reversing Obama Rules

Continued from page 10

climate conference in Paris in December.

While Mr. Obama hopes that such a deal will be a cornerstone of his legacy, the ultimate success of the accord hinges on whether his successor will actually carry it out — and Mr. Rubio's plan makes clear that a President Rubio would not do so. In fact, his plan would require congressional ratification of any international climate agreements, something highly unlikely in the current Republican-led Congress.

In the absence of support from Congress, Mr. Obama has relied on new E.P.A rules to push his environmental agenda. In August, he unveiled his most ambitious and contentious regulations to date: a set of limits on planet-warming carbon emissions from coal-fired power plants. If enacted, the rules could close hundreds of coal plants in the United States, lower domestic demand for coal and transform the nation's electricity system to rely more heavily on renewable sources of energy.

Less noticeable in Mr. Rubio's speech was the political subtext. Ohio does not hold one of the early presidential nominating contests, as Iowa and New Hampshire do. But it is home to one of Mr. Rubio's rivals for the Republican presidential nomination: Gov. John Kasich. Mr. Rubio has now visited Ohio, which Republicans will almost certainly have to carry in 2016 to win the White House, several times since August for fund-raising events and campaign rallies.

His speech was also certain to please the energy sector executives who pour hundreds of millions of dollars into Republican political campaigns. Environmental groups scoffed at the proposals, saying Mr. Rubio's plan could have been written by the industry itself.

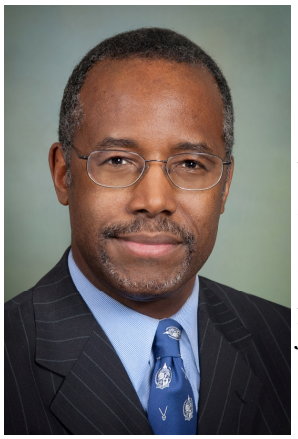
"Senator Rubio's energy policies may impress the Koch brothers," said Denis Dison, communications director for the NRDC Action Fund. "But American voters are growing tired of his kind of slavish devotion to old, dirty energy sources that threaten our kids' futures."

In contrast to how environmental concerns have dominated the Democratic nominating contest, Republicans almost never mention the subject, and when they do, it is often to diminish or dismiss the threat of global warming. Mr. Rubio's speech was no different. It did not mention the term "climate change" once. In fact, he mocked Democrats for being obsessed with it.

"If we elect Hillary Clinton as president," he said, "an outdated leader who believes President Obama's restrictions haven't gone far enough, who believes that energy policy is more about trying to change the weather than it is about empowering our people — then we will miss out on one of the greatest economic opportunities of this century."

Mrs. Clinton has pledged, if elected, to fully carry out and expand on Mr. Obama's climate change regulations.

Ben Carson On The Eagle Ford Shale, National Energy Policy



Republican presidential hopeful Dr. Ben Carson made a campaign stop in the Alamo City for a Sunday evening book signing, where he spoke to the San Antonio Business Journal about the Eagle Ford shale and his national energy policy.

More than 2,000 people eagerly waited for Carson at the Books-A-Million store off Loop 1604 and Culebra Road in northwest San Antonio to buy a copy of his new book " A More Perfect Union," which was released by publisher Sentinel on Oct. 6.

Greeted by a line that wrapped around the busy Alamo Ranch Marketplace and cheers as he entered the store, Carson signed copies of his book for supporters and spoke with reporters about his policy ideas.

When asked about the Eagle Ford shale and national energy policy, Carson said he supports lifting the federal crude oil export ban and any energy export bans enacted during the 1970s Arab oil embargo.

Carson said he also supports the Keystone XL Pipeline, which would carry crude oil extracted from the tar sands of central Canada to refineries just east of Houston.

San Antonio-based refining company Valero (NYSE: VLO) supports the pipeline and has also lobbied for its approval, which remains pending in a divided Congress.

The campaign stop and crowded presidential race also come at a time when the U.S. Environmental Protection Agency under President Barack Obama has tightened regulations on methane gas emissions for energy producers and strengthening smog standards for cities.

"We need to use the EPA to work with business, industry and academia to find the cleanest, most environmentally friendly way to utilize our tremendous energy resources," Carson said.

Carson, who is moving up in the Republican Party polls, is the fifth presidential candidate visit to San Antonio and deep South Texas since the busy campaign season started. His visit comes just three days after Democratic Party frontrunner Hillary Clinton made a campaign stop in the Alamo City.

Republican candidate Carly Fiorina made a campaign stop in late September while rival Scott Walker made a campaign stop at a Bill Miller Bar-B-Q in early September but dropped out of the race 15 days later.

In late July, Republican frontrunner Donald Trump made a campaign stop in Laredo, where he spoke about immigration and border security.

Trump Says EPA Could Be On The Chopping Block If He Is Elected To White House

Republican presidential front-runner Donald Trump has indicated he might get rid of the U.S. EPA as part of a move to cut government spending if he is elected to the nation's highest office.

In an interview with Fox News Sunday's Chris Wallace that aired Oct. 18, Trump called environmental protection a "disgrace," adding that the EPA comes out with new regulations every week.

The GOP candidate voiced that opinion in response to Wallace's question asking if he would cut government services or departments to save money if he becomes president.

When pressed further by Wallace on who would protect the environment, Trump responded, "We'll be fine with the environment. We can leave a little bit, but you can't destroy businesses."

Trump said the Department of Education is another government agency that could get the axe if he is elected to the White House.

The League of Conservation Voters, a pro-environment advocacy organization, said in a response that Trump's possible cutting of the EPA is equivalent to launching "an attack on public health."

"His disdain for health and environmental safeguards would dirty our waters and foul our air, just to enrich big polluters at the expense of everyone else," said Daniel Weiss, LCV's senior vice president for campaigns. "Like most of the GOP field, Trump's agenda would be a win for the Koch brothers and big oil, while burdening middle class Americans with more cancer causing and toxic pollution."

Former Florida Gov. Jeb Bush, U.S. Sens. Marco Rubio, R-Fla., and Rand Paul, R-Ky., and former business executive Carly Fiorina are among the GOP's pool of potential candidates who have vowed to undo the Clean Power Plan for regulating carbon emissions from existing power plants.

Many Republican candidates believe the EPA's rules amount to federal overreach and will unnecessarily cause coal-fired generation closures, trigger job losses, threaten electric reliability and promote the clean energy technologies favored by the Obama administration.

New Energy Taxes Could Jeopardize Jobs in Pennsylvania

There are no easy solutions to Pennsylvania's budget impasse, but one priority should be obvious: Policymakers should not seek to balance the budget by raising taxes on what has been one of our state's most reliable job creators.

Pennsylvania's oil and natural gas industry has been a pillar of our economy. Chip away at it, and you risk weakening not just energy development but numerous related industries from construction to suppliers to restaurants.

At least 1,347 businesses, spread all across Pennsylvania, are part of the larger oil and natural gas supply chain. They've experienced transformative economic growth in tandem with surging energy production. In turn, this surging energy production has lowered energy prices for businesses and families throughout the commonwealth.

It's been a tremendous success story that has dropped energy bills, increasing disposable income by an average of $1,200 per year per household. That's real dollars in our wallets thanks, in large part, to the energy production that has taken place right here in Pennsylvania.

Gov. Wolf's severance tax proposal would jeopardize all of that. The governor's latest plan to implement a 3.5 percent severance tax on production and an additional fee of 4.7 cents per thousand cubic feet of natural gas produced was recently defeated 127-73 in the House, along with controversial income tax increases.

But we're not out of the woods yet. Throughout months of budget negotiations, Wolf has consistently called for energy production tax hikes. He may have tweaked the details, but his administration's insistence on including a severance tax in every budget proposal demonstrates they do not understand the risks new taxes pose to our entire economy.

We already have a successful tax system in place that generates significant revenues and local funding without jeopardizing jobs. Energy development has generated $2.1 billion in state and local taxes and distributed more than $855 million in local impact tax revenue with the majority of it going to communities since 2012 — including more than $224 million in just 2014.

The current system, which imposes a local impact tax for every shale drilling site in the state, has generated revenue for road and bridge improvements, water and sewer projects, local housing initiatives, environmental programs and rehabilitation of greenways.

Raising energy production taxes means fewer wells would be drilled. A recent study from Natural Resource Economics Inc. analyzing the impact of the governor's original proposal of a 5 percent severance tax plus the 4.7-cent fee estimates the production losses would lead to the loss of 6,000 jobs in 2016 alone across a range of industries connected to energy development. By 2025, that number could grow to 18,000 lost jobs and cumulative losses of more than $20 billion in state economic output. The study found that by 2020, for every net $1 the commonwealth may gain from imposing a severance tax, the gross state product of Pennsylvania's economy would be set back by more than $4.

Whether the tax is 5 percent or 3.5 percent doesn't matter. Imposing additional new taxes on natural gas production is fundamentally a mistake at any rate. The bottom line is raising production taxes would make it more costly to do business in Pennsylvania — and do that during a global energy price downturn that is already putting a strain on U.S. producers. Constricting an industry through taxation is no way to sustain a job-creating energy revolution.

Energy production is vital to Pennsylvania's economy. Our leaders should focus on policies to encourage energy-driven economic growth — not duplicative taxes that could drive it away.

LETTER TO THE EDITOR

Dear SSDA-AT,

"Severe economic harm." That's what we can expect unless the Renewable Fuel Standard (RFS) is significantly reformed or repealed, according to a new study from internationally respected NERA Economic Consulting. It's simply not feasible to apply ethanol volume requirements set in 2007 to today's very different market conditions. Adding more ethanol to the nation's fuel supply each year regardless of demand and fuel consumption rates threatens engine and fuel system damage for millions of vehicles – the vast majority of which are not manufacturer-approved for fuel blends with greater than 10 percent ethanol (E10). Raising ethanol content even slightly to E15 potentially puts motorists at risk:

- For model years 2001 through 2011, zero manufacturers recommend operating their vehicles on E15.
- Even for the two most recent model years, 2014 and 2015, half of manufacturers do not recommend using E15.

Automakers have told members of Congress they will not cover damage caused by E15 under new car warranties.

The NERA study convincingly rejects the idea suggested by the EPA and ethanol proponents that greater use of E15 and E85 can plug the gap between reality and RFS requirements. The demand just isn't there. E85 demand is just 0.15 percent of overall gasoline demand. Only 6 percent of the current vehicle fleet can even use E85, and even those motorists have largely rejected it because ethanol is less energy-dense than gasoline.

To avoid the risk of damage to vehicles, NERA projects that refiners will instead be forced to reduce the nation's supply of gasoline and diesel by as much as 30 percent. The resulting fuel cost increases will "increase the cost to move raw materials and finished goods around the country, thus eventually making everything that directly or indirectly depends on transportation services more costly," NERA says. As API's Downstream Group Director Bob Greco stated, "You don't have to be an economist to know that removing almost one-third of our nation's fuel supply would deal a crippling blow to our economy."

Ethanol and other renewable fuels have an important role to play in our transportation fuel mix, but implementing the RFS as written in 2007 is a recipe for economic disaster. It's time for Congress to significantly reform or repeal the RFS.

Sincerely,

Jack Gerard
President and CEO
API

energy API

Silent Auction and Legislative Sessions Highlight the 2015 Mega Show

Continued from page 1

mittee, MDE, Governor's Task Force on Lottery, Suppliers, lawyers, in addition to independent repair shop owners and service station dealers.

There were also representatives from a variety of other state associations to give updates from around the country on pending legislative and regional issues. Topics covered pertained to both the state and federal levels.

With so many legislative battles on the horizon, the timing for such an event couldn't not have been more beneficial to members in attendance. With pending issues and legislation on the horizon, it is crucial that SSDA-AT members unite to protect the interests of their businesses.

With many legislative battles looming ahead, SSDA-AT would like to continue efforts to engage and involve the membership to unite against the government when unfair laws and regulations are encroached on small businesses. We must come together and speak in one voice to let our legislators know what our positions are.

Some bills have the potential to cost your business thousands of dollars a year, so stay involved! The 2015 Mega Show set the stage for legislative efforts to be stronger than ever in 2016 as SSDA-AT will remain an outspoken leader in Washington D.C.

Bush: US Should Open Overseas Markets to US Oil, Gas

Continued from page 6

would create hundreds of thousands of additional jobs and significantly lower net energy costs," Bush writes

The vast majority of economists agree, according to a survey by The Associated Press last year. More exports would encourage investment in oil and gas production and transport, create jobs, make oil and gas supplies more stable and reduce the U.S. trade deficit, they say.

Just last week, the Energy Committee in the GOP-controlled U.S. House approved a bill that would lift the ban. That move sets up a likely vote in the full House on a measure that President Barack Obama, a Democrat, opposes.

Opponents say lifting the ban would be a huge benefit to the nation's petroleum industry while providing only a small drop in prices at the pump.

EPA's New Refinery Rule—Next Generation Compliance In Action

The U.S. Environmental Protection Agency (EPA) signed a new air pollution rule in September that illustrates how EPA is implementing its next generation compliance ideas. The rule governs hazardous air emissions from petroleum refineries, but features several "next gen" tools that are relevant to other types of facilities, especially chemical plants and oil and gas storage facilities.

Next Gen Tools Found in the New Refinery Rule

EPA's next generation compliance initiative seeks to modernize the agency's regulations and enforcement efforts. The initiative encourages the use of new technologies for detecting air emissions, aims to incentivize compliance and emissions reductions, rather than relying primarily on the threat of enforcement, and also encourages greater public disclosure of environmental data. Many of these ideas are on display in the new refinery rule.

First, the rule requires "fenceline monitoring" of benzene concentrations and corrective action if benzene levels are detected above a baseline level. This is the first time EPA has required fenceline monitoring and related corrective action measures on such a large scale.

Second, the rule requires electronic reporting of the fenceline monitoring data. That is important not simply because it will enhance EPA's ability to bring timely enforcement actions, but also because it is a prelude to public disclosure of the monitoring data. EPA has explained that it intends to develop a publically accessible database of the fenceline monitoring results.

Third, the rule illustrates EPA's evolving approach toward so-called "upset" or "malfunction" events. Historically, many EPA air regulations excused compliance during periods of equipment malfunction. EPA has begun rolling back those malfunction exceptions and, in the new refinery rule, the agency adopts an approach to malfunction events that it will likely seek to apply to other industrial facilities going forward, especially those that use flares and pressure relief devices (PRDs). The new rule aims to minimize the use of flares and PRDs, in part because of recent studies suggesting that flares and PRDs can themselves be large sources of air pollution. The rule limits the number of flaring and PRD events that are permitted, requires refinery operators to develop flare management plans (to reduce flare use) and requires certain corrective actions to be taken after each flaring or PRD event.

Fenceline Monitoring Issues

The rule's fenceline monitoring and corrective action requirements deserve special attention. Those features of the rule are intended to improve the control of so-called "fugitive" emissions, emissions that, generally speaking, leak out of industrial equipment rather than being expelled out an exhaust stack where they can be more easily subjected to pollution control devices. Many other types of facilities experience fugitive emissions, including chemical plants, distilleries, oil and gas storage terminals, and wastewater treatment plants. Thus, the new refinery rule provides a glimpse of a possible regulatory future for many other industrial activities.

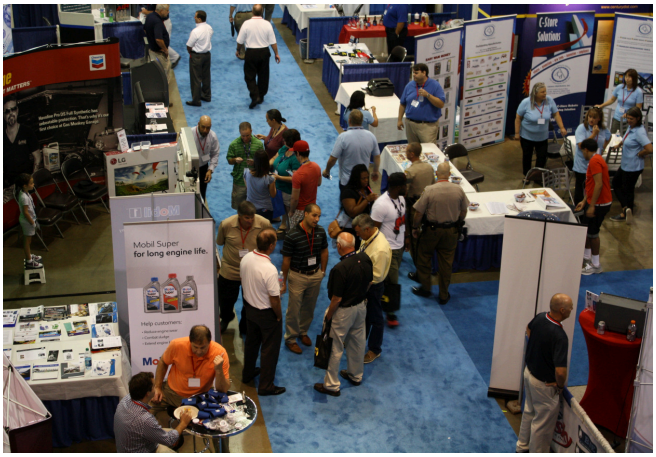
A critical issue in this context is how the fenceline monitoring data will be used. Do high levels of a hazardous air pollutant, standing alone, establish a violation, or is something more required? In the new refinery rule, mere detection of high benzene levels does not itself constitute a violation, but a violation may occur if the refinery owner or operator fails to take prompt action to reduce the high levels after detecting them.

Conclusion

The new refinery rule appears to be EPA's most extensive illustration of the agency's next generation compliance ideas to date. Companies that own or operate industrial facilities should pay special attention to how the rule is implemented in the coming years, since the rule's implementation will likely provide important insights into how well EPA's next generation ideas function in practice.

2015 Convention & Mega Trade Show Highlights

2015 Convention & Mega Trade Show Highlights



SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

1532 Pointer Ridge Place, Suite G
Bowie, Maryland 20716

Phone: 301-390-0900
Fax: 301-390-3161
E-mail: mgates@wmda.net

2014-2015 SSDA-AT Officers

President: Peter Kischak, New York	914-698-5188
1st Vice President: Fred Bordoff, New York	718-392-9605
2nd Vice President: Billy Hillmuth, Maryland	301-390-0900
Treasurer: Hugh Campbell, Pennsylvania	724-863-3524
Past President: Dave Freitag, Ohio	419-217-0870

For more information on SSDA-AT, please contact::

Roy Littlefield, IV, Managing Director

rlittlefield2@wmda.net ✦ 301-390-0900 ext. 137

Marta Gates, Director of Operations/Editor

mgates@wmda.net ✦ 301-390-0900 ext. 115

Published monthly by the Service Station Dealers of America and Allied Trades, ©2006