SSDA News

Service Station Dealers of America and Allied Trades

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INSIDE THIS ISSUE:

SSDA-AT Vegas	1
Netdriven	2, 3
US Energy Improves	4
Congress, Election Day	4
EPA Transparency Rule	5
Oil Conservation Not a Priority	6, 7
Gas Supply and Demand Up	8, 9
Low Level Liquid Test Guidance	10
Qualified Business Income Deduction	11
BP, Technology and the Environment	12
Congressional Outlook	13
New NAFTA Deal	14, 15
Letter to the Editor	16
Prop 65 Changes	17
FMLA Notice Requirement	17

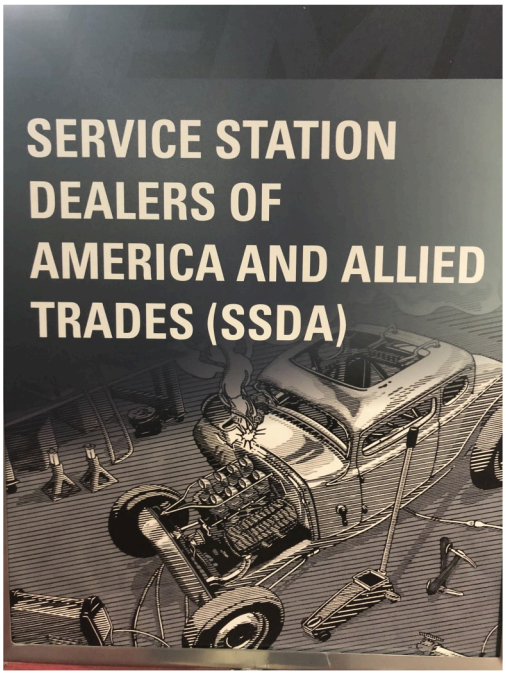
SSDA-AT Meets in Las Vegas

By Roy Littlefield

A big thank you to all those who attended the SSDA-AT meeting in Las Vegas on November 2nd, in conjunction with the SEMA show. SSDA-AT members from around the country met to discuss association management, legislation, and other industry issues.

This was the 2nd consecutive year SSDA-AT chose to meet in Las Vegas. Many thanks to all those who participated.

We will begin looking at dates and options for our Spring annual meeting. More details to come!



"5 Features That Will Make Your Auto Repair Website Stand Out From The Crowd"

From, Net Driven

A report from SmallBusiness.com shows that two thirds of small businesses in the United States have a website, with this number expected to grow each year1. While having a dedicated website for your automotive repair shop is important, so is standing out from the increasing competition.

Today, we dive into five features that help your auto repair website gain the edge over competitors and engage your visitors.

1) Responsive Design

A responsive website is one that adapts to the height and width of different devices, including desktop computers, laptops, mobile phones, and iPads. With a responsive auto repair website, it doesn't matter whether your visitor is on a smartphone with a 6" screen or a desktop computer with a 14" monitor; everyone gets the same content, scaled up or down on their device.

Search engines like Google promote responsive web design for several reasons. Responsive sites make it easier to share your website thanks to having a single URL, save time on development and updates, and make it easier for the Googlebot to crawl your website2 (which helps your website get found on Google).

Mobile traffic numbers make another case for responsive websites. Google confirmed in 2015 that it sees more mobile searches than desktop searches in ten countries, including the United States.3 As more people utilize their phones to find automotive repair shops, you want to make sure you're providing the best user experience possible. A responsive site helps you create a good experience for more people on more devices.

Despite all these pros, not all websites are responsive yet. By making your auto repair website responsive, you'll stand out from competitors who have yet to make the change while improving your user experience.

2) Photo Gallery

Research consistently shows that real photographs perform better than stock photography4. This is one reason Net Driven has a Photo Gallery module for auto repair websites. The great news is that taking photos of your auto repair shop, completed projects, and products takes time. This means not everyone puts in the effort to do it. And when they do, real photos still let you differentiate your website from theirs.

A photograph of a completed lift kit installation shows a potential customer what to expect. It elicits trust and shows you have pride in your business, inventory, and work. Today, you can even give a virtual tour of your automotive service center through Google's indoor Street View service.

You don't need a state-of-the-art camera to get started, either. Good lighting paired with a good smartphone camera can give you the start you need. Just try to avoid blurry, dim photos.

3) Diagnostic Center

One of the first steps in successful marketing is identifying your audience and their needs. When it comes to your auto repair shop website, you need to diagnose when and why people come to your site. If they're repeat customers, they might be ready to schedule a service with you. If they're new visitors, it's reasonable to assume they have a car problem and are looking for an automotive service provider in the area.

Now go a step further. While some of your website visitors know what's wrong (a brake repair for example), others don't have the technical aptitude to identify the source. When the check engine light turns on, this audience's first

Continued on page 3

"5 Features That Will Make Your Auto Repair Website Stand Out From The Crowd"

Continued from page 2

NET DRIVEN

thought isn't "where do I go" but "what's wrong?" You can attract traffic from this crowd with an online diagnostic center. This auto repair website feature lets visitors fill out a quick form about what they're experiencing. Once they answer the prompts, they'll receive a list of the most likely causes of the problem and the appropriate repair solutions. Giving website visitors the answers they need when they need them is a great way to build rapport. It's also a good way to attract traffic to your auto repair website. While the competition may only provide examples of the services they provide, you can go a step further and catch individuals who want to know what's wrong now.

4) Valuable Content

"Content" is a general term that refers to more than web copy. The content on an auto repair website can include blog posts, photos, videos, downloads/e-books, and individual pages dedicated to a service or product. High quality content contributes to search engine optimization (SEO) and provides value to your customers.

For example, an auto body repair shop might post an article about the auto insurance process to preempt customer inquiries and attract search traffic for associated keywords and keyphrases. Similarly, an auto repair shop might have a video that discusses different types of brake pads or a time lapse video of a repair. Before and after photos of a completed service are another great way to set your website apart and keep visitors on your website (Google uses "time on site" as an SEO ranking factor since it shows people are interested in your content).

One way Net Driven provides value is through the Automotive Q&A. This informative guide answers questions about the role of an automotive system or part. It helps potential customers understand why a service is important and when that service is recommended.

5) Online Scheduling

You might not expect an online scheduling form to make the list of features that separate you from the competition, but not every auto repair website offers this ability. J.D. Power found that online scheduling tends to improve customer satisfaction, with instances of online scheduling increasing from 9% in 2015 to 13% in 20175.

In a way, your website is like a 24/7 employee when you have an appointment scheduler. Even after you shut the doors for the night, your website is active. It provides the information potential customers need and takes down information for appointments. The convenience for the visitor also shouldn't be overlooked. If someone forgets to call your business during the day, they can still schedule at night without worrying that they'll forget again tomorrow. An online service scheduler provides convenience and gets you one step closer to revenue, since this step indicates a person is highly engaged with your website and business. You may even win over customers who were trying to schedule with another auto repair shop afterhours but weren't offered the ability.

And there you have it – five excellent ways to make your auto repair website stand out against the crowd (especially when combined). At the end of the day, every basic auto repair website will tell customers the hours, list the services provided, and provide a phone number/address. Truly great auto repair websites provide more value for their customers and get rewarded with better SEO signals in the process. It's a win-win for you and your customers.

For more website product solutions, check out Net Driven Website Features.

US Energy Trade Balance Improves Amid Export Growth

The American energy trade gap has diminished considerably over the past 10 years, with the value of energy imports only about 1.5 times higher than exports in 2017, compared with the 2003-2007 period when imports were running 10 times greater than exports in value, according to the US Census Bureau. Crude oil is still the biggest energy import into the US, while petroleum products represent the primary export at 70% of the total value of 2017's US energy exports.

Congress Adjourns Till November 13- Action Required Before Election Day

The Senate adjourned October 11 and will not return until November 13; the House had previously adjourned to that date.

Even as the Senate worked on FAA reauthorization, disaster relief, and judicial and executive appointments the past two weeks, tax staffs have begun working on a technical corrections/tax extenders bill to be taken up when Congress returns.

The template for the tax extenders will be the list of 26 expired provisions described in JCX-5-18, "Federal Tax Provisions Expired in 2017," which may be accessed at the Joint Committee on Taxation's web site, www.jct.gov.

Indian Employment Tax Credit and Empowerment Zone employment credit are among the list of 26 tax extenders to be reviewed for extension.

EPA Puts Science 'Transparency' Rule on Back Burner

The Environmental Protection Agency (EPA) is putting its initiative to overhaul how it evaluates science on the back burner.

The agency has put the regulation, called Strengthening Transparency in Regulatory Science, on its "long-term actions" agenda in the latest edition of the Trump administration's regulatory agenda, released by the White House Office of Management and Budget.

The EPA now expects to make the rule final around January 2020, and dozens of other regulatory projects are in line in front of the science rule.

The regulatory agenda also provided updated timelines for numerous major EPA initiatives, like repealing the Obama administration's Clean Power Plan and Clean Water Rule.

The highly controversial science rule would mandate that for regulations and other decisions, the EPA can only use scientific data and findings for which all of the underlying data can be made publicly available and reproducible.

Critics, including environmentalists, many scientists and Democrats, say it would set the bar unnecessarily high and prevent the EPA from using many high-quality studies, which would lead to fewer regulations.

An EPA spokesman said the rule is still under development, but the agency is taking its time sifting through the nearly 600,000 comments it received. "This is not a delay.

The agency is continuing its internal rulemaking development process for this action," spokesman Michael Abboud said, noting that the prior regulatory agenda, published this past spring, did not have any timeline for a final version of the rule.

California Attorney General Xavier Becerra (D) nonetheless celebrated the move as a victory.

"We recently filed strong opposition to a proposed regulation by the EPA that would restrict EPA's access to critical scientific data. EPA just shelved this misguided proposal. Now they should get back to their core mission of protecting human health and the environment," he said in a statement.

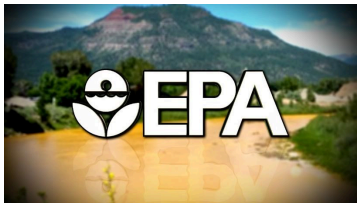
The science rule was a top priority of former EPA Administrator Scott Pruitt, who resigned in July amid numerous spending and ethics scandals.

The agenda updated timelines for dozens of other EPA regulatory rollbacks.

In March, the EPA plans to make final its proposed repeals of two major Obama administration rules: the Clean Power Plan, which sought to reduce carbon dioxide emissions from power plants, and the Clean Water Rule, which sought to extend federal water protections to many small waterways like ponds and streams.

The proposal to freeze auto emissions standards in 2020 and cancel future stricter rules is also due to be made final in March.

The industry-friendly Clean Power Plan replacement is due to be made final in March as well. A proposal to replace the Clean Water Rule with a less-ambitious version is due to be proposed this month and made final in September.



US Says Conserving Oil is No Longer an Economic Imperative

Conserving oil is no longer an economic imperative for the U.S., the Trump administration declares in a major new policy statement that threatens to undermine decades of government campaigns for gas-thrifty cars and other conservation programs.

The position was outlined in a memo released last month in support of the administration's proposal to relax fuel mileage standards. The government released the memo online this month without fanfare.

Growth of natural gas and other alternatives to petroleum has reduced the need for imported oil, which "in turn affects the need of the nation to conserve energy," the Energy Department said.

It also cites the now decade-old fracking revolution that has unlocked U.S. shale oil reserves, giving "the United States more flexibility than in the past to use our oil resources with less concern."

With the memo, the administration is formally challenging old justifications for conservation — even congressionally prescribed ones, as with the mileage standards. The memo made no mention of climate change. Transportation is the single largest source of climate-changing emissions.

President Donald Trump has questioned the existence of climate change, embraced the notion of "energy dominance" as a national goal, and called for easing what he calls burdensome regulation of oil, gas and coal, including repealing the Obama Clean Power Plan.

Despite the increased oil supplies, the administration continues to believe in the need to "use energy wisely," the Energy Department said, without elaboration. Department spokesmen did not respond Friday to questions about that statement.

Reaction was quick.

"It's like saying, 'I'm a big old fat guy, and food prices have dropped — it's time to start eating again,'" said Tom Kloza, longtime oil analyst with the Maryland-based Oil Price Information Service.

"If you look at it from the other end, if you do believe that fossil fuels do some sort of damage to the atmosphere ... you come up with a different viewpoint," Kloza said. "There's a downside to living large."

Climate change is a "clear and present and increasing danger," said Sean Donahue, a lawyer for the Environmental Defense Fund.

In a big way, the Energy Department statement just acknowledges the world's vastly changed reality when it comes to oil.

Just 10 years ago, in summer 2008, oil prices were peaking at $147 a barrel and pummeling the global economy. The Organization of the Petroleum Exporting Countries was enjoying a massive transfer of wealth, from countries dependent on imported oil. Prices now are about $65.

Today, the U.S. is vying with Russia for the title of top world oil producer. U.S. oil production hit an all-time high this summer, aided by the technological leaps of horizontal drilling and hydraulic fracturing.

How much the U.S. economy is hooked up to the gas pump, and vice versa, plays into

Continued on page 7

US Says Conserving Oil is No Longer an Economic Imperative

Continued from page 6

any number of policy considerations, not just economic or environmental ones, but military and geopolitical ones, said John Graham, a former official in the George W. Bush administration, now dean of the School of Public and Environmental Affairs at Indiana University.

"Our ability to play that role as a leader in the world is stronger when we are the strongest producer of oil and gas," Graham said. "But there are still reasons to want to reduce the amount we consume."

Current administration proposals include one that would freeze mileage standards for cars and light trucks after 2020, instead of continuing to make them tougher.

The proposal eventually would increase U.S. oil consumption by 500,000 barrels a day, the administration says. While Trump officials say the freeze would improve highway safety, documents released this month showed senior Environmental Protection Agency staffers calculate the administration's move would actually increase highway deaths.

"American businesses, consumers and our environment are all the losers under his plan," said Sen. Tom Carper, a Delaware Democrat. "The only clear winner is the oil industry. It's not hard to see whose side President Trump is on."

Administration support has been tepid to null on some other long-running government programs for alternatives to gas-powered cars.

Bill Wehrum, assistant administration of the EPA's Office of Air and Radiation, spoke dismissively of electric cars — a young industry supported financially by the federal government and many states — this month in a call with reporters announcing the mileage freeze proposal.

"People just don't want to buy them," the EPA official said.

Oil and gas interests are campaigning for changes in government conservation efforts on mileage standards, biofuels and electric cars.

In June, for instance, the American Petroleum Institute and other industries wrote eight governors, promoting the dominance of the internal-combustion engine and questioning their states' incentives to consumers for electric cars.

Surging U.S. and gas production has brought on "energy security and abundance," Frank Macchiarola, a group director of the American Petroleum Institute trade association, told reporters this week, in a telephone call dedicated to urging scrapping or overhauling of one U.S. program for biofuels.

Fears of oil scarcity used to be a driver of U.S. energy policy, Macchiarola said.

Thanks partly to increased production, "that pillar has really been rendered essentially moot," he said.

Both Natural Gas Supply and Demand Have Increased From Year-Ago Levels

In the first half of 2018, U.S. natural gas supply and demand grew significantly compared to the first half of 2017. According to EIA's Natural Gas Monthly, natural gas consumption and exports averaged 93.4 billion cubic feet per day (Bcf/d) during the first half of 2018, or 12% greater than during the first half of 2017. Total supply of U.S. natural gas, including domestic production, imports, and storage withdrawals, averaged 93.3 Bcf/d during the first half of 2018, a 12% increase from the first half of 2017.

The increase in U.S. natural gas supply was driven by production, especially from the Appalachia region. Total U.S. dry natural gas production rose 7.4 Bcf/d (10%) compared to the same period last year. The additional pipeline capacity brought into service since June 2017 has enabled production increases, including the Leach XPress, the Rover Pipeline, and Phase 1 of Atlantic Sunrise, all of which transport natural gas out of the Northeast region.

Domestic natural gas consumption in the first half of 2018 increased in all sectors compared with year-ago levels. The largest growth occurred in the residential and commercial sectors, which increased by 3.8 Bcf/d (16%) combined, compared to the first half of 2017. Residential and commercial consumption is primarily related to heating needs, and the beginning of 2018 experienced record, prolonged cold temperatures across many of the Lower 48 states. Population-weighted heating degree days, a temperature-based proxy for heating demand, were 17% higher in the United States during the first half of 2018 than in the first half of 2017.

In the U.S. electric power sector, power plants used 3.6 Bcf/d (16%) more natural gas during the first half of 2018 compared with the same time last year. Electricity demand tends to increase as hot weather increases demand for air conditioning or as cold weather increases demand for electric space heating. Natural gas consumption in the power sector has also increased with the increased buildout of natural gas-fired power plants in much of the country.

Industrial consumption of natural gas in the United States (including lease and plant fuel) was 1.6 Bcf/d (6%) higher in

Both Natural Gas Supply and Demand Have Increased From Year-Ago Levels

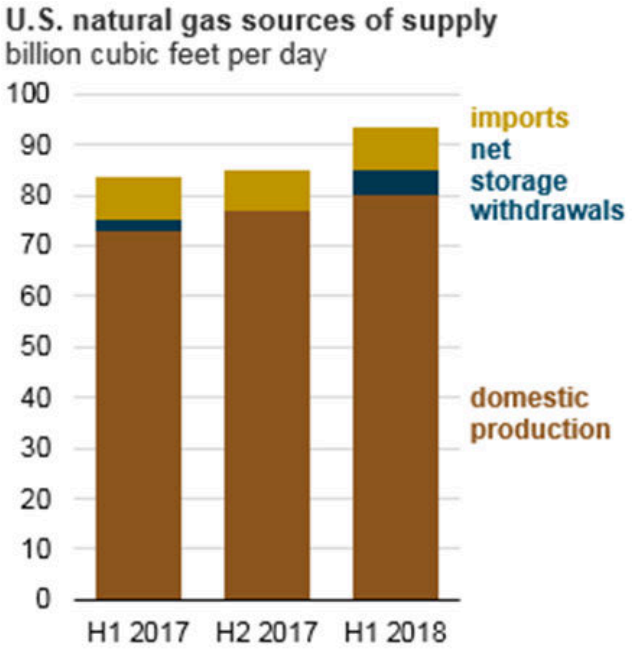
Continued from page 8

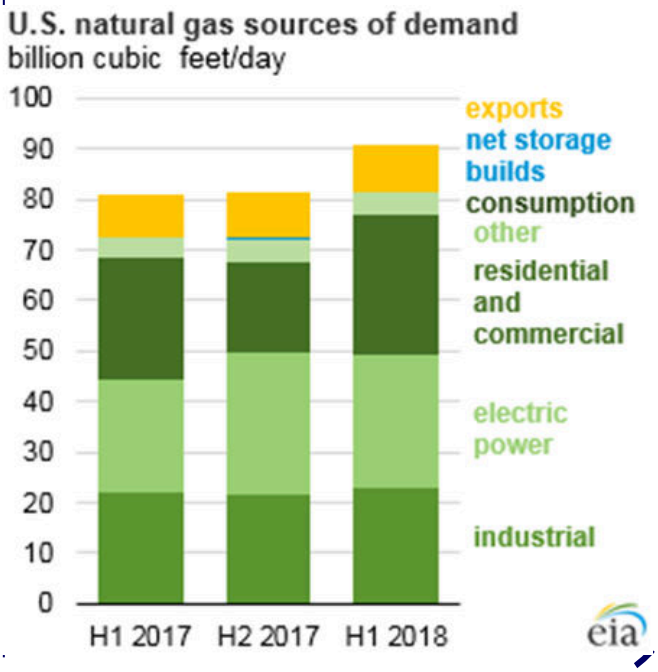
the first half of 2018 compared to the first half of 2017. Industrial consumption of natural gas is affected by weather-related space heating needs, particularly in the Northeast and Midwest. In addition, industrial consumption is a function of industry-specific demand and market factors. For example, natural gas used in petroleum refining will vary with refinery throughput while natural gas consumed by the fertilizer industry will reflect the needs of the fertilizer market.

Gross U.S. exports of natural gas have also increased from year-ago levels. Liquefied natural gas (LNG) exports, which mostly go to countries in Asia, and pipeline exports, which go to Mexico and Canada, collectively increased by an average of 0.7 Bcf/d (8%) from the first half of 2017 to the first half of 2018. LNG exports increased after Train 4 at the Sabine Pass LNG export facility was completed in October 2017 and Cove Point LNG export terminal began operations in March 2018.

Overall, consumption and exports increased 2.7 Bcf/d more than production and imports in the first half of the year, which prompted withdrawals of natural gas from storage facilities.

Relatively high net withdrawals and low net injections so far in 2018 have resulted in natural gas inventories falling 18% lower than the previous five-year average as of September 21, 2018.





Low Level Liquid Test Guidance for UST Containment Sumps

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Low Level Liquid Test Guidance for UST Containment Sumps

EPA Issues Low Level Liquid Test Guidance for UST Containment Sumps

The U.S. EPA's Office of Underground Storage Tanks (OUST) has issued guidance for alternative low-level hydrostatic testing for UST containment sumps used as secondary containment for piping. The guidance helps state UST program regulators implement the EPA's 2015 underground storage tank regulatory amendments requiring periodic testing and inspection. PMAA develop this test as an inexpensive alternative to the EPA's hydrostatic test method for containment sumps which requires costly high-level liquid testing. Publication of the EPA guidance is important because it clears the way for PMAA's alternative test method to be approved for use by state UST program regulators.

Lowered Compliance Costs

The PMAA alternative test method eliminates the need to fill containment sumps with water to within four inches ***above*** the highest penetration point in the sump wall to test for integrity, as required under the EPA approved test method. Instead, PMAA's alternative test method only requires filling the sump to a level sufficient to active an alarm/shutdown sensor mounted ***below*** penetration points in the sump wall. Integrity testing containment sumps in this way saves tank owners thousands of dollars in test preparation and compliance costs necessary to make penetration points liquid tight under the EPA test procedure. The PMAA alternative test method also significantly lowers hazardous waste water disposal costs by reducing the volume of water required for testing by more than two-thirds.

State Approval of PMAA Alternative Test Method

The PMAA alternative test procedure automatically applies to the 11 states without state UST program approval where federal EPA regulations apply instead: New York, New Jersey, Florida, Kentucky, Michigan, Illinois, Wisconsin, Wyoming, Arizona and Alaska. In addition, the PMAA alternative containment sump test will likely qualify as an "alternative test procedure" under provisions in state regulations. These states typically follow EPA UST program guidance which now includes PMAA's alternative test procedure. Some states of these states have already adopted the alternative test, others are expected to do so soon. Marketers in the 38 states with UST program approval should contact their state UST regulators to determine whether the alternative test method is available yet for use.

Test Procedure Guidance and Compliance Form
Click here and scroll down to "Containment Sump – Alternative Test Procedures" to see EPA guidance authorizing PMAA low liquid level testing method.
Click here for EPA Low Liquid Level Containment Sump Test Procedures.
Click here for EPA Low Liquid Level Containment Sump Test Compliance Form.

Click here for a list of State UST program contacts.

Qualified Business Income Deduction

SSDA-AT, representing state and regional service station and repair associations nationwide, has submitted comments to the Internal Revenue Service (IRS) on the agency's proposed regulations on the Qualified Business Income Deduction (RIN 1545-B071).

Starting from the broadest perspective, SSDA-AT is concerned with the overall complexity of the proposed regulations. While clarity is certainly necessary for small businesses to navigate the new 199A regulations, the last thing that small business service stations and automotive repair facilities need are more highly complicated rules that the can only navigate with the guidance of outside council. This rings particularly true then contrasted with the relatively straight forward tax rate cuts that were afforded to C-Corporations under the Tax Cuts and Jobs Act.

As the IRS moves forward to incorporate public comments and prepare the final rule, SSDA-AT urges the IRS to be mindful of the real-world concerns and constraints that face the small businesses to whom the rule will apply. It would be counter to congressional intent for the final 199A rules to be so complex that any savings that small businesses night have enjoyed will be eaten up in professional fees associated with complying with the rules.

Taking a deeper dive, SSDA-AT is particularly concerned that the provisions of the proposed regulations that relate to the definition of a Specified Service Trade or Business will further expand to disparity between C-Corporations and pass through entities and run counter to the intent of 199A.

It is no secret that Section 199A was included in the Tax Cuts and Jobs Act as a way of trying to bring pass through entities to the same, or a similar, point (albeit for a limited period of time) as C-Corporations would be in after that new corporate tax cut, the more pass through entities that are excluded from the new 199A deduction, the greater the overall divide between the treatment of C-Corporations and pass throughs. Given that the vast majority of small businesses are formed as pass throughs, this would largely translate to a significant gap in tax rates between the treatment of small businesses and larger businesses.

In delineating which businesses fall into the category of Specified Service Trade or Business, with a few exceptions, the intent, or at least the trend, of the proposed regulations seems to be focused on making the definition of Specified Service Trade or Business as expansive as possible. Taking just one example among many, under the proposed regulations, bookkeeping services, which do not require professional training or a license, would be treated like an accounting service and bookkeepers (depending on their income levels) would be largely excluded from the new deduction as being part of a Specified Service Trade or Business. Again, if the intent of 199A is to strive for (at least on a temporary basis) parity between C-Corporations and pass throughs, the regulations should narrowly define Specified Service Trade or Business within the scope of the Tax Cuts and Jobs Act and should not expand the definition beyond what was expressly contemplated by Congress.

The proposed regulations' definition of what it means to have a situation where the principal assets of the trade or business is the reputation or skill of one or more of its employees or owners is an example of the type of carefully crafted and limited exception that SSDA-AT hopes to see across the 199A regulations. Rather than creating a catch-all provision, the IRS has expertly threaded the needle by creating a narrow and carefully drafted definition which the SSDA-AT applauds.

Along a similar vein, SSDA-AT is concerned by the way the proposed regulations treat businesses or commonly controlled entities in which part of the business falls under the definition of a Specified Service Trade or Business and part does not. Specifically, that part of the business which is not a Specified Service Trade or business should be eligible for the 199A deduction and the whole business or group of businesses should not be tainted by the fact that one part is a Specified Service Trade or Business. Any part of the business that is not a Specified Service Trade or Business 3 should be eligible for the 199A deduction. Again, expanding the Specified Service Trade or Business exclusion as proposed in these regulations drives more pass throughs to a point where their treatment is far from on par with their C-Corporation counterparts.

For BP's Chief, Technology and the Environment Matter Most

Bob Dudley, the quiet American who is the chief executive of BP, took charge of the London-based company when it was struggling to survive after the 2010 explosion of the Deepwater Horizon oil rig in the Gulf of Mexico. Eight years later, BP has largely regained its footing, and Mr. Dudley has emerged as a calm leader among the international oil chiefs. For instance, he is the chairman of the chief executive steering committee of the Oil and Gas Climate Initiative, an industry group focused on reducing carbon dioxide emissions.

Are the rollbacks on various environmental measures being pushed by the Trump administration helpful to the oil industry?

It's not changing one thing we're doing in terms of environment or safety. We're still going to reduce and try to eliminate all leakage of methane, or down to a very low level.

I think the rollback of things we've seen in the U.S. around regulation is quite material to the energy industry. What has happened is the speed of decision-making is much faster. So you can request a permit. It might be approved, it might not be approved, but it doesn't just sit there for years.

BP recently agreed to buy BHP's shale assets in the U.S. for $10.5 billion. Is the quick payoff offered by shale part of the appeal?

I think it's capital that you can spend efficiently, and you can pace it differently depending on economic conditions. So, yes. For us there was a gap in our portfolio. It's primarily a natural gas portfolio in the lower 48. And if they can take those technologies and that mind-set and put it into liquids, you know, the margins, the economics of our U.S. business will change materially.

Has BP put the Gulf of Mexico disaster behind it?

Well, we still have obligations that will go out to 2032, some fines and penalties. Total cost is $66 billion, which is the wealth of nations. There'll always be a long tail of things in the legal system in the United States, but we would not have had the confidence to do the BHP deal, for example, if this was not really behind us as a company.

Where does technology really make a difference?

It is in the big things and the little things and it's everywhere. So you start out in the exploration side, the ability to evaluate seismic data, process it, make decisions much faster. If you look at the sensors placed in the wells, in the equipment, there are huge amounts of data now that allow engineers and operations people to make faster, more informed decisions.

You take the worker in a petrochemical plant or a refinery, and they can wear goggles with heads-up displays to look at all the data coming through in the equipment. That way people work better. And I think people will actually enjoy it more.

How big a threat to the industry are climate change pressures?

It's obviously a huge problem in the world. The reality is the world will need nearly a third more energy by 2040. The planet may have as many as two billion more people. And so all forms of energy are going to be needed. And yet we need to reduce emissions by half.

The Congressional Outlook– SSDA-AT

The Senate adjourned October 11 and will not return until November 13; the House had previously adjourned to that date.

Even as the Senate worked on FAA reauthorization, disaster relief, and judicial and executive appointments the past two weeks, tax staffs have begun working on a technical corrections/tax extenders bill to be taken up when Congress returns.

Recently, SSDA-AT participated in a variety of government affairs meetings that addressed several issues of concern for our members. These meetings included the Department of Labor, OSHA, and Congressional staff.

Last month, SSDA-AT participated in a Right to Repair meeting. The Right to Repair Coalition has reenergizing itself to address new concerns with access to technology. The Coalition believes that due to new technology in cars, an amended law is needed to continue to protect consumers and aftermarket automobile parts dealers. The Coalition is exploring the legislative possibilities of going about this. SSDA-AT will continue to monitor these efforts and participate in the coalition.

The Department of Labor (DOL) recently conducted a public listening session in Washington, D.C., to gather views on its overtime regulations under the Fair Labor Standards Act (FLSA). The agency recently held listening sessions in Atlanta, Seattle, Kansas City, Denver and Providence.

Under the FLSA, most workers are entitled to minimum wage and overtime pay for hours worked over 40 hours. However, there is a "white collar" exemption in the FLSA for certain executive, administrative and professional employees; qualifying for this exemption requires that these employees earn no less than a standard salary threshold and other criteria.

In May 2016, DOL finalized a rule that changed the standard salary threshold for the white collar exemption, from $23,660 to $47,476. In November 2016, the rule was enjoined by a federal court before it became effective. On July 26, 2017, DOL published a Request for Information (RFI) on this regulation. This RFI included questions on the appropriate salary level for this exemption, and the proper methodology to calculate this salary threshold. DOL plans on releasing a new proposed rule in January 2019.

SSDA-AT attended the DOL listening session in Washington and we will continue to monitor any new proposals.

SSDA-AT also participated in a OSHA roundtable meeting. At the meeting, there was a lengthy discussion on repeat violations and post-violation compliance efforts. If you have been cited by OSHA before, it is extremely important you remain in full compliance moving forward to avoid special inspections, extra reporting, and heavy fines. OSHA reviewed the repeat violation standard and provided an analysis of the Commission's decision. There was discussion of the decision's practical impact on the ability to avoid repeat violations. We continued to take part in every available OSHA roundtable.

After the midterm elections, we will have a better idea of where our legislative battles will be fought for the remainder of 2018 and what the outlook is for the next Congress in 2019.

In Trump Win, Canada, U.S. Deal Saves NAFTA as Trilateral Pact

The United States and Canada forged a last-gasp deal to salvage NAFTA as a trilateral pact with Mexico, rescuing a three-country, $1.2 trillion open-trade zone that had been about to collapse after nearly a quarter century.

In a big victory for his agenda to shake-up an era of global free trade that many associate with the signing of NAFTA in 1994, President Donald Trump coerced Canada and Mexico to accept more restrictive commerce with their main export partner.

Trump's primary objective in reworking NAFTA was to bring down U.S. trade deficits, a goal he has also pursued with China, by imposing hundreds of billions of dollars in tariffs on imported goods from the Asian giant.

While the new United States-Mexico-Canada Agreement (USMCA) avoids tariffs, it will make it harder for global auto makers to build cars cheaply in Mexico and is aimed at bringing more jobs into the United States.

Since talks began more than a year ago, it was clear Canada and Mexico would have to make concessions in the face of Trump's threats to tear up NAFTA and relief was palpable in both countries on Sunday that the deal was largely intact and had not fractured supply chains between weaker bilateral agreements.

"It's a good day for Canada," Prime Minister Justin Trudeau told reporters after a late-night cabinet meeting to discuss the deal, which triggered a jump in global financial markets.

In a joint statement, Canada and the United States said it would "result in freer markets, fairer trade and robust economic growth in our region".
Negotiators worked frantically ahead of a midnight ET (0400 GMT) U.S. imposed deadline to settle differences, with both sides making concessions to seal the deal. The United States and Mexico had already clinched a bilateral agreement in August.

"It's a great win for the president and a validation for his strategy in the area of international trade," a senior administration official told reporters.

Trump has approved the deal with Canada, a source familiar with the decision said. U.S. officials intend to sign the agreement with Canada and Mexico at the end of November, after which it would be submitted to the U.S. Congress for approval, a senior U.S. official said.

COST FOR CANADA

The deal will preserve a trade dispute settlement mechanism that Canada fought hard to maintain to protect its lumber industry and other sectors from U.S. anti-dumping tariffs, U.S. and Canadian officials said.

In Trump Win, Canada, U.S. Deal Saves NAFTA as Trilateral Pact

Continued from page 14

But it came at a cost.

Canada has agreed to provide U.S. dairy farmers access to about 3.5 percent of its approximately $16 billion annual domestic dairy market. Although Canadian sources said its government was prepared to offer compensation, dairy farmers reacted angrily.

"We fail to see how this deal can be good for the 220,000 Canadian families that depend on dairy for their livelihood." Pierre Lampron, president of Dairy Farmers of Canada, said in a statement. "This has happened, despite assurances that our government would not sign a bad deal for Canadians."

The deal also requires a higher proportion of the parts in a car to be made in areas of North America paying at least $16 an hour, a rule aimed at shifting jobs from Mexico.

Canada and Mexico each agreed to a quota of 2.6 million passenger vehicles exported to the United States in the event that Trump imposes 25 percent global autos tariffs on national security grounds.

The quota would allow for significant growth in tariff-free automotive exports from Canada above current production levels of about 2 million units, safeguarding Canadian plants. It is also well above the 1.8 million cars and SUVs Mexico sent north last year.

But the deal failed to resolve U.S. tariffs on Canada's steel and aluminum exports.

The Trump administration had threatened to proceed with a Mexico-only trade pact as U.S. talks with Canada foundered.

"It's a good night for Mexico, and for North America," Mexican Foreign Secretary Luis Videgaray said.

The news delighted financial markets that had fretted for months about the potential economic damage if NAFTA blew up.

U.S. stock index futures rose, with S&P 500 Index e-mini futures up more than 0.5 percent, suggesting the benchmark index would open near a record.

The Canadian dollar surged to its highest since May against the U.S. dollar, gaining around 0.5 percent. The Mexican peso gained 0.8 percent to its highest against the greenback since early August.

"Though markets were already anticipating an agreement, one source of worry will be swept away if a deal is made," Yukio Ishizuki, senior currency strategist at Daiwa Securities in Tokyo, said.

"That will lead to a rise in trust in the U.S. economy, so it's easy for risk sentiment to improve."

Letter to the Editor

Dear SSDA-AT,

Few sectors can match the energy industry in jobs impact and reach. America's natural gas and oil industry supports 10.3 million total U.S. jobs – not just in production and refining but in related industries like construction, manufacturing and service and supply firms – including local small businesses that provide everything from tools to hard hats to software. For each direct natural gas and oil industry job, 2.7 jobs are supported elsewhere in the economy.

That economic activity, across all 50 states, generated $1.3 trillion for the national economy and $714 billion in labor income in 2015.

And the industry offers what Bloomberg termed "paycheck potency," with salary levels that "topped all sectors, including utilities, tech and health care" in the latest rankings. Non-retail station jobs in the natural gas and oil industry pay an average annual wage of over $100,000 — nearly $50,000 more than the U.S. average.

That's not the only reason Bloomberg is right to say the industry is "the best bet for U.S. workers." The diversity of career opportunities means there's something for everyone. Geologists, engineers, rig workers, communications professionals, truck drivers, environmental consultants, business analysts, computer technicians – opportunities are available for a variety of fields and education levels. And studies show natural gas and oil industry workers earn more across all education levels, degree majors, gender and race/ethnicity groups, and occupation types.

But it's not all about the paycheck. America's energy professionals are part an industry that fuels the economy and powers daily life. The world leader in natural gas and oil production/refining and a national leader in providing rewarding job opportunities.

Sincerely,

Mike Sommers

President and CEO

API

California Considers Change to Calculating Prop 65 Reprotox Exposures

California's Office of Environmental Health Hazard Assessment (Oehha) is proposing to make clarifying changes to how manufacturers calculate exposure to reproductive toxicants under Proposition 65. Under the law, businesses are required to provide a warning to consumers who may be exposed to chemicals included on the state's list of some 900 carcinogens or reproductive toxicants above 'safe harbour' threshold levels.

The proposed changes address how businesses determine an anticipated exposure to a reproductive toxicant from a consumer product, which they must do to establish whether a warning is needed. More specifically, they seek to clarify that it is the arithmetic mean of reasonably anticipated rate of intake or exposure to the chemicals for product users that must be calculated. According to Oehha's proposal, the existing regulation is "not clear about whether an average consumer's intake is to be characterised by the geometric mean, the median level, some other percentile, or the arithmetic mean of consumer intakes". The agency says making clear the appropriate approach "helps the responsible business to correctly determine the rate of intake or exposure for average users of the consumer product and properly decide whether a warning is required for a given exposure". Oehha has also proposed making amendments to how manufacturers of food products calculate exposures to reproductive toxicants.

Comments on the planned changes will be accepted until the 19th November.

Employees Must Comply with FMLA Notice Requirements

The U.S. Court of Appeals for the Fifth Circuit has affirmed an employer's right to condition the grant of leave under the Family and Medical Leave Act (FMLA) on compliance with the employer's "usual notice and procedural requirements."

The employee had reported that she would be missing four days of work because of illness, and was provided an FMLA eligibility notice. The employer's policy required employees to submit an FMLA application within 15 days of receiving an FMLA eligibility notice.

Because the employee failed to submit the application, the court found that the employee had not provided notice of her need for FMLA leave, which resulted in the dismissal of her FMLA interference claim.

FAMILY AND MEDICAL LEAVE ACT

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