SSDA SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

SSDA News

Service Station Dealers of America and Allied Trades

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LEGISLATIVE UPDATE

By Roy Littlefield

SENATE TRANSPORTATION BILL

On May 12, U.S. Senators Barbara Boxer (D-CA) and David Vitter (R-LA) introduced a 6-year transportation bill at the current spending level at $52 billion a year.

SSDA-AT congratulates the bipartisan leadership & the Senate Environment and Public Works Committee for introducing what is now that third transportation bill in Congress. SSDA-AT supports sections of the bill that preserve critical MAP-21 reforms that increase public support for the Federal-aid highway program.

The Federal Transportation fund will run out of cash in early August 2014. On September 30, the current transportation spending bill will expire.

The Senate bill addresses a plan for investing $3.6 trillion by 2020, but does not say where the money will come from.

I have always believed that Congress will move quickly on legislation like what has been introduced in the Senate; but will not vote on taxes to fund the program until after the November 4, 2014 elections.

TRANSPORTATION FUNDING

With Congress and the Administration struggling to address long-term budgetary challenges, the nation's infrastructure continues to decline. The Highway Trust Fund is on track to run out of funds this summer; the outlook for current surface transportation legislation is uncertain.

Recently, legislative intern Roy Littlefield attended a briefing in Washington from leaders of the transportation industry on the status of a long-term highway bill. Secretary of Transportation, Anthony Foxx said this was a dire moment and that the Congress must come together to fund a long term proposal.

The highway trust fund is projected to run out of money by July of this year and soon the federal government will lose the ability to fund state and local projects. Over the past 5 years, Congress has passed 27 short term "band aids" to temporarily fund the highways, but has failed to pass a long term bill. Currently the President, Senate, and members of the House all have proposed different bills.

Secretary Foxx made it very clear that he was not in favor of a gas tax increase, feeling that funding must come from another source such as business tax reform. Foxx, although stressing urgency and necessity, did not seem optimistic about Congress coming together on a proposal. Former Governor Haley Barbour spoke as well on the importance of America being able to compete globally by the improvement and expansion of the nation's inter highway sys-

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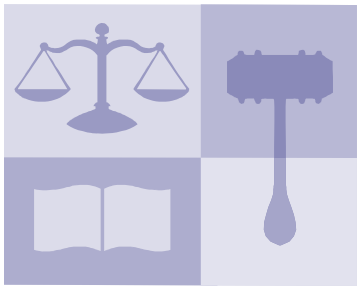
BEST OF...

GENERAL COUNSEL CORNER



Is the Temperature Compensation Controversy Full of Hot Air?

By Peter H. Gunst , Esquire
pgunst@lawyers.com

This month we are running an "oldie but goodie" from 2008, that is still very relevant today (and giving Peter a break...)

It is no secret that heat causes gasoline to expand and cold causes it to contract. In the past two years, this elementary scientific fact has ensnared the courts, legislators and The National Conference of Weights and Measures in a major controversy – the "hot fuel" dispute.

In the United States, a gallon of gasoline contains 231 cubic inches based upon a standard temperature measure of 60 degrees Fahrenheit. As the temperature increases, however, that same 231 cubic inches of gasoline no longer amounts to a full gallon, although it is sold as such at the pump. That's the problem.

According to a 2002-2004 study conducted by the National Institute of Standards and Technology, the average dispensed temperature of a gallon of gasoline throughout the United States was 64.7 degrees Fahrenheit, almost 5 degrees above 60 degrees standard.

According to a series of articles printed by the *Kansas City Star* in 2006, this temperature disparity translated into a $2.3 billion loss to consumers, assuming an average sale price of $3.00 per gallon.

This caused consumer activists, lawyers and legislators to leap into action.

Presently, there are dozens of lawsuits that have been transferred by the Juridical Panel on Multi- District Litigation to the United States District Court for the District of Kansas. Those lawsuits claim that the sale of "hot fuel" constitutes a misleading and fraudulent practice in violation of the consumer and protection laws enacted by various states. Class action treatment has been sought against numerous defendants, which include the major oil companies, independent suppliers and large retailers like Costco, 7-11, Wal-Mart and WaWa.

Legislators have also weighed in. Senator McCaskill of Missouri introduced a Senate bill that would require all new and upgraded fuel pumps to be equipped with automatic temperature compensation equipment.

Industry participants generally oppose any attempt to require the installation of automatic temperature compensation equipment. They argue that the equipment is very expensive, its effectiveness is unproven and that, in any event, the temperature changes roughly even out between winter and summer.

Typical is the critique given by the Missouri Petroleum Marketers and Convenience Store Association to the proposed federal statute. Its statesperson said, "Senator McCaskill's bill while well-intentioned, is a solution in search of problem."

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" ...Those lawsuits claim that the sale of "hot fuel" constitutes a misleading and fraudulent practice in violation of the consumer and protection laws enacted by various states."

Transportation Funding

By: Roy Littlefield IV

The roads are falling apart, the potholes aren't getting filled, and the nation's highway support system is going broke. With Congress and the Administration struggling to address long-term budgetary challenges, the nation's infrastructure continues to decline. Over the past 5 years, Congress has passed 27 short term "band aids" to temporarily fund the highways, but has failed to pass a long term bill.

Currently the President, Senate, and individual House members all have proposed different bills. The Highway Trust Fund is on track to run out of funds this summer and the outlook for current surface transportation legislation is uncertain.

The what-to-do and how-to-do-it questions invite complex and diverse answers. House Republicans this recently introduced a bill that cuts about $1.8 billion from current spending. The $302 billion Obama administration plan would permit $150 billion more in spending than the gas tax will bring into the trust fund. Members of Congress seem to be at odds when it comes to what should be funded and by how much.

Secretary of Transportation, Anthony Foxx believes this is a dire moment and that the Congress must come together to fund a long term proposal. With the highway trust fund projected to run out of money by July of this year, soon the federal government will lose the ability to fund state and local projects. Secretary Foxx made it very clear that he was not in favor of a gas tax increase, feeling that funding must come from another source such as business tax reform.

Yet, many proposals on the Hill still favor a sizeable gas tax increase, feeling that because the system for collection is already in place, funds are most easily assessable this way. The problem is, a gas tax increase alone won't fix the problem, and it certainly won't fix the highways. Because ports, rails, and other alternative transportation outlets are also receiving funding from the federal government. Currently, only a percentage of funds raised from the gas tax actually fund the highways. This type of diversion has caused for the Highway Trust fund to bankrupt itself. Although it has been years since a long term bill has been reached, Secretary Foxx does not seem optimistic about Congress coming together on a proposal.

Republicans and the Obama administration have opposed the idea of a gas tax increase, fearing that this could hurt their interests as drivers are filling up in an election year. No one facing reelection in less than six months wants to have on their voting record that they voted for a federal gas tax increase. Some in Congress have called for other types of funding that would come in the form of business tax reform; although it is unclear what this type of reform would look like. The Obama administration spending plan also includes the concept of allowing states to impose tolls

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BP Aims to Invest $1.5 Billion in Egypt in 2014

BP (BP.L) plans to invest $1.5 billion (890 million pounds) this year to increase its production of natural gas in Egypt, hit by an energy crisis following three years of political turmoil, the state news agency MENA said on Sunday.

Egypt is seeking to raise $2.5 billion to cover natural gas imports until the end of December, the head of state-run Egyptian Natural Gas Holding Company (EGAS) Khaled Abdel Badie has previously told Reuters.

BP representatives were not immediately available for comment.

Egypt needs to import liquefied natural gas (LNG) for power generation to make up for shortfalls as domestic gas production declines, a sensitive issue awaiting the new president who is due to be elected in a national vote on May 26-27.

Former army chief Abdel Fattah al-Sisi, who is expected to win the vote, has suggested he will take a cautious approach to Egypt's energy problems, saying the government cannot get rid of costly subsidies overnight.

Electricity demand is highest in summer, when Egyptians keep air-conditioners running day and night. But the lack of gas has caused blackouts, even in winter this year for the first time in decades.

Biodiesel Producers Cut Back Due to US Policies, Report Says

Almost eight in 10 biodiesel producers in the United States have cut back production this year due to uncertainty over federal policies that encourage making the fuels, the National Biodiesel Board (NBB) said.

The report released recently was based on a survey the NBB conducted. In addition to the finding that 78 percent of producers reduced output, 57 percent of companies have idle or shut down plants and 66 percent have reduced their workforces or are considering it.

Almost all of the surveyed companies attribute the industry's decline to two recent policy developments: the expiration at the end of last year of the tax credit to produce biodiesel and a proposal last year by the Environmental Protection Agency not to increase the biodiesel mandate in the Renewable Fuel Standard.

"Inconsistency in Washington is wreaking havoc on the U.S. biodiesel industry," Anne Steckel, NBB's vice president of federal affairs, said in a statement.

At a Wednesday press conference announcing the results on Capitol Hill, six Democratic senators called for renewal of the tax credit and an increase in the biodiesel mandate.

"If you look at what this industry depends on from the United States Congress, it's certainty. It's some measure of consistency in public policy," said Sen. Heidi Heitkamp (D-N.D.). "And I have to tell you, on that score, we've failed miserably."

Sens. Dick Durbin (D-Ill.), Amy Klobuchar (D-Minn.), Al Franken (D-Minn.), Joe Donnelly (D-Ind.) and Maria Cantwell (D-Wash.) also spoke at the event.

The biodiesel tax credit provides $1 per gallon of diesel produced from biomass, such as vegetable oil or animal fat. It expired at the end of last year, but the tax break package the Senate will vote on this week would renew it for two more years.

The EPA proposed in November to mandate that diesel refiners blend 1.28 billion gallons of biodiesel into their products in 2014, the same level as 2013. The industry produced 1.8 billion gallons in 2013, so that amounts to a reduction in volume, the NBB said.

The senators said those policies put thousands of jobs at risk, as well as the United States' energy security and the environmental benefits of biofuels.

"We want to make sure that biofuels are included in the future when it comes to America's energy," Durbin said. "When there's uncertainty about the future of biofuels, there's uncertainty about these jobs."

Klobuchar and Franken said Minnesota officials have estimated that the EPA's biodiesel mandate would cause the state to lose 1,500 jobs.

"We can't back off our commitment to renewable biofuels," Franken said.

The EPA has not yet finalized the biodiesel blending mandate.

The oil industry praised the November proposal from the EPA, saying it recognizes the reduced demand for renewable fuels and the high costs to refiners. But they are still pushing for permanent changes to the Renewable Fuel Standard, including eliminating it altogether.

Expert: Shale is a U.S. Phenomenon

Shale drilling is an American phenomenon, and likely will stay that way for several more years, geopolitical strategist Peter Zeihan said this week in San Antonio.

Zeihan, who spoke at South Texas Money Management's annual Energy Symposium at the San Antonio Country Club, said that no place else in the world has the combination the U.S. does – the capital, engineers, geologists, chemists, a legal system that recognizes mineral rights, pipelines, midstream infrastructure and a ready market.

"This is not something that your average state-run thug can do," he said.

"We have more petroleum engineers than the rest of the countries put together. Of all of the horizontal wells that have been drilled in the last five years, 99 percent of them are in the United States. Of all the wells that have ever been drilled ever, three quarters are in the United States."

Zeihan said that U.S. shale fields have taken off for a number of factors, starting with the fact that shale wells cost "a metric butt ton of money" to drill, and there happens to be a lot of U.S. money looking for an investment.

He said that Mexico – because it's next to Texas – is the country where shale drilling will take off next.

That will ultimately give Mexican manufacturers a reliable source of natural gas, making Mexico a growth story for many years.

Zeihan said that shale drilling has made the U.S. functionally energy independent.

Amy Myers Jaffe, executive director of energy and sustainability at the University of California, Davis, disagreed and said that the U.S. will be importing oil for the next five years. But she said energy independence isn't the point – the main thing is that shale oil in the U.S. has helped prevent supply disruptions (and price spikes) that would have otherwise happened because of turmoil in places such as Iraq, Libya and Nigeria.

Jaffe also expects to see crude oil exports from the U.S. "We are a global power. We want a world that is what I call a status-quo world," she said. "As a global power we support global institutions and therefore it's not in our interest to hold our oil and gas inside our borders."

She said President Obama is likely to support crude oil exports, which would smooth over the delays of the Keystone pipeline.

Jaffe also said that people forget that the U.S. ran low on gasoline supplies during hurricanes Katrina and Rita. "Europe lent us the fuel we needed," Jaffe said. She said it's unlikely that the U.S. would ever deny fuel to Europe and keep hydrocarbons within its borders.

U.S. Senate Republicans Block Energy Bill, Forfeit Keystone Vote

U.S. Senate Republicans recently blocked an energy-efficiency bill backed by manufacturers and environmentalists, forfeiting a chance to vote on the long-delayed Keystone XL oil pipeline.

On a nearly party-line vote of 55-36, President Barack Obama's Democrats fell short of the 60 votes needed to advance the bipartisan energy bill supported by the White House.

Senate Majority Leader Harry Reid, a Nevada Democrat, had offered a vote on a separate bill to take the final decision on Keystone out of Obama's hands and give it to Congress if Republicans allowed passage of the energy bill.

But Republicans refused. They complained that Reid barred them from offering amendments to the bill, including one that would have reined in emissions-cutting regulations on coal-fired power plants, a top strategy in Obama's fight against climate change.

The blocked energy-efficiency bill would cut electricity use by imposing tough building codes and requiring federal data centers to find ways to consolidate and become more efficient.

In turn, the bill, sponsored by Senators Jeanne Shaheen, a New Hampshire Democrat, and Rob Portman, an Ohio Republican, would help protect the environment, create nearly 200,000 jobs, and save consumers billions of dollars a year by 2030, backers said.

"Today's failure to move forward on a bipartisan energy efficiency bill is yet another disappointing example of Washington's dysfunction," Portman said.

"It's a sad day in the U.S. Senate when more than 270 organizations - from business to environmental groups - can get behind a good, bipartisan effort, but we can't get votes on a few amendments to pass it."

TransCanada Corp's proposed pipeline would carry 800,000 barrels per day of oil sands petroleum from Canada's Alberta province to Texas refineries.

Democrats accused Republicans of being more interested in making Obama's repeated delays on Keystone an election-year issue than voting to build the project or pass an energy bill.

Congress has not passed significant energy legislation since 2007. Shaheen and Portman hoped their bill would not suffer the same fate as the sweeping climate bill the Senate killed in 2010. But now it looks as if energy efficiency is doomed until after the November 4 election.

Reid had offered a vote on a Keystone measure sponsored by all 45 Republicans and 11 of the 55 Senate Democrats in return for the bill.

It was unclear if they could get the 60 votes needed to pass the legislation, which would allow congressional approval of Keystone. But even if approved, Obama was certain to veto it.

A Senate vote on Keystone would have shown broad bipartisan support for the project and put more pressure on Obama to end years of delays and finally make a decision.

Senator Mary Landrieu of Louisiana, the chief Democratic sponsor of the Keystone bill, said: "This is just the latest skirmish, and the battle to build Keystone is not over."

Feds Plan to Let States Toll Interstate Highways to Pay for Reconstruction

Recently, the U.S. Department of Transportation asked Congress to end the prohibition on tolling existing interstate highways as a way of paying for their reconstruction, marking a major shift away from how the system has been funded for decades.

The proposal is part of President Barack Obama's $302 billion infrastructure bill aimed at addressing a looming shortfall in the federal Highway Trust Fund. States are currently able to toll interstates only to add lanes, but many simply don't have the funds they need to widen or rebuild the oldest sections of interstate, and nor does the federal government.

Transportation Secretary Anthony Foxx said Tuesday that the federal Highway Trust Fund is set to run out of cash in August, a scenario that would hurt most states. According to the American Road and Transportation Builders Association, a trade group, 31 states rely on federal funds for more than half their highway and bridge improvements.

McClatchy reported two years ago that three states _ Missouri, North Carolina and Virginia _ were considering tolls to rebuild their oldest interstates under a federal pilot program limited to three applicants. None of the states has enacted tolling on those highways, but Tuesday's proposal would grant that option to every state.

Longtime advocates of expanded tolling lauded the proposal. Pat Jones, executive director and CEO of the International Bridge, Tunnel and Turnpike Association, noted that 35 states had used tolling as a "proven and effective option" for infrastructure improvements.

"We applaud the administration for taking the bold step of proposing to lift the ban on interstate tolling," Jones said.

Still, the trucking industry and motorist groups renewed their opposition Tuesday. Toll opponents argue that payment collection systems are inefficient, that they raise costs for businesses and consumers and that they divert traffic to local roads that were never designed for large volumes of traffic.

The trucking industry and the U.S. Chamber of Commerce support increasing federal taxes on gasoline and diesel fuel, though the White House and Congress have shown little appetite for that. Bill Graves, president and CEO of the American Trucking Associations and a former Republican governor of Kansas, called the administration's plan "disappointing."

"The focus must be on real, long-term funding answers rather than repeatedly looking for the proverbial 'nickels in the couch cushions,'" Graves said.

The country's 47,000 miles of interstate highway have largely been free of tolls since the system's creation in 1956. Its construction and maintenance was

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Feds Plan to Let States Toll Interstate Highways to Pay for Reconstruction

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funded through a per-gallon tax on gasoline. The tax was increased only three times in its history, most recently in 1993.

The 18.4 cent tax on gasoline and the 24.4 cent tax on diesel fuel was not indexed to inflation, and construction costs have soared. But taxpayers are paying for it anyway. Since 2008, Congress has had to transfer more than $50 billion into the Highway Trust Fund from general revenues to keep the fund solvent.

The current multi-year transportation bill, known as MAP-21, expires at the end of September, and unless Congress renews it, federally funded transportation projects would stop in 2015. According to the Congressional Budget Office, Congress would have to find another $100 billion in the next six years just to maintain spending at current levels.

"Everybody is terrified about talking about how to pay for it," said Joshua Schank, president and CEO of the Eno Center for Transportation, a Washington policy group.

Only half the funding for Obama's four-year plan, about $150 billion, would come from existing tax revenues. A one-time windfall generated by a corporate tax overhaul would generate the balance. But state transportation departments would prefer a long-term fix.

In a study last year, the libertarian Reason Foundation pegged the cost of widening and reconstructing the interstate system at $1 trillion, and it advocated tolling as the best way to raise the funds.

Opponents note that every attempt to use the pilot program to toll existing interstates has not succeeded.

"The option for states to place tolls on existing interstate capacity has existed for 23 years, and not a single state has used tolls in this way," said Hayes Framme, a spokesman for the Alliance for Toll-Free Interstates, a business coalition.

But states also may have exhausted their alternatives. They've raised their own taxes and fees for transportation projects, but it won't be enough to cover the loss of federal funds.

"We've never been in this circumstance before," Schank said.

Obama Administration Sends $302 Billion Transportation Plan to Congress

A few weeks ago, the Obama administration sent a four-year, $302 billion transportation plan to Congress, hoping to jump-start a national debate on how to repair and replace the nation's aging infrastructure while accommodating the needs of a growing population.

Action is urgently needed because the federal Highway Trust Fund is expected to run dry by late August, said Transportation Secretary Anthony Foxx. Unless Congress acts to shore up the fund, transportation aid to states will be held up and workers laid off at construction sites across the country.

Lawmakers in both parties have been reluctant to raise the 18.4 cent federal gasoline and 24.4 cent diesel taxes, the trust fund's main source of revenue. The last time they were raised was 1993. Meanwhile, two decades of inflation has driven up the cost of construction, while revenue has lagged because Americans are driving less and cars are more fuel efficient.

The administration's plan includes pumping about $150 billion into transportation programs beyond the money raised from federal gasoline and diesel taxes. The extra spending would be paid for by changes to business taxes, including a proposal to close corporate loopholes, such as ones that encourage U.S. companies to invest overseas.

"The only way we're going to fix this is if everyone puts their ideas on the table and has an honest discussion on how to find common ground," Foxx told reporters.
The bill would also encourage states to raise more money for transportation projects by loosening restrictions on tolling federal interstates. States are barred from tolling federal interstates now except if the money is used to add lanes or otherwise increase capacity, or if the highways have had tolls dating back to before the federal interstate highway program was launched in 1956. There have also been some limited pilot projects.

The plan would also raise the amount the National Highway Traffic Safety Administration can fine an automaker for safety violations from the current $35 million to $300 million. The administration has made the proposal previously, but that was before General Motors became embroiled in a scandal over delayed recalls of cars with faulty ignition switches that are believed to have led to at least 13 deaths.

President Barack Obama has emphasized infrastructure spending throughout his presidency as a means to spur job growth and increase economic competitiveness, but the bill is the first detailed, long-term transportation bill his administration has sent to Congress.

There isn't much time for Congress to act before the trust fund can no longer meet its obligations, especially in the hyper-partisan atmosphere of an election year. Many transportation insiders predict Congress will wind up doing what it has done repeatedly over the past five years — dip into the general treasury for enough money for to keep programs going a few weeks or a few months, at which point the exercise will have to be repeated all over again.

But keeping highway and transit aid constantly teetering on the edge of insolvency discourages state and local officials from moving ahead with bigger and more important projects that take many years to build. In 2012, Congress finally pieced together a series of one-time tax changes and spending cuts to programs unrelated to transportation in order to keep the trust fund solvent for about two years. Now, the money is nearly gone.

Traffic Congestion Cost Trucking More Than $9 Billion Last Year

Congestion on the nation's Interstate highways added over $9.2 billion in operational costs to the trucking industry in 2013, according to research released Wednesday by the American Transportation Research Institute.

The group used motor carrier financial data along with billions of anonymous truck GPS data points to calculate congestion delays and costs on each mile of Interstate roadway. Delays totaled over 141 million hours of lost productivity, which equals more than 51,000 truck drivers sitting idle for a working year.

ATRI's analysis also established the states, metropolitan areas, and counties with the highest congestion costs.

California led the nation with over $1.7 billion in costs, followed by Texas with over $1 billion.

The Los Angeles metropolitan area saw the highest cost at nearly $1.1 billion and New York City was close behind at $984 million.

Congestion tended to be most severe in urban areas, with 89% of the congestion costs concentrated on only 12% of the Interstate mileage.

"This concentration of congestion has been well-documented in previous work by ATRI which identified the worst truck bottlenecks in the U.S," the group said in a release. "Of the 100 worst bottlenecks in ATRI's 2013 bottleneck analysis, 98 were identified as having "severe" congestion in this cost of congestion analysis."

ATRI says its analysis also demonstrates the average impact of congestion costs on a per-truck basis. For example, a truck driven for 12,000 miles in 2013 saw an average congestion cost of $408, while a truck driven for 150,000 miles had an average cost of $5,094.

ATRI is the non-profit research arm of the American Trucking Associations.

U.S. has 63,000 Bridges That Need Significant Repairs; Local Governments Turn to Congress

Under the glare of floodlights, as late-night drivers and early-morning commuters shared the same traffic backup before dawn Thursday, three lanes of the Capital Beltway closed to let repair crews patch a mega-pothole on the bridge over Kensington Avenue.

It was a bad pothole on an otherwise sound bridge, but the potential for bridge repairs to gum up the works was telling on a day when new federal data revealed that there are 63,000 U.S. bridges in need of more significant repair.

"These are bridges where drivers and first responders are crossing over 250 million times each and every day," said Alison Premo Black, an economist with the American Road and Transportation Builders Association, the group that compiled the federal data.

Although there have been some dramatic bridge collapses in recent years, the 63,000 bridges judged structurally deficient are not all about to fall down. Bridges deemed on the verge of collapse are closed.

In a sense, the problem is more insidious than that. When budgets are tight, states and counties often have to put off repairs to bridges and roads. The traditional source they rely on for federal dollars — the Highway Trust Fund — is projected to run into the red this summer.

That has left state and local highway officials in limbo, waiting to see if Congress finds a new revenue source to supply the dollars they need. In some states, half of transportation funding comes from Washington, and until local officials know whether they can expect that to continue, they are loath to launch multi-year projects to renew or replace bridges and roadways.

"Over the last 15 years, state DOTs and local governments have been making significant investments to improve some of these bridges, but they simply don't have enough funding to address the problem," Black said.

With an ample boost in federal money, $100.2 billion was spent by governments on all levels in 2010 on capital improvements for the nation's 604,493 bridges and 4.1 million miles of roads.

That sort of spending brought progress in the first decade of the 21st century, leading to a slight decline in the number of deficient bridges.

But with much of the nation's post-World War II infrastructure wearing out and the federal gas tax that built it steadily declining, experts say more than $1 trillion of investment is need to shore it up.

"We would suggest that signs be posted on structurally deficient bridges so people know what

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LETTER TO THE EDITOR

Dear SSDA-AT,

In a move the Washington Post described as "laughable" and "embarrassing," the Obama administration recently announced yet another delay in the approval process for the Keystone XL pipeline. After more than five years of review and five positive environmental assessments, the decision to put off action until likely after the midterm elections can only be political.

But a new Harris Poll shows the White House is at odds with the vast majority of American voters, who think Keystone is a good idea by any measure:

Economic security – 78 percent agree that Keystone XL would help strengthen the U.S. economy by helping to create jobs here at home and keeping energy dollars in North America.
National interest – 78 percent agree the pipeline would help strengthen America's national and energy security by increasing supplies of oil from North America rather than other regions of the world.

Energy security – 67 percent would like to see the U.S. import more of the oil it needs from Canada instead of other overseas sources.

Global energy strength – 67 percent agree that the Keystone XL will help America become more of an energy power in the world and help U.S. foreign policy initiatives.

Furthermore, 68 percent report they would be more likely to support a candidate who supports approving Keystone XL, including 60 percent of Democrats.

Approving the Keystone pipeline would create 42,000 jobs and put the U.S. one step closer to the ability to supply 100 percent of our liquid fuel needs from stable North American sources. With bipartisan majority support in the House and Senate, it's time for Congress to stand with the American people and approve Keystone once and for all.

Sincerely,
Jack Gerard
President and CEO
API

energy API

Transportation Funding

By: Roy Littlefield IV

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on interstate highways. Many still believe the president's proposal does not adequately address the issue of long term funding.

Currently, the transportation trust fund is mainly funded by the revenue collected from the 18.4-cents-per-gallon federal gas tax. Some make the case that the gas tax has not been increased since 1993 and receipts are being outpaced by infrastructure expenses by an estimated $20 billion per year. This is problematic because currently the gas tax brings in about $34 billion a year, while currently funding proposals call for about $54 billion in road and transit spending.

Those in favor of a gas tax hike argue that is the most feasible and quick-fix option to avoid a scenario where states are forced to suspend summer-season construction projects for lack of federal dollars. Essentially, to make up for the needed revenue, Congress can either drastically hike the federal gas tax or find funding elsewhere. It has been estimated that the federal gas tax would have to be raised to 31 cents per gallon to revive the flagging trust fund. Most polls have shown that a majority of Americans oppose a gas tax increase.

The members of Congress can argue about what they want funded and for how long, but unless they find a viable income to fund transportation, we can only expect another band aid rather than a much needed long term solution. America must remain competitive by expanding, upgrading, and properly funding its national highway system. Over the next several weeks, we'll be turning up the heat on Congress.

A variety of other options have kicked around Congress for years, but few have gained much traction. The White House has proposed an expansion of transportation spending using money gained through corporate tax reform, a notion that rarely comes up unless an administration advocate is present.

LEGISLATIVE UPDATE

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tem. Thoughts concluded with Mayor of Atlanta, Kasim Reed, who expressed his concern for local municipalities being able to accomplish much needed upgrades if a solution for funding on the federal level is not reached.

SENATE VOTES TO ADVANCE TAX EXTENDERS BILL

On May 13, the Senate voted 96-3 to take up H.R. 3474, the tax extenders bill.

The success is largely due to efforts of new Finance Committee Chairman Ron Wyden and his team for reaching out to every senator to accommodate their interests in the bill. Since the bill was approved by the Finance Committee on April 3rd, Senator Wyden has been actively reaching across the aisle to Republicans to gain their support.

Majority Leader Reid, Minority Leader McConnell, and the bill's managers, Senator Wyden and Senator Hatch, can now determine which amendments, if any, will be voted on and move to final passage of the bill.

SSDA-AT will be watching for amendments that may impact WOTC – so far there are none, but Senator Coburn, who voted against the bill, has made WOTC a target in the past.

Those of use in touch with Speaker Boehner, Chairman Camp, or others in the House leadership can note the overwhelming vote in the Senate and urge the House to move on the bill when it comes before them.

It's understood the House will want to make changes – what's important is that they bring a bill to the floor soon to provide certainty to taxpayers and boost the economy.

The biggest risk at this point is for the House Republicans to sit on the bill till after the election because they cannot get the President to agree to something they want, in particular, terminating the medical device tax imposed by the Affordable Care Act. Repealing this tax is a high priority for Republicans and we know it's one of the amendments Senator Reid is being asked to allow a vote on.

Many thanks to association members who've been lobbying Senate Republicans non-stop for two years to get WOTC extended and made permanent in tax reform. The job isn't finished but you can see your efforts are paying off.

H.R. 3474 – EXPANSION OF WOTC TO COVER LONG-TERM UNEMPLOYED

Workers must have 27 consecutive weeks of unemployment, which includes a period during which State or Federal unemployment compensation was received, to be eligible for the new target group, "qualified long-term unemployment recipient."

The WOTC extension and long-term unemployment provision are both retroactive to December 31, 2013. The Indian employment tax credit and empowerment zone tax incentives are likewise extended retroactively through 2015.

Because of election-year politics, final passage of the extenders could be delayed till after the election; it would be advisable to notify your Human Resources department now to begin keeping records of hires in the long-term unemployed category so WOTC credits can be claimed when the bill passes, as IRS will issue guidance allowing requests for certification of these workers to be submitted to State Workforce Agencies at that time.

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H.R. 3474, which has already passed the House, will be amended on the Senate floor to include the text of S.2260, "Expiring Provisions Improvement, Reform, and Efficiency (EXPIRE) Act" approved by the Senate Finance Committee.

(Texts of H.R. 3474 and S.2260 may be found at www.congress.gov. The Senate Finance Committee report on S.2260 and a summary of the bill is at the Finance Committee website: www.finance.senate.gov.)

OUTLOOK UNCERTAIN ON SENATE TAX EXTENDER BILL

Finance Committee Chairman Ron Wyden introduced on May 14, a substitute amendment, SA 3060, which provided a new text for H.R. 3474, Expired Provisions Improvement, Reform, and Efficiency Act of 2014.

Almost all tax extenders provisions in the new text are the same as the old.

In the case of WOTC, Indian Employment Tax Credit, and Empowerment Zones, the text was unchanged from the original.

An important part of the Wyden amendment is a Preface to the bill which declares the sense of the Senate that a tax reform process be established by the 114th Congress, with tax reform being completed by January 1, 2016. The 114th Congress will be seated in January, 2015.

The Preface goes on to say that one of the goals of tax reform is to eliminate temporary provisions in the Internal Revenue Code by making permanent those that merit permanency and allowing others to expire.

On May 15, the Senate voted 53-40 on the motion to limit debate and proceed to passage of H.R. 3474 as modified by the Wyden amendment; since there weren't 60 votes in favor, the motion failed.

Majority Leader Harry Reid voted "no" to allow him to bring the bill to the floor again in the future. That will depend on whether there are enough Republican votes to reach 60, so it's impossible to say how long we will have to wait for another vote on this bill.

Prior to the vote, Minority Leader McConnell took the floor to vehemently protest Republicans not being allowed amendments to the bill. He said the Democratic majority's blocking all amendments is "a gag order on the American people;" then, almost shouting, "What are you afraid of?—the way to beat amendments you don't like is offer better amendments."

Senator Reid replied one of the Republican amendments had only one word, "Obamacare." Other amendments were to build the keystone pipeline or repeal the medical device tax, which he said, are not germane to the bill and were ruled out of order in the Finance Committee so the extenders could pass speedily.

The Majority Leader and Senator Wyden promised amendments germane to the tax extenders would be considered after the cloture vote, but speaking for Republicans, Senator McConnell insisted amendments should be dealt with before the vote, not after.

Only one Republican, Senator Kirk of Illinois, voted for the motion to advance the bill. Senator Hatch, ranking member of the Finance Committee and principal co-sponsor of the bill, voted "no."

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Senator Grassley, who had taken the floor earlier to advocate the bill and wind credit, voted "no."

Clearly, the problem is not with the bill that 95 senators voted in favor of last Tuesday; the problem is with Senate rules and procedures that both Parties use in the political fray. Republicans are making a point—no deal on amendments or nothing will pass.

The Senate for now is deadlocked. Senators themselves must sort this out, but we can help by continuing to stress the urgency of passing H.R. 3474, the tax extenders bill.

While Senate leaders mull the course ahead, every day that passes brings us closer to the moment when the House Ways and Means Committee will vote on whether to make WOTC permanent. Should that vote fail, WOTC will be shut out of next year's House tax reform bill, and the House will go into the tax reform conference with a position that WOTC should be terminated.

The Senate adjourned until tomorrow when it will go on to other business, but Majority Leader Harry Reid has left the door open to bringing the tax extenders back to the floor if agreement can be reached on amendments.

Finance Chairman Ron Wyden and Ranking Member Orrin Hatch are committed to working together with other senators who are proposing amendments, and accommodating them if possible. Wyden and Hatch are energetic and respected by their colleagues so we have reason to be optimistic; both made floor statements agreeing to work together to get the extenders back on track.

Frequently, amendments can be resolved without a floor vote, for example, by promising a vote on another bill. Wyden and Hatch aim to produce a short list of amendments to be voted on, which will then be cleared with Senator Reid and Senator McConnell.

It remains uncertain how long it will take Wyden and Hatch to deal with around a hundred amendments, but the process can move quickly if senators cooperate.

We have the top leaders and two of the smartest minds in the Senate tackling this problem—we must give them a chance.

LIFO UPDATE

SSDA-AT is taking an active and leadership role in a congressional effort to remove LIFO repeal from the discussions on comprehensive tax reform.

Proposed LIFO repeal is included in comprehensive tax reform proposals put forth by both President Obama and Republican Chairman of the House Ways and Means Committee, Dave Camp.

Many SSDA-AT members use LIFO, an accounting method that has been a part of the U.S. tax code for seven decades. Businesses use LIFO to manage the cost of inflation if they sell products that can rise in price over time. This allows businesses to generate after-tax income that can be reinvested in the purchase of replacement inventory.

SSDA-AT and other groups who support the continuation of the LIFO option, are urging members of Congress to sign on to a bipartisan letter to Chairman Camp from Congressman James Lankford (R-OK) and Congressman Mike Thompson (D-CA) asking that the LIFO repeal be removed from consideration in tax reform efforts.

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We are now approaching 60 signatures on the letter. Deadline for signatures will be this Friday.

In addition, we will participate in a Wednesday, May 21 briefing on LIFO for the tax staff of the House Ways and Means Committee and the staff of the members of the Committee.

The purpose of this briefing is to provide a forum to present a "101" explanation of the LIFO accounting method and why it is vital to so many diverse businesses.

MINNESOTA WHEEL WEIGHT BAN

A bill to ban mercury and lead wheel balance weights has passed the Minnesota legislative and is awaiting the Governor's signature.

Minnesota will join Maine, New York, California, Illinois, Vermont, and Washington in banning the installation, sale, and distribution of lead and mercury wheel balance weights. The new law will go into effect on January 1, 2016.

NHTSA LAUNCHES "TIREWISE"

The National Highway Traffic Safety Administration has kicked off a tire consumer education campaign, "TireWise."

Department of Transportation Secretary Anthony Fox announced that the program "will help consumers make more informed choices when it comes to choosing and caring for their tires."

The TireWise campaign can be seen at safercar.gov.

In response to the NHTSA rollout, our counterparts at TIA issued the following statement:

The Tire Industry Association (TIA) has been eagerly anticipating the release of the consumer tire information program mandated by the Energy Independence and Security Act of 2007. Over the past 7 years, the Association has made numerous attempts to partner with the National Highway Traffic and Safety Administration (NHTSA) to develop educational materials that will help motorists make informed decisions regarding tire purchases and maintenance. While TIA is encouraged by the launch of the new TireWise Program on NHTSA's website safercar.gov, we are disappointed that most of the information was not shared with the industry during the development stage.

Specifically, TIA remains concerned about the data regarding tire-related crashes and the resulting fatalities. Without further explanation or clarification, it suggests that tires are inherently dangerous even though the Agency's own crash data indicted that insufficient tread depth, improper inflation pressure, and previous damage were the leading causes of tire-related factors in the pre-crash phase. We are disappointed that NHTSA basically ignored our concerns and proceeded with the release of incomplete and unclear information after 7 years of development.

Rather than focusing on the negative, TIA will once again reach out to the Agency with suggestions on how we think the TireWise Program can be improved. There is a significant amount of valuable information for consumers on the website, so we do not want to discourage our members from taking advantage of the Retailer Tools or promoting the Program to motorists. But we believe it is our duty to identify the inconsistencies with hopes that NHTSA will listen to our concerns so we can fully endorse TireWise and the safercar.gov website.

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"Tire Safety Starts Here" is more than just a phrase under our logo. It is the guiding principle for every effort that TIA makes to promote proper tire service, care and maintenance. We remain hopeful that NHTSA will recognize that our intentions are to provide the industry and consumers with information that has a positive impact on tire safety. While TireWise represents a good start towards that goal, TIA believes it can potentially create more questions than it answers as it currently stands.

U.S. SENATE REPUBLICANS BLOCK ENERGY BILL, FORFEIT KEYSTONE VOTE

U.S. Senate Republicans on Monday blocked an energy-efficiency bill backed by manufacturers and environmentalists, forfeiting a chance to vote on the long-delayed Keystone XL oil pipeline.

On a nearly party-line vote of 55-36, President Barack Obama's Democrats fell short of the 60 votes needed to advance the bipartisan energy bill supported by the White House.

Senate Majority Leader Harry Reid, a Nevada Democrat, had offered a vote on a separate bill to take the final decision on Keystone out of Obama's hands and give it to Congress if Republicans allowed passage of the energy bill.

But Republicans refused. They complained that Reid barred them from offering amendments to the bill, including one that would have reined in emissions-cutting regulations on coal-fired power plants, a top strategy in Obama's fight against climate change.

The blocked energy-efficiency bill would cut electricity use by imposing tough building codes and requiring federal data centers to find ways to consolidate and become more efficient.

In turn, the bill, sponsored by Senators Jeanne Shaheen, a New Hampshire Democrat, and Rob Portman, an Ohio Republican, would help protect the environment, create nearly 200,000 jobs, and save consumers billions of dollars a year by 2030, backers said.

"Today's failure to move forward on a bipartisan energy efficiency bill is yet another disappointing example of Washington's dysfunction," Portman said.

"It's a sad day in the U.S. Senate when more than 270 organizations - from business to environmental groups - can get behind a good, bipartisan effort, but we can't get votes on a few amendments to pass it."

TransCanada Corp's proposed pipeline would carry 800,000 barrels per day of oil sands petroleum from Canada's Alberta province to Texas refineries.

Democrats accused Republicans of being more interested in making Obama's repeated delays on Keystone an election-year issue than voting to build the project or pass an energy bill.

Congress has not passed significant energy legislation since 2007. Shaheen and Portman hoped their bill would not suffer the same fate as the sweeping climate bill the Senate killed in 2010. But now it looks as if energy efficiency is doomed until after the November 4 election.

Reid had offered a vote on a Keystone measure sponsored by all 45 Republicans and 11 of the 55 Senate Democrats in return for the bill.

It was unclear if they could get the 60 votes needed to pass the legislation, which would allow congres-

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sional approval of Keystone. But even if approved, Obama was certain to veto it.

A Senate vote on Keystone would have shown broad bipartisan support for the project and put more pressure on Obama to end years of delays and finally make a decision.

Senator Mary Landrieu of Louisiana, the chief Democratic sponsor of the Keystone bill, said: "This is just the latest skirmish, and the battle to build Keystone is not over."

(Reporting by Thomas Ferraro; Editing by Sandra Maler, Peter Cooney and Andre Grenon)

DRAFT LETTER FROM EPA ADVISORS URGES TOUGHER OZONE STANDARD

Daniel Lippman, E&E

A draft letter from a U.S. EPA science advisory committee recommends a tight standard for how much ozone pollution can be in the air, recommending that the lower bound of the standard should be 60 parts per billion, much lower than the current standard. But the letter notes that committee members haven't made a decision on the upper bound of the ozone standard.

To be sure, the letter has yet to be reviewed or approved by the overall committee, doesn't represent EPA policy and could change. But it's a sign that EPA may lower the current standard of 75 ppb, which could lead to both cleaner air for millions of Americans but also billions of dollars in extra costs for industry and added headaches for some states that already find it difficult to meet the current standard.

"The Second Draft [Policy Assessment] concludes that the scientific evidence and available information support consideration of a new primary ozone standard within the 60 ppb to 70 ppb range based on ozone as the indicator," the "consensus responses" part of the letter reads. "The CASAC concurs that 60 ppb is an appropriate and justifiable scientifically based lower bound for a revised primary standard."

The Clean Air Scientific Advisory Committee, charged with reviewing the scientific evidence for ozone in the National Ambient Air Quality Standards (NAAQS), will hold a committee meeting via teleconference May 28 and will eventually submit a recommendation letter to EPA Administrator Gina McCarthy, who will make the final judgment.

The committee last met in North Carolina at the end of March to hash out issues and go over the scientific review; at that meeting, some panel members seemed ready to adopt a 60 to 65 ppb standard until at least one other member spoke up in opposition.

As to their recommendation on what the upper limit on ozone pollution should be, while no decisions have been made, the letter implies that the 75 ppb standard is inadequate for protecting public health.

"Controlled human exposure studies show respiratory symptoms combined with clinically significant lung function decrements following ozone exposures to 60 ppb to 70 ppb in healthy individuals," the document, apparently dated May 8, reads.

"These findings suggest that ozone exposures of 70 ppb pose significant concern, especially for children, asthmatics, the elderly and other at risk populations."

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The letter adds that there are "adverse effects, including clinically significant lung function decrements and airway inflammation, after exposures to 60 ppb ozone in healthy adults with moderate exertion."

The current 75 ppb standard was set in 2008, and the White House scuttled EPA's attempt to tighten the standard to between 60 and 70 ppb in 2011. According to a 2010 EPA fact sheet, a standard of 60 ppb would avert 4,000 to 12,000 premature deaths, cut the number of days when people miss work or school by 2.5 million, and prevent 21,000 hospital and ER visits. If the standard is set at 70 ppb, those benefits are significantly reduced.

Industry is likely to fight back hard against whatever standard is chosen by McCarthy, a former chief of the EPA air office. Lawsuits against EPA to try to suspend or roll back whatever new standard is adopted seem inevitable.

Therefore EPA has to go by the book when it adopts new standards to avoid defeats in court from either industry groups or environmentalists -- who are constantly on the lookout for missteps or procedures not followed in the rulemaking process.

"I think it is a pretty safe bet that the oil industry and other polluters will rev up their campaign to block tougher standards," wrote Frank O'Donnell, president of Clean Air Watch, in a blog post about the draft letter. "This is shaping up to be a battle of polluter profits versus children's health."

Some congressional Republicans have warned CASAC to avoid setting too tight a standard.

At a Senate Environment and Public Works Committee hearing in late March, Sen. James Inhofe (R-Okla.) said a new 60 ppb standard would cause "nearly every county [to] be out of attainment. ... If this happened, businesses would not be able to expand; it would essentially close the whole nation for business and result in millions of job losses"

EPA is under a court deadline to produce a draft ozone rule by December 1, 2014, and a final rule by October 1, 2015.

FACT SHEET
SUPPLEMENT TO THE REGULATORY IMPACT ANALYSIS FOR OZONE

- EPA will release a supplement to the regulatory impact analysis for ozone.
- The Clean Air Act prohibits EPA from considering costs in setting or revising national ambient air quality standards. To inform the public, the Agency analyzes the benefits and costs of meeting the standards as required by Executive Order 12866 and guidance from the White House Office of Management and Budget.
- The supplement to the RIA complements the analyses done for the 2008 ozone standards. The supplement to the RIA estimates potential benefits and costs of reaching a primary standard, in the year 2020, in the range EPA proposed (0.060-0.070 parts per million, or ppm) and at a lower level (0.055 ppm) and a higher level (0.075 ppm).
- The supplement to the RIA uses several key improvements to the benefits methodology that have occurred since the 2008 ozone RIA. These assumptions have also been used in analyses for other recent rules.
- The supplement to the RIA also includes a limited, qualitative analysis of meeting a secondary standard in the proposed range of 7-15 parts per million-hours.
- The value of mortality benefits and other health

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improvements of reducing ozone to 0.070 ppm would range from an estimated $13 billion to $37 billion per year in 2020. For a standard of 0.060 ppm, the value of benefits would range from %35 billion to $100 billion.

- The benefits estimates include the value of an estimated reduction in the following adverse health effects in 2020:

	0.070 ppm	0.060 ppm
Avoided premature death	1,500 to 4,300	
	4,000 to 12,000	
Chronic bronchitis	880	2,200
Nonfatal heart attacks	2,200	5,300
Hospital and emergency room visits	6,700	21,000
Acute bronchitis	2,100	5,300
Upper and lower respiratory symptoms	44,000	111,000
Aggravated asthma	23,000	58,000
Days when people miss work or school	770,000	2.5 million
Days when people must restrict their activities	2.6 million	8.1 million

Note: These estimates include benefits of reduced fine particle concentrations associated with illustrative ozone controls applied to meet a primary ozone standard in the proposed range.

- The costs of reducing ozone to 0.070 ppm would range from an estimated $19 billion to $25 billion per year in 2020. For a standard of 0.060 ppm, the costs would range from $52 billion to $90 billion
- The supplement to the RIA assumes that the proposed standards can be achieved throughout the U.S. using a mixture of known air pollution control technologies and unknown, future technologies.
- The annual control technology costs of implementing known controls as part of a strategy to attain a standard in the proposed range of 0.060 ppm or 0.070 ppm in 2020 would be approximately $3.3 billion to $4.5 billion. EPA used several statistical methods to provide a range of likely compliance costs for other, currently unknown technologies that would be needed to attain the proposed primary standards.

BUILT IN GAINS

SSDA-AT and other small business associations has written a letter to members of the U.S. Senate in support of an effort by U.S. Senator John Thune (R-SD) to file and if allowed, offer an amendment mirroring the Reichert/Kind legislation in the House of Representatives (H.R. 4453) on built-in gains.

On April 29, 2014, the House Committee on Ways and Means passed H.R. 4453.

H.R. 4453 would amend the Internal Revenue Code to make permanent a five-year recognition period for built-in gains of S corporations, retroactive to January 1, 2014. Under current law, a corporation that meets certain requirements may elect to be taxed as an S corporation, which generally pays no corporate-level tax, unlike a C corporation. For corporations that convert from C corporations to S corporations, or S corporations that receive assets under certain conditions from C corporations, there is a corporate-level tax on certain built-in gains of certain assets, with a 10-year recognition period under current law. This legislation makes permanent the five-year recognition period for S corporation built-in gains that was generally in effect for taxable years from 2011 through 2013. The legislation also applies to regulated investment companies and real estate investment trusts.

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The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 4453 would reduce revenues, thus increasing federal deficits, by $1.5 billion over the 2014-2024 period.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending and revenues. Enacting H.R. 4453 would result in revenue losses in each year beginning in 2015.

JCT has determined that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

POWER PLANT GUIDELINES

In a proposal that could have an impact on our industry, EPA Administrator Gina McCarthy said that the agency will meet its June 2 deadline to propose "legally sound" guidelines of limiting carbon dioxide under the Clean Air Act for existing power plants.

"We are going to show you that we were listening," McCarthy said, "We are going to show you that you can get significant reductions from the energy sector in a way that's going to continue to provide reliable and cost-effective electricity, that is going to be continuing our quest to address the issue of climate change and that recognizes that we're all in this together."

In an executive memorandum issued in June 2013, Obama asked the EPA to propose standards or guidelines for limiting carbon monoxide from existing power plants by June 1, 2014. However, June 1 is a Sunday, and since the agency does not issue proposed regulations on Sundays, it will issue the proposal on Monday, June 2, McCarthy said.

The EPA has touted unprecedented outreach with interested parties as it developed the standards.

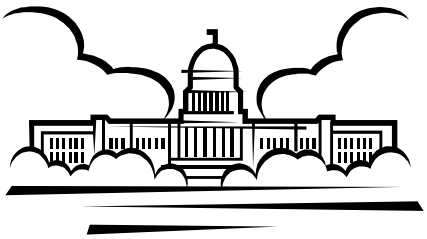
Obama ordered the EPA to develop the standards under Section 111(d) of the Clean Air Act as part of his June 2013 climate action plan.

McCarthy said that, while she does not believe the greenhouse gas emissions proposal will affect the reliability of the nation's electricity grid, businesses that rely on electricity should view the comment period on the proposal as an opportunity for their "voice to be heard" by the agency.

"I want companies to speak up," she said. "So if you see something in that rule you don't like, let me know."

McCarthy encouraged companies to suggest improvements to the proposed rule, noting that she is "unafraid" to alter a proposal if the EPA receives feedback that warrants changes. She said that in the past, the EPA has made changes based on public comments that have resulted in regulations that are more solid legally, technically accurate and cost-effective.

The EPA also is seeking to maintain the president's "enthusiasm" for growth in domestic manufacturing, according to McCarthy. She said the EPA wants to ensure that the proposed power plant rule is consistent with what manufacturing companies need to realize growth in their sector.



U.S. has 63,000 Bridges That Need Significant Repairs; Local Governments Turn to Congress

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they're traveling over," Black said. "Sometimes bridges on this list do fail. The I-35 bridge in Minneapolis that collapsed in 2007 — that bridge was on the structurally deficient list."

Deficient bridges — those rated poor or worse because load-carrying elements have deteriorated — can affect consumers. As bridges continue to decline, weight restrictions often result. When trucks delivering shipments to market take longer, roundabout routes, prices can increase.

Almost 64,000 bridges nationwide have posted load limits or restrictions reducing the load they previously carried.

Pennsylvania, with 5,218 deficient bridges — almost one-quarter of its spans — has the nation's worst problem. In contrast, the three jurisdictions in the Washington region are in good shape. The District has 21 troubled bridges, 8 percent of its total number. Maryland has 333 deficient state and county bridges, 6 percent of its total. Virginia has 1,186, 9 percent of its total.

All three jurisdictions get about half of their annual highway funding from the federal government, with Virginia leading the way at 57 percent.

The three provided the Federal Highway Administration with projections of how much it would cost to address all their deficient bridges. Virginia estimated the cost at $7.3 billion, Maryland said $1.6 billion and the District put the figure at almost $467 million.

Richmond and Virginia Beach are home to most of Virginia's 10 most heavily traveled deficient bridges, but one is on Interstate 66 in Arlington County. The state's four busiest deficient bridges are on I-95 in Richmond at Lombardy Street, Overbrook Road, Robinhood Road and Sherwood Avenue. Two bad bridges in Virginia Beach are on the Lynnhaven Parkway and London Bridge Road.

The District's busiest deficient bridges were the Key Bridge, the Memorial Bridge and the Park Road connection on the Anacostia Freeway. Others on the federal list included the South Capitol Street crossing of the Anacostia, two on Anacostia Freeway, the East Capitol Street bridge over the Anacostia, a ramp to route 50 and the bridge that carries 16th street NW over Military Road. One bridge that made the 2013 federal list, the New York Avenue bridge over Washington Terminal, has just been rebuilt. Half of Maryland's 10 busiest bad bridges were in Prince George's County, four of them bridges where I-95 meets the Suitland Parkway or Suitland Road, and the fifth is on I-95 a mile and half north of route 210.

One of the state's most heavily traveled deficient bridges is on the Baltimore beltway at Milford Road. Two others also are on the Baltimore beltway at Leeds Avenue and a mile north of route 1. Another was where I-95 meets Route 32 in Howard County.

BEST OF...

GENERAL COUNSEL CORNER

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The Association's statement emphasized that consumers may be hurt in the long run because the cost of installing the expensive equipment will be passed on to them in the form of higher fuel prices.

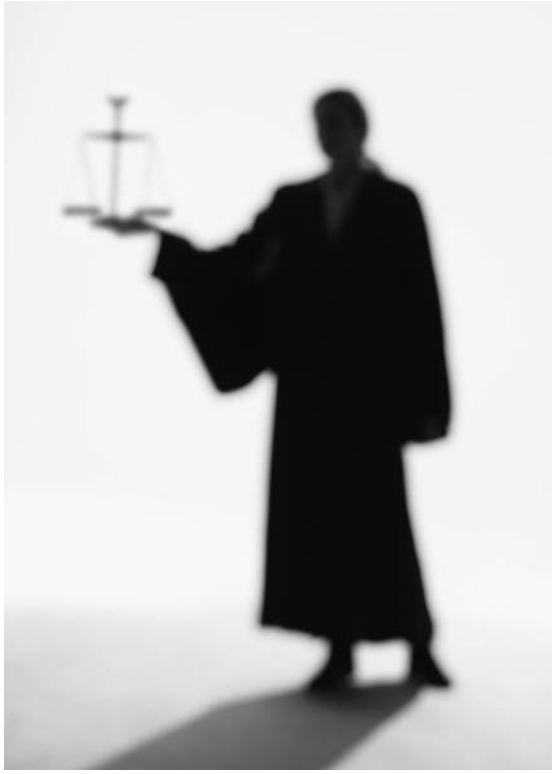
Another forum for the dispute is the National Conference of Weights and Measures. In July 2007, it rejected by a close vote a resolution that would have allowed states to permit retailers to install and operate automatic temperature compensation equipment to compensate for pump temperature. The National Conference is presently reconsidering the issue.

A coalition of trade associations called the "Partnership for Uniform Marketing Practices" ("P.U.M.P."), of which SSDA is a member, raises some interesting arguments against precipate action requiring installation without careful study.

P.U.M.P. suggests that any product shrinkage occurring in cold weather may have no real competitive impact. Independent dealers will continue to compete aggressively against each other, with the result that consumers will be charged a competitive price, regardless of how the volume of product may be measured.

Even so, P.U.M.P. appears to agree that comprehensive scientific and economic studies should be undertaken to study the real impact, if any, of temperature change in the marketplace.

Obviously, this issue will not go away quickly, at least not as long as the proposed class action



suits continue. We will try to keep abreast of further developments in the courts, in the legislature and elsewhere that could impact the consumer or the independent dealer.

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To access the latest articles by the Service Station Dealer's legal counsel, please visit the "Service Station Dealers: Legal Issues" section of the Astrachan Gunst & Thomas P.C. website at:
http://www.agtlawyers.com/resources/petroleum.html.

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