# SSDA News

*Service Station Dealers of America and Allied Trades*

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# COVID-19 Federal Update

By Roy Littlefield

In May, our government affairs efforts were once again in full swing as we continue to manage the COVID-19 pandemic and look toward the recovery and reopening of the economy. SSDA-AT remains active in a variety of coalitions dealing with recovery response and we signed onto close to a dozen industry letters in the month of May as we actively seek solutions and help for our industry.

The outbreak of the COVID19 virus is widespread and has impacted automotive repairers nationwide. Our members were declared "essential services", however, it has come to the association's attention that as automotive repairers are suffering economically, at least two auto manufacturers have floated the idea of including a Cash for Clunkers program in the next COVID-19 stimulus legislation in order to boost vehicle sales.

The Cash for Clunkers program was initially established under the Car Allowance Rebate System (CARS) Act during the Obama Administration. The program paid the owners of older vehicles as much as $4,500 to help stimulate the economy and reduce emissions in the summer of 2009. During this short period of time, approximately 700,000 post-warranty vehicles were taken off U.S. highways and out of independent repair shops.

SSDA-AT has discussed the issue we have decided to oppose a potential Cash for Clunkers program 2.0.

During the month, SSDA-AT signed onto a group credit sales letter. As Congress continues to consider legislation in response to the crisis, we wrote to respectfully encourage you to prioritize legislation that would take into account the suddenly high volume of customer defaults on credit sales. Numerous industries often extend significant inventory sales or manufacturing inputs to customers on credit by convention, custom, and sometimes even regulation. SSDA-AT respectfully request that Congress pass a temporary legislative modification to account for this unforeseen event by loosening the facts-and-circumstances test on bad debt business deductions and accelerating these deductions into the present taxable.

Another letter we signed onto was the USPS letter. SSDA-AT and other trade associations and consumer advocacy organizations believe it is imperative to save the United States Postal Service.

Postal Service delivery is essential. And it is of particularly acute need in rural areas of the country, where there are no alternatives, and often not even broadband. USPS is a lifeline there and elsewhere throughout the country during these challenging times. SSDA-AT strongly urges Congress to save the Postal Service and preserve a fundamental lifeline to millions of Americans.

In May, SSDA-AT also took part in several virtual government affairs meetings. This included an OSHA Small Business roundtable; which discussed the status of various pending regulations. We also participated in a Small Business Legislative Council meeting to discuss pending COVID-19 response legislation in Congress and steps businesses must undergo to re-open. In addition, we took part in a Highway Users Committee meeting to discuss pending infrastructure proposals.

We will continue to update members in these difficult times. Please reach out to us with any questions you may have.

# How to Stay Connected During the COVID-19 Outbreak


The COVID-19 outbreak is unlike anything we have experienced in the past. Trying to stay up to date with changing protocols and suggestions by our industry experts and government officials can be taxing. While this is true, as a small business owner, it is even more important to keep up with relevant news and make decisions for your business accordingly. Taking this one step further, it is imperative that you communicate these business updates to your customers as soon as possible to keep them informed.

## Where to Get Your Information

In times of uncertainty such during the age of social media and meme culture, it is important that you get your news and information from reliable resources. The Center for Disease Control (CDC) website has a very comprehensive section dedicated to Covid-19 covering topics such as signs and symptoms and how to prevent getting sick, as well as up to date numbers of current cases across the country and world. You can also check your state and local municipality websites and social media pages for updates on where travel is restricted, where stay-at-home warnings are in place, and more. We have also compiled a comprehensive list of resources to help you and your business stay informed.

## How to Relay Information to Your Customers

If your business hours and/or practices are going to be impacted, it is important to get this information to your customers as soon as possible. The changes you make to your business may affect their ability to get around in their vehicles. One of the simplest ways to do this is to stay active on social media. Customers are turning to social platforms like Facebook to get up-to-date information on small businesses in their area. Once you have your updates complied, you should then craft a statement to put out on your social platforms.

## How to Craft a Statement

When crafting the statement, you are going to send to your customers via social platforms, you want to be clear and concise and include all the information about your business that could potentially affect them.

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# NET DRIVEN

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As a designated "Essential Business," we wanted to let our customers know that we remain open and continues to service vehicles. We are committed to keeping our customers safe and to providing auto repair to those who need it during this time.
Car repairs can be completed without ever needing to enter our shop.

Here's how:
-We offer appointment requests via our website & phone.
-We offer FREE Vehicle Pick Up and Drop Off within the Local Community*.
-We have a no-contact drop-box for keys.
-We offer communication via phone and email.
-We accept payment via phone.
-We disinfect all keys & car touch points.
-We follow guidelines for frequent sanitizing.

**Call 740.833.3558** with any questions or to schedule your appointment.

**If You Plan to Close Completely**

Your statement should state that for the health and safety of your staff and customers, you will be ceasing operations.

Be sure to explicitly state the date you will be stopping operations as well as what to do if customers have appointments set up already.

**If You Plan to Update Your Hours and/or Procedures**

Start by assuring your customers that you will be staying open for the time being, as well as the updated hours (if applicable).

Be sure that your customers know what sort of precautions you are taking if remaining open to keep them, your staff, and their vehicles safe. These precautions can include things such as letting them know your waiting room will be closed, you will be sanitizing all tools and equipment used, you are offering pick-up and drop off of vehicles, and stating that you will be following CDC guidelines.

In the end, the important part of your statement to your customers is letting them know that whatever decision you are making is to ensure safety for them and your staff. In these times of uncertainty, most people just want to be sure that they are as safe as possible, and it is up to you to gain their trust and earn their business.

We want you to know that Net Driven is there for you every step of the way during these hard times. Be sure to reach out if you need a helping hand. We are all in this together.

*This article was created by the team at Net Driven. Learn more about Net Driven digital marketing solutions by visiting www.netdriven.com.*

## Oil Glut Makes Storage a Pricey Commodity of its Own

Even as oil prices inch above $30 a barrel, U.S. producers waiting for a better return are finding that storage has become its own valuable commodity that in short supply could erase crude's recent gains.

The coronavirus pandemic and stay-at-home orders wiped out demand for crude oil and its refined products such as gasoline, diesel and jet fuel. The resulting global oil glut quickly filled storage tanks, creating a crisis that plunged oil prices into negative territory and forced producers to find different ways to store their product.

## US Gas Consumption to Go Down this Year, EIA says

Lower demand from the industrial, commercial, and residential sectors due to the coronavirus pandemic will drive down US natural gas consumption by 3.4 billion cubic feet per day this year, the Energy Information Administration predicts.

Residential gas demand is seen falling by 3.7% this year, while demand from the industrial and commercial sectors is set to decline by 7% each.

# Biden Would Kill Keystone XL Project


Joe Biden's campaign said that if elected president, the presumptive Democratic nominee would rescind the permit for Keystone XL pipeline, which effectively would doom the long-troubled project.

In doing so, Biden would reverse actions taken by President Donald Trump, who in 2017 cleared the way for the $8 billion oil sands pipeline to built across the U.S.-Canada border.

Trump, a Republican, had made building the pipeline a central promise of his presidential campaign. Biden was vice president in the Obama administration when it rejected the project as contrary to its efforts to combat climate change.

"Biden strongly opposed the Keystone pipeline in the last administration, stood alongside President Obama and Secretary Kerry to reject it in 2015, and will proudly stand in the Roosevelt Room again as President and stop it for good by rescinding the Keystone XL pipeline permit," Stef Feldman, Biden's policy director, said in a statement.

Construction of the pipeline, which would carry 830,000 barrels a day of crude from Alberta, Canada to the U.S. Midwest, has been delayed for more than decade by opposition from landowners, environmental groups and tribes.

Last month, a U.S. federal court dealt another setback when it ruled against the U.S. Army Corps of Engineers' use of a new pipeline permit to cross bodies of water, potentially delaying construction further.

The project is owned by TC Energy Corp of Alberta.

# Trump Orders Agencies to Cut Regulations that 'Inhibit Economic Recovery'

An executive order signed by President Trump directs agencies to consider what sort of deregulatory action they might take that could spur economic growth.

The order directs agency heads to “identify regulatory standards that may inhibit economic recovery,” highlighting that regulations could be permanently or temporarily lifted.

“Just as we continue to battle COVID-19 itself, so too must we now join together to overcome the effects the virus has had on our economy,” the order states.

“Agencies should address this economic emergency by rescinding, modifying, waiving, or providing exemptions from regulations and other requirements that may inhibit economic recovery.”

The order comes as more than 35 million Americans have applied for unemployment benefits amid the economic fallout stemming from the coronavirus.

Trump announced the executive order at a cabinet meeting at the White House, telling Transportation Secretary Elaine Chao the order “gives you tremendous power to cut regulation.”

“And we want to leave it that way,” he said. “In some cases we won’t be able to but in other cases we will.”

The executive order is the latest deregulatory effort from an administration that in its easiest days required agencies to revoke two regulations for every new rule they want to issue.

Some agencies have already loosened requirements amid the pandemic.

A March memo from the Environmental Protection Agency (EPA) alerted industry it would suspend enforcement of environmental laws that require companies to monitor their pollution.

EPA Administrator Andrew Wheeler said the agency issued the policy as “COVID-19 may directly impact the ability of regulated facilities to meet all federal regulatory requirements.”

The agency is now facing lawsuits

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## Trump Orders Agencies to Cut Regulations that 'Inhibit Economic Recovery'

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from both states and environmental groups over the change, but said it would review other regulations as requested by the president.

“EPA is continuing to do its part to address COVID-19 while moving forward with a regulatory reform agenda.

We will review the final EO and work to assess which EPA regulations might be available to streamline in order to achieve the goals outlined in the EO,” an agency spokesperson told The Hill in an email, using the abbreviation for executive order.

Congress has already taken extraordinary measures to alleviate the economic damage from the coronavirus, expanding unemployment benefits, and passing a $2 trillion stimulus package offering relief to businesses. Another $3 trillion package was passed by the House last week.

But Republicans seized on the idea that deregulation would be necessary to boost the economy.

Such action would be cross cutting, and could range from financial regulations, environmental protections, agricultural guidelines that affect the supply chain, or virtually any regulation from the numerous government agencies that promulgate rules.

“Every regulation that was waived during this crisis should remain waived and we should begin repealing the most costly of the major regulations that have accumulated over the past decade,” Sen. Ted Cruz (R-Texas) said on Twitter.

But some Democrats were quick to criticize the president’s move, arguing that it will allow the government to get rid of important protections.

“Step one: Remove the Inspectors General who keep an eye on wrongdoing at our federal agencies. Step two: Tell the agencies that it’s open season on measures that keep workers, consumers, and the environment safe,” Rep. Bonnie Watson Coleman (D-N.J.) tweeted.

And conservationists warned that the move could put measures aimed at helping the environment at risk.

Brett Hartl, the government affairs director at the Center for Biological Diversity, said in a statement that Trump is “using the pandemic to slash lifesaving protections for our air, water and wildlife when these safeguards have never been more important.”

## EPA Proposes to Give Up Some 'Guidance' Power That Critics Hate


The Environmental Protection Agency is moving to restrain how it uses memos, advisories and other informal statements to shape policy -- with a proposal that could open the door to court review of those guidance documents.

The EPA's proposed rule would limit the scope of guidance documents and give the public a chance to weigh in on many of them. It would require the agency post such documents online -- including some that have been locked away in file cabinets for decades. It also would create a formal process for the public to request that guidance documents be modified or withdrawn.

"This is good government," said EPA Administrator Andrew Wheeler in an interview Monday. "If we're going to rely on guidance documents for whatever reason, those guidance documents should be public and people should know what they say."

The measure is part of a broader Trump administration effort to rein in agency guidance documents.

The documents -- whether taking the form of frequently asked questions, memos or advisories -- are meant to provide insight on how agencies interpret laws or are implementing legal requirements, not actually impose new mandates. Critics, however, say federal agencies have been more frequently leaning on informal guidance documents to do an end-run around formal notice-and-comment rule making.

President Donald Trump last October signed a pair of executive orders limiting the use of agency guidance, including one requiring the documents be posted online.

The EPA responded by setting up a searchable portal of some 9,000 active guidance documents in February. After unearthing old memos and bulletins, agency staff also tossed out about 800 of them that had outlived their usefulness. Many of those dated to the early 1970s and just "had never been taken off the books," said Brittany Bolen, associate administrator for EPA's Office of Policy.

Many of the newly searchable documents were issued before widespread

## EPA Proposes to Give Up Some 'Guidance' Power That Critics Hate

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use of the internet and weren't readily available -- even though businesses can be on the hook for following them, Wheeler said.

"People would write out a guidance document and send it to maybe a dozen organizations around the country that cared about it at the time, back in 1980 or 1985," and then it would be slipped in a file cabinet and forgotten when staff retired or changed jobs, Wheeler said. "Nobody knew what was out there and then all of a sudden, 20 years later, somebody finds it and says 'Wait a minute, you guys are doing this wrong, you're not following this guidance document we issued 30 years ago, and you need to be following it.' That's just unfair on its face."

A major challenge with agency guidance is not just that historically it's been hard to find -- but also that it is effectively impossible to challenge in federal court. Because courts don't consider guidance to be "final agency action," it is not subject to judicial review.

"Guidance can be every bit as important as regulations and statutes, and yet agencies have set it up traditionally -- Republicans and Democrats both -- to put it beyond the reach of judicial review," said Mike McKenna, a former deputy assistant to Trump.

Under the EPA's proposed rule, however, people would have the chance to petition the agency to withdraw or modify guidance documents. The agency also would be required to respond to those requests -- setting up a potential final decision that could be challenged in court.

Ignore and Wait

While most guidance documents are meant to provide clarity and answer minor questions about agency rules, some have had sweeping effect -- including changes to EPA permits dictated through memos and other informal documents.

That "puts companies in a bind," said Jeff Holmstead, an assistant EPA administrator under former President George W. Bush.

"The only way you can challenge it is by basically ignoring the guidance and waiting for EPA to bring an enforcement action," Holmstead said. "Companies like to know what the requirements are and they like to conform to them, but EPA's position has been these are guidance documents and therefore they can't be challenged and if you disagree with us, roll the dice."

## Biden Platform Points to Carbon Price with Broad Coverage

With former Vice President Joe Biden now the presumptive Democratic nominee in the upcoming 2020 presidential election, a better sense of US climate policy under a potential new Democratic administration is now taking shape.

The headline climate ambition in Biden's platform include a 2050 target for 100% clean energy and net-zero economy GHG emissions. More directly, Biden's platform calls for legislation that establishes an "enforcement mechanism" and "milestone targets" to be enacted no later than 2025 – when a potential Biden first term would end.

That this mechanism "will be based on the principles that polluters must bear the full cost of the carbon pollution" and must achieve "clear, legally binding emissions reductions" strongly implies some form of a carbon price.

Biden's platform also notes the importance economy-wide reductions rather than having "a few sectors carry the burden of change." This also implies fairly broad coverage, perhaps like the California/Western Climate Initiative carbon market – which covers transportation and residential/commercial fuel use in addition to large stationary sources.

Of course, enacting this proposal would require an act of Congress. Despite general support among Democrats in both chambers of Congress for comprehensive climate policy, the Republican-controlled Senate will remain a significant obstacle to passing any form of climate legislation.

Other proposals would also require Congressional approval. For example, Biden would restore tax credits for electric vehicle purchases and solar installations. These tax credits have been major drivers of penetration for these technologies, and both are in the process of phasing out. While these tax credits have previously enjoyed a degree of bipartisan support, neither was extended in a late-2019 tax bill (H.R. 1865).

Meanwhile, it's noteworthy that Biden's platform does not mention any extension of tax credits for wind generation – which Congress extended last year. In any event, a new administration would need to work with Congress on these initiatives.

The Biden proposal also calls for "a federal investment of $1.7 trillion over the next ten years." This would include investments in specific items such as EV charging stations, battery manufacturing, and the development of sustainable aviation fuels, as well as R&D on nuclear energy, batteries, hydrogen, and decarbonizing sectors like steel, cement, and agriculture.

Biden also notes that he would appoint FERC commissioners who "will drive market reforms, like expanding regional electric markets… [and] integrating renewables." While Biden would nominate new commissioners, Congress would also need to approve them – offering them an opportunity to stymie the process.

# LNG Supply Boom and Bust: Oil price and COVID-19 Shake-up

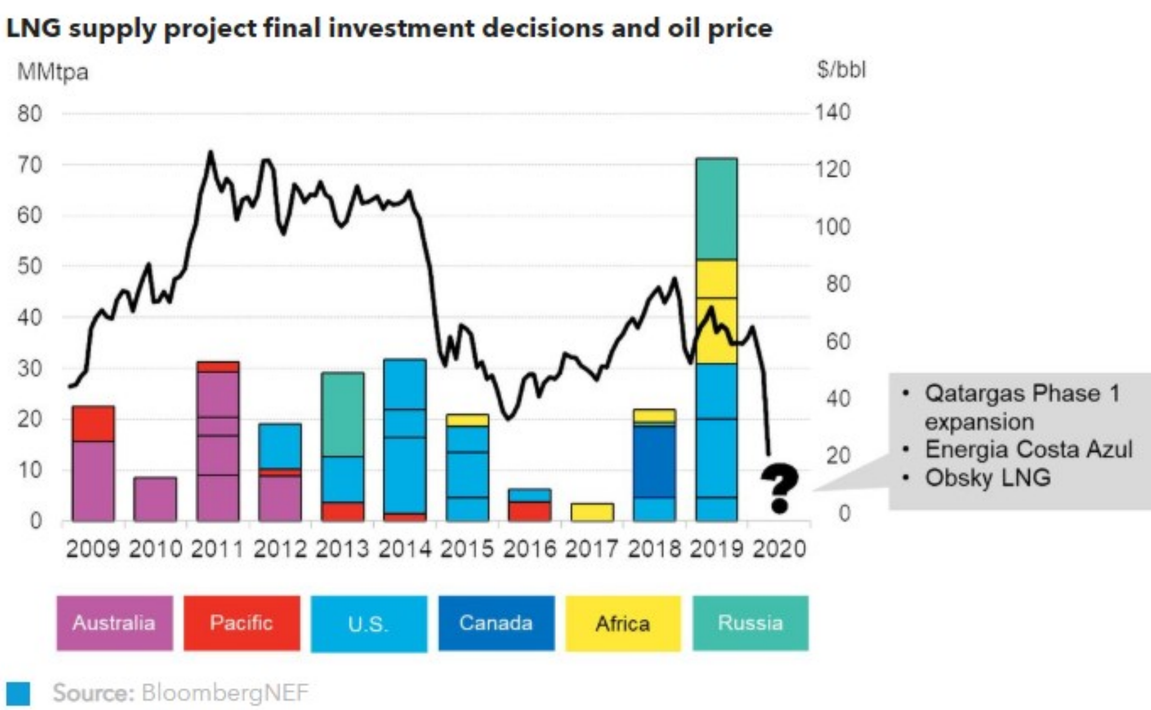
Investors who approved liquefied natural gas projects in 2019 can consider themselves lucky. With the battle to control COVID-19 continuing and oil prices showing little signs of recovery, the outlook for LNG supply project approvals is questionable. Some proposals face the possibility of being shelved for awhile. Current market turmoil means the booming sector could face a prospect not seen in over a decade – a year absent of any final investment decisions.

After a record-breaking number of liquefaction capacity approvals last year, BloombergNEF had pegged four LNG projects as 'highly likely' final investment decision candidates in 2020. All but one are most certainly delayed into 2021. Australia's Pluto LNG Train 2 expansion is delayed on low oil prices, Canada's Woodfibre LNG is unable to begin construction due to COVID-19-related disruptions and a decision on Mozambique's Rovuma LNG is postponed as ExxonMobil slashes its capital expenditure budget for 2020.

Qatar is pursuing an aggressive LNG growth strategy and near-term market disruptions will not derail those plans. BNEF originally expected Qatar Petroleum to approve its four mega-train expansion in the first half of 2020. That approval will now happen in the fourth quarter at the earliest. The delay is not Qatar's doing, but a result of the global fallout from COVID-19 shutdowns and lockdowns impacting the ability of the engineering, procurement and construction companies to submit their proposals to Qatar Petroleum. If Qatar can approve its mammoth expansion before others, it could shelve other global LNG proposals for awhile.

COVID-19 containment measures have challenged any progress on LNG dealmaking, impacting U.S. LNG proposals in particular as many still needed to secure buyers' long-term commitments for financing. Signing up for new LNG, however, is likely to be a low priority at the moment for gas-consuming nations and their LNG procurement companies. The outlook for U.S. LNG project approvals this year looks shaky and investors are cautious.

Two smaller projects in Mexico and Russia have a chance at getting the green light this year, but if the current situation worsens it could end up that the LNG industry sees its first year of no final investment decision announcements in over a decade. Other under-construction projects are potentially seeing delays to commissioning timelines due to COVID-19 outbreaks.



# Trade Associations Like SSDA-AT are Also a Necessity!

In this pandemic, Associations like SSDA-AT are being put to the test. Phones are ringing, emails are filling inboxes, and websites are being updated.

We are making every effort to get back the same day to everyone who reaches out to us. SSDA-AT is a national association representing state and regional associations, who in return represent service stations and auto repair facilities.

On Days like April 27, 2020, when new Federal funding small business loans again became available to help small businesses, we get bombarded. After extensive lobbying for the loans, for the second time it was a rough rollout and we were overwhelmed with questions and concerns. Glitches and delays negatively impacted the approval process. By mid-afternoon on that first day, the Small Business Administration reported that it had processed more than 100,000 PPP loan applications through over 4,000 leaders. And we continue to get questions on the five major bills Congress passed; and how those laws affect our members. We offered a webinar to explain and answer questions on those bills, and 1200 pus small business aftermarket owners registered for the 90 minute question and answer session.

Many members have told me that they applied for business loans under the first Coronavirus Aid, Relief, and Economic Security Act (CARES) and were able to get the PPP loans before money ran out, however the application process was (and is again) daunting. Other members complained that money had run out before their applications were processed.

In addition to our lobbying to secure additional loan money, our efforts to assist members included a country-wide consensus that service stations and automotive repair facilities, and their suppliers, would be allowed to remain open as essential service providers.

We have been working in numerous industry related association coalitions. Most Congressional and Regulatory offices on the Federal and State levels are closed to the public, so we have had to adjust our lobbying efforts. Through these industry coalitions, we are speaking with one strong voice to reach as many decision makers as possible. We are active! But it is a different kind of active for us.

One of the many issues we are addressing as a coalition, has to do with proposed new state workers comp regulations. We are seeing that states are starting to make COVID-19 rules for workers compensation programs that could have far-reaching impacts on employers in terms of workers comp experience rates and overall liability.

Pushbacks and a lawsuit in Illinois has caused the State to pullback and revisit their emergency rule. Minnesota passed a law to create a presumption for workers comp claims that involved COVID-19 claims. On the positive side, California is proposing to manage the situation without adding employer liability.

SSDA-AT has signed on to a letter to State Workers Comp Commissions, to the National Conference of State Legislators, and to the National Association of Insurance Commissioners spelling out our concerns.

Working together, exchanging information, and sharing experiences--especially in challenging times--is a major part of what belonging to trade associations, like SSDA-CAR and SSDA-AT, is all about.

We have all worked tirelessly to understand new laws and regulations, to explain new procedures, and to support members. A large number of Association members have turned to us with questions, concerns, requests; and we have expanded our social media outreach, increased the number of legislative email newsletters, developed a unique COVID-19 website resource page for guidance, and answered every email we have received and returned every telephone call.

We are appearing on industry webinars and developing our own unique webinars, we are working with the industry trade press, and we are working with industry state and regional associations nationwide to help our members survive the pandemic.

Every day we are hearing from many small business members in the automotive/service/fuel industry who express great concern about how they will keep their doors open; how they will keep their business.. They are doing everything they can to make it work, but there is a lot of concern out there. Some are struggling with slumping sales, some with too little business in their service bays, and many with payroll demands and employee morale.

I have had the good fortune to have represented the automotive and commercial aftermarkets since 1979. We have been through a lot together--legislative and regulatory lobbying issues on the City, State, and Federal levels.

We have planned and executed conventions and trade shows together. We have been interviewed on television and radio. In short, we have been in the trenches and we have taken on some major undertakings. But I can say that over the past two months I have never seen this level of contact between the Association and its members. You needed information and we needed to supply it understand it, and clearly explain it. Mr. Bill Hanvey, President and CEO of the Auto Care Association ACA), a coalition association with which we have a close working relationship, said, "We have heard time and time again from people that have reached out to us to say 'Thank Goodness you're around. Thank goodness you have our back.'" He added that our collective efforts have bolstered the perceived importance of trade associations. I had always known that you are essential to the motoring public. In this crisis, I have come to see that your trade association is essential to you.

## Obama Energy Secretary: Coronavirus Economic Fallout Could Cause 'Permanent' Changes in Oil Industry

Former Energy Secretary Ernest Moniz said job loss resulting from the coronavirus pandemic could have lasting effects on the energy industry, including the oil and gas sector.

Oil prices have dropped to historic lows during the pandemic, at one point falling into negative pricing as a collapse in demand led to an oversupply of petroleum.
Moniz, who served under the Obama administration, said that while demand is likely to resume as the economy reopens, that may not be enough to save the industry.

“Frankly, we're going to see, I think, some permanent structural changes in that industry,” Moniz said in an interview with Steve Clemons, who writes The Hill's Coronavirus Report.

“And those structural changes were being called for before the virus because of the structure of the American oil industry, which was not exactly managing a great cash flow. ... Not all of those jobs, frankly, are going to be there, so we need to think ahead.”

The renewable energy industry has also been hit hard by the economic fallout from the virus, losing almost 600,000 jobs since the start of the pandemic.

Some environmentalists have worried low fossil fuel prices could further hurt the renewable industry and slow a transition to cleaner fuels.

“On the one hand, it's clear that things like collapse in fossil fuel prices historically have diminished the enthusiasm for some of the transition, whether it's for wind and solar or electric vehicles, for example. But on the other hand, I think that the reliability of those renewable sources really has to be in people's mind as we have seen this extreme volatility in the fossil fuel industry, specifically in the oil industry,” Moniz said.

“In the longer term, I feel very, very bullish that we will continue the low carbon transition.”

# Energy Secretary Accuses Banks of 'Redlining' Oil and Gas Industry

Energy Secretary Dan Brouillette is accusing major U.S. banks of discriminating against the oil and gas industry, comparing their refusal to finance Arctic drilling projects to tactics used to prevent minorities from buying homes.

In an interview with Axios published Monday, Brouillette charged that some of the largest banks were "redlining" the oil and gas industry by declining to finance new drilling in parts of northeast Alaska.

Goldman Sachs, JPMorgan Chase, Wells Fargo, Citibank and Morgan Stanley — five of the eight largest U.S. banks — have said they will not provide loans or credit that support oil and gas drilling in the Arctic National Wildlife Refuge. The 2017 tax-cut law lifted a decades-long ban on drilling in the region, drawing praise from the fossil fuel industry and criticism from Democrats and environmentalists.

Brouillette said the moves by major banks were similar to the systemic discrimination from the financial sector faced by nonwhite families throughout U.S. history.

"We didn't want banks redlining certain parts of the country. We don't want that here. I do not think banks should be redlining our oil and gas investment across the country," said Brouillette, a former vice president of financial services firm USAA.

Throughout the 20th century, banks would often decline to extend home loans and other credit products to applicants from majority-minority areas, typically drawing red lines on maps around neighborhoods under the discriminatory assumption that they were too risky to serve.

That practice, known as redlining, is now illegal, but it prevented millions of nonwhite families from reaping the full benefits of the post-World War II economic boom and the federal government's support for homeownership. Experts say redlining reinforced segregation long after it was deemed illegal and created a stark racial wealth gap that continues to widen.

While it is illegal for banks to reject customers based on their race, ethnicity or sex, financial firms have wide legal latitude to choose which industries they serve. Even so, Brouillette has accused banks of discriminating against oil and gas producers as the industry faces a

## Energy Secretary Accuses Banks of 'Redlining' Oil and Gas Industry

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crisis driven by low energy demand and high levels of preexisting debt.

Brouillette said in April that he would work with Treasury Secretary Steven Mnuchin to ensure banks and lenders don't make "discriminatory decisions" against oil and gas companies when issuing coronavirus relief loans. He also told Bloomberg TV last week that he had asked the Federal Reserve to expand the terms of an emergency lending program for small businesses to cover oil and gas firms that held too much debt to qualify initially.

"This is, incredibly, not the first time he has compared shunning financially shaky business to discrimination," tweeted Graham Steele, former chief Democratic counsel on the Senate Banking Committee.

Energy Department spokeswoman Shaylyn Hynes said in a statement that Brouillette "has zero tolerance for discrimination of any type, and he was not in any way equating the plight of minority communities to that of energy companies."

"What he did do is make the powerful point that historically there had been discrimination practiced by some in the financial services industry, a custom he and many others worked hard to eliminate and continue to oppose," Hynes added.

Brouillette is among several Republicans, including Trump, to have accused banks of discriminatory conduct against the oil and gas industry.

After Sen. Dan Sullivan (R-Alaska) said in an Oval Office event last month that "starting to discriminate against American energy companies," Trump responded that he liked "the idea of looking into that."

"They're afraid of the radical left. You shouldn't be afraid of the radical left," Trump added. "You cannot be discriminating against these great energy companies."

Sullivan and nearly 40 other GOP lawmakers wrote a letter to the White House in May urging the Trump administration to "use every administrative and regulatory tool at your disposal to prevent America's financial institutions from discriminating against America's energy sector while they simultaneously enjoy the benefits of federal government programs."

Banks have faced growing pressure from environmental activists and Democratic lawmakers to pull back on support for oil and drilling projects amid the mounting toll of climate change. The precarious financial state of the industry has also repelled some banks and investors, imperiling communities that depend on oil and gas production to support their local economies.

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