SSDA News

Service Station Dealers of America and Allied Trades

VOLUME 36, ISSUE 8 AUGUST, 2022

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DOL Targets Proposed Rule on OT Exemptions for October

By Roy Littlefield

In its recent spring regulatory agenda, the U.S. Department of Labor (DOL) announced its plans to issue a proposed overtime rule in October 2022. According to the agency's regulatory agenda, this proposed rule is expected to address how to implement the exemption of executive, administrative and professional employees from the Fair Labor Standards Act's (FLSA) minimum wage and overtime requirements.

The DOL provided a similar notice last fall but has yet to specify what changes it may be considering. In recent years, some experts note that the agency has contemplated modifying the duties test and salary thresholds for exempt employees.

What Will the Proposed Overtime Rule Address?

This proposed overtime rule could provide clarity for classifying exempt employees and increasing their salary levels under the FLSA. Some experts believe the DOL could even create automatic annual or periodic increases to exempt employees' salary levels by linking them to the consumer price index, allowing exempt employees' salary thresholds to adjust without formal rule-making. The current annual salary threshold for exempt employees is $35,568.

The DOL has held several calls with industry stakeholders and recently conducted multiple regional listening sessions to gather information. Still, there's no firm date for when the agency will release the proposed overtime rule. Changes to minimum wage and overtime requirements under the FLSA could impact compliance costs and litigation risks for employers.

What's Next?

Regulatory agendas outline a federal agency's goals for the upcoming months. Although these agendas aren't set in stone, they give insight into the current administration's priorities and activities.

Once the DOL publishes a proposed rule in the Federal Register, there will be time designated for the public comment. Subsequently, the agency will review comments and determine whether to move forward with a final rule.

Even after the DOL publishes the proposed overtime rule, it will likely be some time before this rule becomes final, if ever. Employers are not obligated to change how they classify or pay employees until the DOL's proposed rule becomes final. However, potentially impacted employers will want to follow the DOL's rule-making process closely.

SSDA-AT is disappointed that DOL plans to move forward with the proposed rule despite the current economic conditions.

SSDA-AT will be exploring avenues for advocacy, including legislation or appropriations riders that delay the rule.

We will keep you apprised of any notable updates.

Protect Your Businesses from These 3 Common Cyber Scams

In the last two years, criminals have taken advantage of the uptick in digital business by learning to exploit the gaps and weak links in online security. Q4 of 2021 was an all-time record high for cyberattacks, according to Forbes, and Q1 of this year indicates that cybersecurity will continue to be one a significant concern for businesses in 2022.

Net Driven is providing resources to help you and your team stop cyberattacks in their tracks. We recognize that companies are being faced with newer and more niche scams that are finding unexpected ways to swindle businesses out of money and peace of mind. The following cyber scams are new strategies cooked up by cybercriminals, and we're demonstrating how you can prevent them from affecting your business:

Unsafe Email Attachments

The basic rule of email attachments is to never open a document that ends in ".exe," but many people are not aware that PDFs and Word docs can also be corrupted and riddled with malware. Cybercriminals send these attachments under the guise of everyday business to hack or compromise your software.

Signs of an unsafe email attachment:

The attachment was unexpected. If you ever receive an attachment that you weren't expecting, even if it's from a coworker or vendor, leave it be unless you can get in contact with the sender (outside of replying to the email) and verify that it's safe.

The sender is unknown. As a general rule of internet safety, if you don't know the person who's sending the email and you didn't subscribe to a brand's content, don't interact with the email or click on any attachments. Again, unless you can verify in a roundabout way that the sender is legitimate, don't trust their emails.

The email address is wrong. Cybercriminals can imitate just about anyone, but they can't duplicate an existing email address. Always doublecheck the "from" email for any misspellings, incorrect domains or additional numbers/symbols.

RULE OF THUMB: If you receive an email attachment that you weren't expecting, whether or not you think you recognize the sender, contact them about the legitimacy of the email. NEVER click on an email attachment if you don't know why you were sent it or who the sender is.

Payment Scams Run Through QuickBooks

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NET DRIVEN

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If you're one of the many businesses who use QuickBooks by Intuit to run your accounting and send/receive invoices by email, keep an eye out for potential invoice scams. Cybercriminals are drawn to QuickBooks's popularity because it allows them to launch Business Email Compromise (BEC) attacks, in which they pretend to be one of your vendors and submit an invoice to your business to intercept your normal payment. Some scams involve an automated clearing house (ACH) method, where you must include your bank account information in the invoice.

Please note that all credible QuickBooks invoices will always list intuit.com as the sender. Doublecheck that the intuit.com domain is listed. If it's incorrect or the QuickBooks invoice arrives from the vendor, don't make the payment. Contact your vendor to inquire about the invoice, as the one you received is likely fake.

REMEMBER: Never interact with an email if the sender seems incorrect.

Phone-Based Scams

As an auto service provider, you most likely list your business phone number on public spaces, such as your website and digital ads, and cybercriminals may take advantage of that. They could pose as a prospect and send you a Google authentication code request, pretending they want the code as proof that your business is not a scam (ironic, we know). Once they have the Google code, they can create a Google Voice account using your phone number.

Google Voice generates virtual phone numbers for people and businesses who don't want to give out their main number, but creating an account requires a real phone number, and that's where cybercriminals need to use yours. They can then anonymously run other phone-based scams using the Google Voice number – and any activity would be traced back to you. With the authentication code in hand, they could also access your Google account.

The moral here is not to fear giving out your phone number, but to recognize when it's being misused. To avoid becoming involved in a Google Voice scam, tell prospects that if they're concerned about the legitimacy of your business, they can visit your website or your store. Never share an authentication code with an outside party.

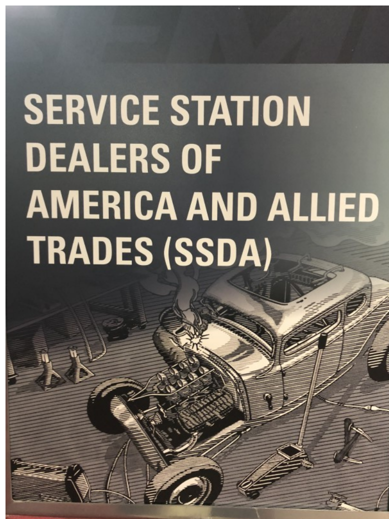
Always Keep Up Your Guard

You may find it tedious to constantly double- and triple-check your incoming emails and phone calls, but please remember that it's much more preferable than dealing with the fallout of a cyberattack. Cybercriminals make a living off finding new ways to manipulate technology, and they're good at it. But one thing they can't hack is an employee who maintains constant vigilance over their business' cybersecurity. You and your team are the strongest security defense that your business has, which is why it's so important that every team member remains up to date on evolving cyberattack strategies.

SSDA-AT Annual Meeting– Save the Date!

SSDA-AT Annual Meeting- November 3, 2022

Location: Las Vegas Convention Center Room S-116 (South Hall)



3150 Paradise Road

Las Vegas, NV 89109

9:30 AM- 12:00 PM

Agenda and details to follow!

All Employers Are Required to Display Federal and State Postings

All employers are required to post certain federal and state postings. On a federal level, if an employer has less than 50 employees, they are required to post 5 notices: Fair Labor Standards Act; Employee Polygraph Protection Act; Equal Employment Opportunity; Uniformed Services Employment and Reemployment Rights Act; and Occupational Safety and Health Administration. If an employer has 50 or more employees, federal law requires that they also post a notice related to the Family and Medical Leave Act. Each state has varying requirements on what notices must be posted.

Biden Opens the Possibility of More Offshore Oil Drilling in the Gulf of Mexico, CNBC

The Biden administration released a five-year offshore oil and gas drilling development plan on Friday that would block all new drilling in the Atlantic and Pacific Oceans within U.S. waters, but would allow some lease sales in the Gulf of Mexico and the south coast of Alaska.

The proposed plan, which has not been finalized, could allow up to 11 lease sales over the next five years. It also includes an option for the administration to conduct no sales. The Department of the Interior is inviting the public to comment on the program.

Biden had vowed to suspend all new federal drilling on public lands and waters, but that position resulted in legal challenges from several Republican-led states and the oil sector.

As U.S. energy prices rise, the fossil fuel sector has urged the administration to increase offshore drilling in an effort to lower gas prices at the pump. But climate groups have argued that new lease sales would exacerbate climate change while doing nothing to bring down prices.

A recent report published by Apogee Economics and Policy said that a temporary suspension in new offshore oil and gas sales would have minimal impact on gas prices for consumers — with prices edging up by less than 1 cent per gallon over the next nearly two decades.

"From Day One, President Biden and I have made clear our commitment to transition to a clean energy economy," Interior Secretary Deb Haaland said in a statement on Friday. "Today, we put forward an opportunity for the American people to consider and provide input on the future of offshore oil and gas leasing."

The Interior's most recent offshore oil and gas auction was in November in the Gulf of Mexico. A court order later vacated the sale, arguing the administration didn't adequately account for the harm to the environment and impact on climate change.

Nearly 95% of U.S. offshore oil production and 71% of offshore natural gas production occurs in the Gulf of Mexico, according to the Natural Resources Defense Council. Roughly 15% of oil production in the U.S. comes from offshore drilling.

Environmental groups condemned the administration for proposing limited new lease sales instead of announcing a ban on all new drilling.

"The Biden administration had an opportunity to meet the moment on climate and end new offshore oil leasing in Interior's five-year program," said Drew Caputo, vice president of litigation at Earthjustice. "Instead, its proposal to serve up a bunch of new offshore oil lease sales is a failure of climate leadership and a breach of their climate promises."

Environmental groups have also argued that new leasing would impede the White House's goal to slash carbon emissions by at least 50% by 2030 in an effort to keep global warming under 1.5 degrees Celsius.

"This draft plan falls short of what we desperately need: an end to new oil and gas drilling in federal waters," Food & Water Watch Executive Director Wenonah Hauter said in a statement. "President Biden has called the climate crisis the existential threat of our time, but the administration continues to pursue policies that will only make it worse."

Supreme Court Limits EPA Authority to Set Climate Standards for Power Plants, CNBC

The U.S. Supreme Court limited the Environmental Protection Agency's authority to set standards on climate-changing greenhouse gas emissions for existing power plants.

In its 6-3 ruling, the court said that only Congress, not the EPA, has the power to create a broad system of cap-and-trade regulations to limit emissions from existing power plants in a bid to transition away from coal to renewable energy sources.

The decision is a major setback for the Biden administration's agenda to combat climate change, specifically the goal to zero out carbon emissions from power plants by 2035 and cut in half the country's emissions by 2100.

The case stems from the EPA's directive in 2015 to coal power plants to either reduce production or subsidize alternate forms of energy. That order was never implemented because it was immediately challenged in court.

Fossil fuel-fired power plants are the second-largest source of pollution in the U.S. behind transportation, according to the EPA. The U.S. is also the second-largest producer of greenhouse gases behind China, making it a key player in global efforts to combat climate change.

Chief Justice John Roberts wrote the majority opinion in the case, known as West Virginia v. the Environmental Protection Agency. His opinion was joined by the court's other five conservative members.

The decision is the first time a majority opinion explicitly cited the so-called "major questions doctrine" to justify a ruling. That controversial doctrine holds that with issues of major national significance, a regulatory agency must have clear statutory authorization from Congress to take certain actions and not rely on its general agency authority.

Roberts wrote, "There is little reason to think Congress assigned such decisions" about the regulations in question to the EPA, despite the agency's belief that "Congress implicitly tasked it, and it alone, with balancing the many vital considerations of national policy implicated in deciding how Americans will get their energy."

"Capping carbon dioxide emissions at a level that will force a nationwide

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Supreme Court Limits EPA Authority to Set Climate Standards for Power Plants, CNBC

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transition away from the use of coal to generate electricity may be a sensible 'solution to the crisis of the day.'" Roberts wrote. "But it is not plausible that Congress gave EPA the authority to adopt on its own such a regulatory scheme."

"A decision of such magnitude and consequence rests with Congress itself, or an agency acting pursuant to a clear delegation from that representative body," Roberts added.

Justice Elena Kagan wrote a dissent, which was joined by the court's two other liberals. "Today, the Court strips the Environmental Protection Agency (EPA) of the power Congress gave it to respond to 'the most pressing environmental challenge of our time,'" Kagan wrote in the dissent.

"The Court appoints itself — instead of Congress or the expert agency — the decisionmaker on climate policy. I cannot think of many things more frightening," Kagan wrote. She also said, "The majority claims it is just following precedent, but that is not so. The Court has never even used the term 'major questions doctrine' before."

A White House spokesperson on Thursday said the EPA ruling was "another devastating decision from the Court that aims to take our country backwards."

"President Biden will not relent in using the authorities that he has under law to protect public health and tackle the climate change crisis," the spokesperson said. "Our lawyers will study the ruling carefully and we will find ways to move forward under federal law."

Senate Majority Leader Chuck Schumer, D-N.Y., said in a statement that the ruling "adds to a number of dangerously outrageous decisions that have rightly tarnished the public's confidence in the Court."

"First on gun safety, then on abortion, and now on the environment — this MAGA, regressive, extremist Supreme Court is intent on setting America back decades, if not centuries," Schumer said. "The Republican-appointed majority of the MAGA Court is pushing the country back to a time when [robber] barons and corporate elites have complete power and average citizens have no say."

Schumer was referring to two of the court's rulings recently, one of which undid the nearly half-century-old federal right to abortion, the other invalidating some of New York's restrictions on carry permits for handguns.

Fossil Fuel Sources Accounted for 79% of U.S. Consumption of Primary Energy in 2021, EIA

Fossil fuels—petroleum, natural gas, and coal—accounted for 79% of the 97 quadrillion British thermal units (quads) of primary energy consumption in the United States during 2021.

About 21% of U.S. primary energy consumption in 2021 came from fuel sources other than fossil fuels, such as renewables and nuclear, according to data in our Monthly Energy Review.

The 4-quad increase in U.S. primary energy consumption last year was the largest annual increase on record and was mostly attributable to a gradual return to pre-pandemic levels of activity.

The increase in 2021 follows a 7-quad decrease in 2020, which was the largest annual decrease on record.

Consumption of renewable energy in the United States increased slightly from 11.5 quads in 2020 to a record of 12.2 quads in 2021. Increased use of renewables for electricity generation, including wind and solar energy, was partially offset by a decline in hydroelectricity generation. U.S. nuclear energy consumption totaled 8.2 quads in 2020, the lowest level since 2012.

Petroleum has been the most-consumed primary energy source in the United States since surpassing coal in 1950.

Consumption of petroleum in the United States remains less than its 2005 peak, totaling 35 quads in 2021. U.S. natural gas consumption totaled 31.3 quads in 2021, a slight decline from the previous year.

U.S. coal consumption increased to 10.5 quads in 2021, marking the first annual increase in U.S. coal consumption since 2013.

Fossil Fuel Sources Accounted for 79% of U.S. Consumption of Primary Energy in 2021, EIA

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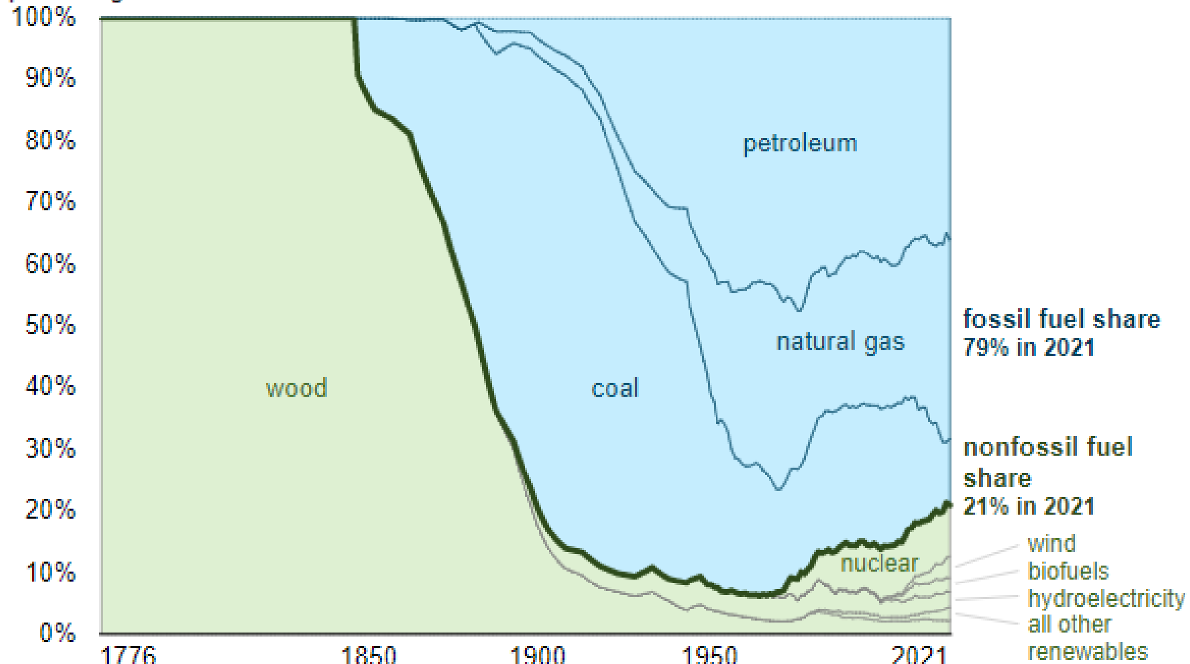
U.S. coal consumption has fallen by more than half since its peak in 2005. Reduced coal-fired electricity generation has driven much of this decline.

Our Monthly Energy Review's pre-1949 estimates of U.S. energy use are based on two sources: Sam Schurr and Bruce Netschert's Energy in the American Economy, 1850–1975: Its History and Prospects and the U.S. Department of Agriculture's Circular No. 641, Fuel Wood Used in the United States 1630–1930.

Appendix D of our Monthly Energy Review compiles these estimates of U.S. energy consumption in 10-year increments from 1635 through 1845 and 5-year increments from 1845 through 1945.



U.S. Gives NFG More Time to Build Northern Access Natural Gas Pipeline

U.S. regulators have given National Fuel Gas Co (NFG) (NFG.N) more time to build its proposed Northern Access natural gas pipeline project in Pennsylvania and New York.

The U.S. Federal Energy Regulatory Commission (FERC) on Wednesday approved NFG's January request for a 35-month extension to build the project by December 2024.

Northern Access is one of several fossil fuel projects held up by regulators in New York over the past several years. Others include Williams Cos Inc's (WMB.N) Northeast Supply Enhancement and Constitution gas pipelines.

"Due to the passage of time, including extensive litigation delays, we are in the process of evaluating our next steps," NFG spokesperson Karen Merkel said, noting she could not comment on the current expected cost of the project.

When first proposed, NFG expected the project to cost about $500 million.

FERC approved the project in February 2017 and said NFG had to put it in service by February 2019.

NFG, however, did not build the project because it could not get a water quality certificate from the New York State Department of Environmental Conservation (NYSDEC).

In November 2018, NFG asked FERC for more time to complete construction due to the delay in getting the water quality certificate. In January 2019, FERC gave NFG until February 2022 to finish the project.

In October 2020, NFG asked FERC for another extension until December 2024 to complete the project, but FERC dismissed that request as premature.

NFG made the current request for more time to finish the project in January 2022 after a court determined the NYSDEC waived its water quality certification authority by waiting too long to act on the company's request.

Northern Access, which includes a 99-mile (159-km) pipeline, is designed to deliver about 0.49 billion cubic feet per day of gas from the Marcellus shale in Pennsylvania to New York.

Global LNG Outlook Overview: Tight Supply Expected until 2026, Bloomberg

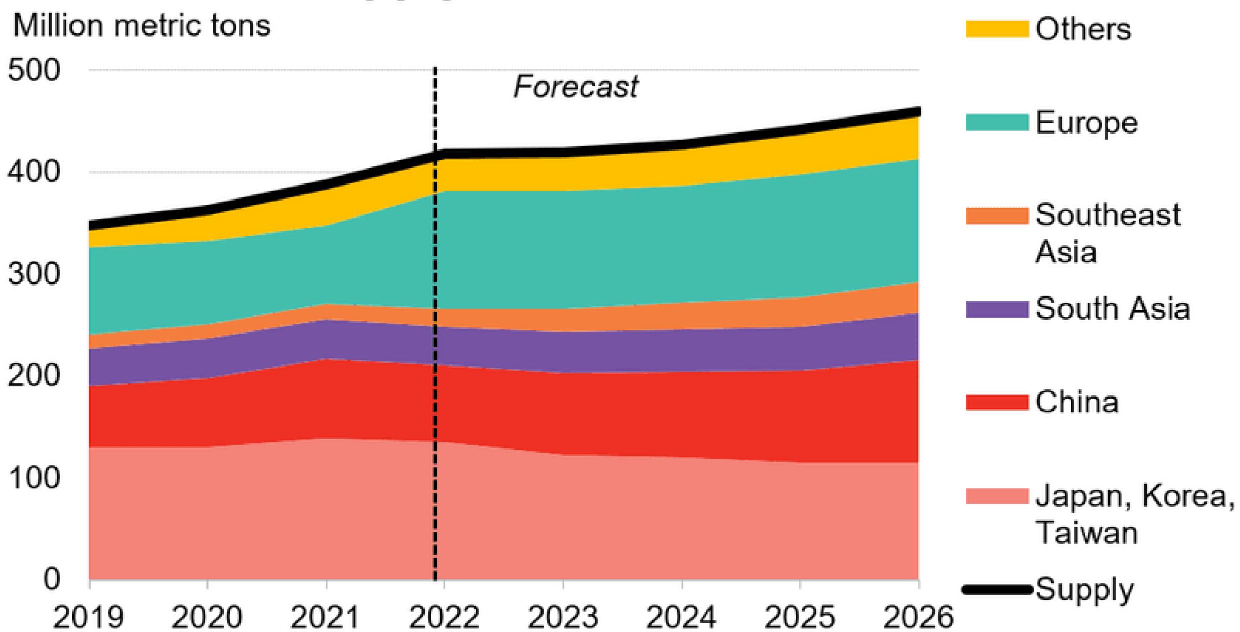
The global LNG market is expected to be tight over 2022-26 as Europe's quest to reduce its dependency on Russian gas increases demand for LNG. This will curb gas demand growth in China and emerging Asia as the European market outbids these buyers for the limited amount of flexible LNG supply.

To attract the LNG needed to replace Russian pipeline gas to Europe, BNEF expects US LNG netbacks for European TTF prices to be higher than Asia's benchmark JKM for the forecast period 2022-26. With tight supply anticipated in the coming five years, prices are expected to remain at elevated levels compared to historical averages over 2017-19, before Covid-19.

The ramp-up of new supply projects, especially in the US, is forecast to raise global supply to 460 million tons, up 19% from 2021. LNG demand growth is likely to be constrained by supply between 2021-26, with 18% growth estimated, although Europe is expected to see imports spike during the period.

The expectation of high LNG prices may drive producers to ramp up flexible supply and increase spot volume. Investments in liquefaction facilities are likely to accelerate, but most are unlikely to add supply before 2026, given the lead time needed to construct a new plant. Development concepts for LNG projects with shorter start-up timelines could bring much-needed supply earlier, but unforeseeable delays and sanctions could reduce supply too.

Asian consumers will suffer most from the expected tight market. Price-sensitive buyers in China and South and Southeast Asia will be forced to reduce LNG imports and replace them with pipeline imports (in the case of China) or other fuels. Downstream users, especially in the power and industrial sectors, will need to reduce operations to cut gas consumption.



Outlook For WOTC/ERTC With Onset Of Inflation

A major shift is underway in the economy and Congress with the advent of stubborn inflation. The Federal Reserve's stringent tightening of money supply coupled with a plan to continue tightening through 2023 and 2024 to bring down inflation, is causing the tax-writing committees to re-think not only appropriations for Fiscal Year 2023, but also Democrats' replacement for the Build Back Better Act being negotiated by Senate Majority Leader Chuck Schumer and Senator Joe Manchin.

House Appropriations Committee is well underway approving the dozen appropriations bills for FY 2023, but Senate appropriators are far behind and a continuing resolution can be expected.

We are also a long way from Finance and Ways and Means agreeing to a tax title covering WOTC, ERTC, and the major programs we are seeking for disabled persons, military spouses, disadvantaged youth, and other productive changes to WOTC. Both tax-writing committees kicked off discussion of budget and inflation issues with Treasury Secretary Janet Yellen.

But we are already beginning to see the outlines of new proposals in the Senate designed to shape fiscal policy to bring down inflation costs to the American people, and we believe this will be a major thrust of new legislation attached to the must-do bill to fund the government for FY 2023.

The Federal Reserve has thrown its strongest monetary resources against inflation, leaving it clear for Congress to move now to harness fiscal policy to the same end. By "fiscal policy" we mean the tax and expenditure programs of the Federal government.

Recently, some members of the tax-writing committees began discussions of ideas pertaining to anti-inflation fiscal policy. Several senators have made good ideas public, but are too incomplete at this point.

Anti-inflation fiscal policy, increased WOTC credits, and retroactive ERTC credits for this year, go together. Not that members of Congress would follow this concept, we must help them. For example, some senators who would support increased tax credits during inflation believe they must pay for the those credits because of the deficit. This is unnecessary because, in a business cycle with inflation rising, reducing taxes or increasing tax credits while the Fed is tightening can help prevent a recession. Pay-fors would have the effect of slowing business and consumer spending while the Fed is tightening, possibly bringing on a recession.

If we do our job, it's likely we'll see anti-inflation fiscal policy emerge not only for FY 2023, but also for FY 2024 and FY 2025, the years the Fed believes it will need to bring inflation under control. This works well because our campaign to make WOTC permanent begins in 2024 or earlier. Currently, WOTC expires on December 31st, 2025.

But we aren't waiting till 2024 or 2025. We believe it would help workers and businesspeople if Congress took steps NOW to prevent a recession in 2024 or 2025 by passing a bill this year granting enhanced WOTC benefits for 2023, 2024, and 2025.

U.S. Natural Gas Slumps as LNG Plant Shutdown Strands Supplies, Bloomberg

US natural gas futures plummeted and European prices surged after the operator of a key Texas export terminal said it may take three months to partially restart the facility following a fire.

The new timeline from Freeport LNG is much longer than many market participants had anticipated and matches the worst-case scenario posited by at least one analyst. Freeport previously said its facility would remain closed for at least three weeks.

Gas for next-month delivery in New York tumbled as much as 19 per cent to US$7.008 per million British thermal units, as the shutdown threatens to leave supply stranded in US shale basins. Futures settled down 16.5 per cent at US$7.189.

The prolonged outage is bad news for European consumers who have scrambled in recent months to find alternative supplies after the war in Ukraine jeopardized imports of Russian gas. European gas futures on the Title Transfer facility hub in Amsterdam jumped as much as 21 per cent to 101 euros per megawatt-hour.

Though Freeport LNG is targeting a partial restart in about 90 days, a return to full operations isn't expected until late this year, the company said in a statement Tuesday. Preliminary observations indicate the June 8 explosion that caused the blaze occurred when too much pressure on a liquefied natural gas transfer line caused it to rupture, releasing and igniting a gas vapor cloud, Freeport said.

"That is definitely a near-term game changer," said Dennis Kissler, senior vice president at Bok Financial Securities. "The US$10 area now seems miles away" for US gas.

The fire at Freeport upended a gas market that was already in turmoil, not just from Russia's invasion of Ukraine but also from tight global stockpiles of the heating and power-plant fuel. The US has recently vied with Qatar and Australia to become one the world's top LNG exporters, and Freeport accounted for almost one-fifth of all overseas shipments of gas from the US recently. The US sent nearly three-quarters of its LNG to Europe in the first four months of the year, and the region now getting almost half of its supplies from across the Atlantic.

For US consumers, the prolonged outage comes as a relief, alleviating strain on domestic supplies and halting a bull run in which prices more than doubled this year. A three-month shutdown of Freeport should curb natural gas demand by 182 billion cubic feet, according to an estimate from Analytix.AI. To put that in context, gas stockpiles are about 340 billion cubic feet lower than normal.

"The Freeport outage alone could narrow that gap by more than half assuming other market factors are unchanged," said Harry Mateer, an analyst at Barclays Plc. "This is meaningful in a tight gas market."

The extra gas reduces the risk of critically low inventories by the end of winter to about 25 per cent from 40 per cent previously, a trader said.

Underscoring the easing of fears about a shortage, the so-called widowmaker spread between gas delivered in March and April -- essentially a bet on how low inventories will be by the end of the winter-- shrank 32 per cent to US$1.178 per million btu.

The Freeport incident occurred in pipe racks that support the transfer of LNG from the storage tank area to the terminal's dock. None of the production units or storage tanks were affected. Freeport, along with state, local and federal officials, are investigating the incident. There were no injuries.

The Freeport plant, which has the capacity to ship about 15 million tons per year, supplies gas to BP Plc and TotalEnergies SE in Europe, as well as Japan's Jera Co. and Osaka Gas Co., and SK E&S Co. in South Korea.

Peak Hurricane Season Looms with No Room for U.S. Refining Outages, Reuters

A busy Atlantic hurricane season and tight fuel supplies could further strain U.S. refiners who already have the lowest oil-processing capacity in eight years, analysts warned, adding this would boost prices for gasoline and diesel.

In recent years, hurricanes temporarily knocked out processing capacity along the U.S. Gulf Coast, home to 47% of the nation's motor fuel production. When the pandemic slashed demand for fuel, U.S. refiners closed five facilities, while another plant suffered catastrophic storm damage.

Those closings sapped U.S. fuel inventories, and now demand is surging again. Gasoline stocks are down 8% amid forecasts for an above-normal number of storms for the seventh consecutive year. read more

"We are heading into hurricane season in the tightest refining market we've ever been in on a global scale," said Rory Johnston, founder of the Commodity Context newsletter.

A storm was brewing this week in the U.S. Gulf of Mexico and two weather disturbances were heading to the Caribbean Sea. Last year, Hurricane Ida cut more than 3 million barrels per day of refining capacity and led to the closing of a large Louisiana refinery.

In the aftermath of Ida, gasoline prices, rose between 5 cents and 10 cents per gallon in parts of the southern and eastern United States. While current U.S. fuel prices have retreated from this year's early June records, they remain more than $5 per gallon in a fifth U.S. states, according to the American Automotive Association. Gasoline inventories are hovering around 221 million barrels, hundreds of thousands of barrels below the five-year seasonal average and refiners are running near peak capacity.

"We're banging on the door to 95% refinery utilization. That indicates really strong demand. But if we get much higher that's when we get explosions, outages," said Robert Yawger, director of energy futures at Mizuho.

Gulf Coast refiners are not taking any unusual preparations for this year's storm season, according to sources familiar with the preparations.

Many have already hardened plants and raised generators to withstand flooding. Staff have prepared for flooding by elevating electrical equipment, piling sandbags, and securing loose equipment in the days ahead of severe weather events.

But Phillips 66 (PSX.N), which built a flood wall to protect its Alliance, Louisiana, facility, still was forced to close the facility after catastrophic flood damage.

Opinion: Want To Keep Your Employees? Listen To Them

By: John Borland

Organizations are using 2022 as a “recovery year “ from the pandemic and the Great Resignation that has followed. As leaders we’re often jumping from fire drill to fire drill, so it’s easy to lose sight of long-term goals like countering the Great Resignation’s effects and listening to employee feedback. The data our company has collected from some of the top companies in the world point to environmental factors like COVID’s effects on the family or anxiety about returning to the office driving employee experience and overall engagement down. It’s a trend that started around mid-2021 after an initial rally the year before. Keeping a close ear to what your employees are experiencing – both mentally and physically, while we all strive to get a handle on new work environments – will help employees feel more engaged and more likely to stay in the long run.

We’ve noticed something in the employee experience data from millions of employees over the course of the pandemic – it closely mirrors a “trauma curve,” which is a well-known psychological process victims of trauma use to cope and heal with what they’ve experienced. The trauma curve, which for an individual might be measured in emotional response or impact, typically shows a progression of phases. After a traumatic event has a negative impact, there is a rebound into resilience. But even that resilience phase can be followed by a “burnout and disillusion” phase, driving a person to a low point in emotional response before a “return to normalcy.”

The pandemic affected all of us as a collective, at home and in the workplace. Our in-house research team posed a theory—would we see a “collective trauma curve” that mirrors that of an individual? When we examined 2020 and 2021 data collected from several million employees across a variety of industries, the shape of the curve was unmistakable. After a dip in employee engagement when the pandemic hit in 2020, we spent much of the next year in a period of resilience, especially when vaccines became available. But when employee engagement headed down the steep slope of “burnout and disillusion” in the second half of 2021, the Great Resignation was on. A flood of talent headed for the exits as our “intent to stay” measure—usually quite stable over time—dropped steadily through the second half of 2021. That trend continues this year, and from what we currently see in the churn rates among our customers, it’s likely that trend downward will hold until the end of 2022. But what do you do today if we’re assuming that things will get worse—or at best stay at current levels—before they get better?

Executives that want to limit the talent loss during this time can start by getting enough feedback from employees so that action plans are data driven. Compared to pre-

Opinion: Want To Keep Your Employees? Listen To Them

By: John Borland

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pandemic times, executives are much more interested in starting continuous listening programs rather than relying on an annual "census-style" survey.

But listening without any follow-up actions can backfire – once you've listened and identified ways you could improve employees' experiences, a clearly communicated, visible action plan has to be the next step. Without it, there's a danger leadership will be perceived as listening, but not caring enough to do anything. Every listening program is different, but here's what I've found works as building blocks for a successful program:

1. Before even gathering data, decide on what you might do if you find big downward patterns in engagement metrics. The action does not always have to be drastic—your data might point to an easier fix, like making work schedules more flexible or finding thoughtful ways to show employees they are valued.

2. Sort the data so you can dig into the drivers of engagement—don't just look at the top line numbers.

3. Track that data a few times over the course of the year and confirm whether your actions are achieving positive results. Double down on the actions taken when they have a positive effect.

4. Focus future employee feedback opportunities on the broader employee experience rather than only focusing on engagement, getting to the root of what gives employees purpose and meaning in their work lives.

Here's an example of how listening could pay off. You see a lower "intention to stay" across the board, and one of your surveys shows many employees do not feel valued. You test a new program in the lowest scoring department, making sure that employees are publicly recognized for achievements in a department-wide weekly meeting. One quarter later you notice the curve flattening…then reversing direction the next quarter. After two quarters the program's success is clear, and you can deploy it throughout the company knowing that the resources invested will have a significant positive impact on future retention.

While normalcy seems a long way off, we should trust the trauma curve and wait for employees to process the trauma in their own ways.

As executives who care about their employees' well-being, the best thing we can do is to make sure our ears are open and our leaders are ready to act.

1532 Pointer Ridge Place, Suite G
Bowie, Maryland 20716

Phone: 301-390-0900
Fax: 301-390-3161
E-mail: rlittlefield2@wmda.net

2022 SSDA-AT Officers

President: Peter Kischak, New York	914-589-9161
Vice President: Sal Risalvato, New Jersey	732-256-9646
Past President: Dave Freitag, Ohio	419-217-0870

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

Roy Littlefield, IV, Managing Director/ Editor

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

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