RSGDA

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U.S. Court of Appeals Upholds $5B-Plus Swipe Fee Settlement

A federal appeals court is letting stand a $5.6 billion antitrust class action settlement involving more than 12 million retailers that accused Visa Inc. and Mastercard Inc. of improperly fixing credit and debit card fees.

The U.S. Court of Appeals for the Second Circuit of New York denied a bid to dismantle the class action settlement by gas station operators that objected to it. The agreement, which was priced at about $6.2 billion before opt-outs, includes $523 million in legal fees, reported Bloomberg Law.

The Brooklyn-based federal judge who approved the settlement acted "reasonably in a sprawling case with many interested parties, in which neither the district court nor class counsel can be expected to predict and preempt every issue that might arise," Judge Dennis Jacobs wrote for the appeals court on March 15.

The settlement resolved claims that Visa and Mastercard overcharged retailers on interchange fees, or swipe fees, when shoppers used credit or debit cards, and barred retailers from directing customers toward cheaper means of payment.

Visa and Mastercard agreed to a $5.3 billion settlement in 2012, but the Second Circuit rejected the deal, citing conflicts between businesses seeking to maximize their cash compensation and others focused on forward-looking changes.

The court gave preliminary approval to the multibillion-dollar settlement on Feb. 22, 2019. Under the settlement, Visa, Mastercard and the other bank defendants agreed to provide approximately $6.24 billion in class settlement funds. Those funds were subject to a deduction to account for certain merchants that exclude themselves, but in no event will the deduction be greater than $700 million, as Convenience Store News previously reported.

The value of each claim is based on the actual or estimated interchange fees attributable to the merchant's Mastercard and Visa payment card transactions from Jan. 1, 2004 to Jan. 25, 2019.

The settlement had won approval from U.S. District Judge Margo Brodie in Brooklyn in December 2019, three-and-a-half years after the appeals court voided a $7.25 billion accord approved by a different judge because it shortchanged some retailers, according to a report from Reuters. The $6.24 billion deal reduced to $5.6 billion.

Visa is represented by Holwell Shuster & Goldberg LLP and Arnold & Porter Kaye Scholer LLP. Mastercard is represented by Paul, Weiss, Rifkind, Wharton & Garrison

LLP. Robbins Geller Rudman & Dowd LLP, Robins Kaplan LLP and Berger Montague PC are class counsel for the businesses.

The gas station retailers are represented variously by Hagens Berman Sobol Shapiro LLP, the Class Action Fairness Group and solo practitioners.

The case is In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation, 2nd U.S. Circuit Court of Appeals, No. 20-339.

Large U.S. Equipment Vendor Announces Email Breach

JF Petroleum Group, one of the largest petroleum equipment vendors in the U.S., reported a breach within its email system in a notice to its customers on Wednesday.

The company said one of its employees inadvertently responded to a phishing email, a fraudulent email designed to trick people into providing sensitive information or allowing access to their computer system.

"We have taken immediate action to secure the account and prevent further unauthorized access," the notice said. "We would like to assure you that no systems other than email accounts were breached during this incident and we have it contained."

JF acknowledged that attackers could use information gathered from email accounts to target customers, including Automated Clearing House (ACH) scams. The equipment supplier cautioned against emails that ask customers to change their ACH payment information.

"We want to remind you that JF Petroleum Group will never send ACH payment remittance changes via email," the company said. "Contact us immediately if you receive such a request."

At least 36% of all security breaches begin with a phishing attack, and 3.4 billion phishing emails are sent each day, most of them automated and aimed at a large audience, said software vendor Splunk on its website.

In 2023 alone, 33 million data records are expected to be compromised because of phishing attacks, the company said, calling phishing "the most prevalent cybersecurity threat in the digital world."

--Reporting by Donna Harris

N.Y. Convenience Stores Call for State to Ramp Up Fight Against Illegal Cigarettes

New York state officials are being urged to step up the enforcement of illegally smuggled cigarettes amid state budget talks that included a $1-per-pack tax increase, as well as a ban on menthol cigarettes.

The New York State Legislature rejected a proposal to ban the sale of all flavored tobacco products, including menthol, but did decide to keep a dollar increase in the excise tax on cigarettes, from $4.35 to $5.35.

In a letter to Gov. Kathy Hochul, the New York Association of Convenience Stores (NYACS) pointed to more than $1 billion in lost revenue from illegally smuggled tobacco products in the state. According to the Tax Foundation, this accounts for about 250 million smuggled cigarette packs, Spectrum 1 News reported.

"This is funding that could be used for cessation programs or enforcement efforts but instead supports an economy where there are no rules and certainly no age requirements," wrote Kent Sopris, NYACS president. "Not a week goes by where my taxpaying, law-abiding members do not report illegal retail activity in their towns and cities."

The group urged Hochul to instead ramp up enforcement of existing anti-smuggling laws in New York.

"If the state is serious about lowering smoking rates and ensuring consumer products on the market are legal and taxed appropriately, instead of advocating for failed policies like flavor bans and tax increases, it should prioritize and fund enforcement programs statewide," Sopris wrote. "Any other policy will merely hurt New Yorkers."

Retail Groups Say Swipe Fees Will Push Easter Holiday Costs Higher

Rising swipe fees — the fees big banks and credit card networks charge merchants to process transactions — could cost the average consumer the equivalent of a dozen eggs this Easter and potentially total more than half a billion dollars nationwide, according to the Merchants Payments Coalition (MPC).

Based on the average consumer spend of $192.01 on Easter-related items and the 2.24 percent average swipe fee for Visa and Mastercard credit cards, $4.30 per shopper will go to banks and card networks rather than the merchant when customers pay by credit card. That's just above the $4.21 average price for a dozen eggs and more than the typical cost of $3.74 for a package of Easter egg dye, according to MPC.

With cash accounting for only 19 percent of purchases in 2021, according to the Federal Reserve, and its use is rapidly declining as more spending moves online and more consumers use plastic for in-store purchases, MPC sees a greater proportion of spending directed toward banks or credit card companies.

Additionally, credit and debit card swipe fees have more than doubled over the past decade, soaring to 17 percent in 2022, according to a Neilson report, and often making the fees merchants' highest operating cost after labor.

To address the issue, Senators Richard Durbin (D-Ill.) and Roger Marshall (R-Kan.) are preparing to reintroduce the Credit Card Competition Act. First introduced last year, the legislation would require banks with more than $100 billion in assets enable credit cards to be processed over at least two unaffiliated networks. One could still be Visa or Mastercard but the other would be a competing network such as NYCE, Star or Shazam. Payments consulting firm CMSPI estimates that competition would save businesses and their customers at least $11 billion a year.

Visa and Mastercard — which control 80 percent of the market — currently price fix the swipe fees charged by banks that issue cards under their brands. They also block competition by restricting processing to their own networks even though most competing networks charge lower fees and, according to the Federal Reserve, have less fraud.

Exclusive: Deadline Passes for First Round of Bids on Gulf Oil

Gulf Oil is for sale and prospective buyers had until noon ET Tuesday to bid on what's left of the company.

Sources familiar with the sales process believe a wide range of refiners, trading companies and distributors most likely took part in the first round.

The brand is owned by ArcLight Capital Partners LLC, which acquired the company in 2015 a few months after it bought Petroleum Products Corp. At that time, Gulf boasted a branded business with more than 2,500 sites in 30 states with hundreds of dealers and distributors. The company also had a network of deepwater and pipeline terminals as well as numerous exchanges and throughputs on the Colonial and Plantation pipelines.

ArcLight agreed to sell five products' terminals to Global Partners late last year in a deal that is still under regulatory review. Global agreed to buy terminals in New Haven, Conn., Woodbury and Linden, N.J., Portland, Maine, and Chelsea, Mass., for $273 million. The companies are expecting to complete the deal before the end of June.

Other terminals are now organized under Lucknow-Highspire Terminals Co., which was created after ArcLight acquired Petroleum Products Corp. All of its terminal assets are in Pennsylvania and it is believed the Gulf terminals in that state are now part of the Lucknow affiliate.

What's left of Gulf is a branded network with about 1,175 sites selling Gulf gasoline across 37 states and Puerto Rico. The sale of the terminals to Global included an obligation to provide branded fuel at facilities where Gulf had supplied wet barrels. Gulf has an extensive branded footprint in New England, where there are nearly 400 branded locations, and has more than 220 sites in New York with about 150 locations in Pennsylvania and about 100 stations in New Jersey.

Beyond the Northeast, the company has successfully marketed the Gulf brand through licensing arrangements. Distributors or dealers can procure their own fuel and pay the company a licensing fee. In Texas, for example, OPIS counts 73 Gulf branded sites and the company logo flies at stations in California, Oregon and through much of the Southwest, Midwest and Southeast.

While the company boasts a huge geographic footprint, it no longer has the scale it did 10 years ago. Unbranded sales were discontinued years ago and the company outsourced much of its supply to Freepoint Commodities LLC. It also withdrew from an aggressive gasoline blending business in New Jersey and Staten Island, N.Y.

A number of companies may be interested in all or part of what is up for sale. The branded contract business would fit neatly into Global Partner's operations, but given Global's huge real estate holdings in the Northeast, regulators might not approve a deal for the supply contracts.

Sources said Irving Oil is a natural fit, given its refinery in the Canadian Maritimes and said Sunoco could easily fit many Gulf into its marketing territory.

Large distributors with supply contracts in the region are also likely to participate in the first round, sources said. CrossAmerica Partners, for example, wouldn't have the competitive overlap concerns that might impact Global.

Market sources said they don't believe the branded book of business comes with any hard assets. Stations are owned by Gulf distributors or dealers and the lucrative high-volume Massachusetts Turnpike business is set to expire in 2025, meaning prospective buyers would have to assume they'd be able to extend the contract or fare well in a renegotiation on the toll road.

Rights to the Gulf brand extend throughout the country but the Gulf brand in Canada is owned by XTR Energy Co. Ltd., which signed a long-term license agreement eight years ago. The international rights for foreign countries other than Portugal, Spain and the U.S. belongs to the Hinduja Group, an Indian transnational conglomerate.

Officials at Gulf Oil did not respond to OPIS questions on the sales process by time of publication.

--Reporting by Tom Kloza

Analysis: Mention of 'Freight Recession' Rings True to US Diesel Marketers

J.B. Hunt Transport Services Inc. released earnings Monday, and company President Shelley Simpson stated the obvious.

"Simply stated, we're in a freight recession," she said during the earnings webcast.

The comments did not shock U.S. diesel marketers, particularly those who operate truck stops that cater to national fleets across the country. At a time when a building boom of new travel centers is underway, it's clear that demand for diesel has tailed off in most sections of the U.S.

Year-to-date distillate demand in the U.S., as measured by the Energy Information Administration, was pegged last week at 3.83 million b/d, reflecting a year-to-year slump of 8.9%. Earlier in the year, the volume losses could be attributed to warm temperatures that limited degree day counts in New England and the Middle Atlantic. That excuse no longer can pass muster and traditional diesel consumption is the culprit in the slump.

Profits for diesel are certainly under assault at the refinery gate. On the first business day of 2023, diesel sold at the following premiums to West Texas Intermediate crude in bulk venues: New York ($55.22/bbl); Gulf Coast ($51.86/bbl); Group 3 ($42.22/bbl); Chicago ($33.80/bbl); Los Angeles ($52.91/bbl); San Francisco ($55.01/bbl) and Pacific Northwest ($42.22/bbl).

Compare those robust returns to what diesel fetched versus WTI in the same seven bulk venues Tuesday afternoon: New York ($34.68/bbl); Gulf Coast ($24.49/bbl); Group 3 ($29.22/bbl); Chicago ($27.85/bbl); Los Angeles ($20.35/bbl); San Francisco ($27.08/bbl) and Pacific Northwest ($26.45/bbl).

The declines range from a modest 17.6% in Chicago to more than 50% at the Gulf Coast and San Francisco with Los Angeles now 61.5% below the Jan. 3 return.

What is especially frightening to refiners as they move through the second quarter are the prospects for much higher production of distillate in one or two months.

Some can quibble about current capacity, but most refinery watchers acknowledge that U.S. refined products capacity will be about 410,000 b/d above the level last year when summer begins. Expansions from ExxonMobil Corp., Marathon Petroleum Corp. and Valero Energy Corp. should combine with a rebuilt Cenovus refinery in Wisconsin and create a production stride where they will make over 5 million b/d of distillate in June, July and August.

If the "freight recession" is measured in quarters, as opposed to months, and domestic demand continues to trail 2022 by about 9%, stateside consumption might average between 3.384 million b/d and 3.364 million b/d in those peak summer months.

Net exports would have to be considerably above 1.5 million b/d to find a home for U.S. production. That might be an achievable goal were it not for reports of Russian barrels of distillate squeezing out Organisation for Economic Co-operation and Development production on the South American continent and elsewhere.

--Reporting by Tom Kloza

Three Years On, Gasoline Sales Still Struggle to Reach Pre-Pandemic Levels

With the country marking the three-year anniversary of the start of the Covid-19 pandemic, gasoline demand in the U.S. continues to be far behind pre-pandemic levels and appears unlikely to rise above those levels anytime soon.

The most recent OPIS DemandPro data show that for the week ending March 11, U.S. gasoline demand was 17.8% behind that seen during the last week before pandemic lockdowns were imposed in mid-March 2020. All regions continue to see double-digit deficits to pre-pandemic levels, with demand in Western states running 22.6% behind sales prior to Covid, the deepest decline in the nation. In the Midcontinent region, demand was 19.7% behind 2020 levels, in the Northeast it lagged by 17.3%, and in the Southwest by 15.5%. The Southeast registered the smallest decline to the same week in 2020, with sales still running 15.2% lower, DemandPro data show.

The impact of the Covid-19 pandemic on U.S. gasoline demand was deep and fast in March 2020, with gasoline demand, which had been running at a 1%-4% deficit to the previous year at the start of 2020, falling to a 23.6% deficit during the week ending March 21. The next week saw sales falling 45.3% behind 2019 levels and by the week ending April 11 the year-to-year deficit had widened to 47.5%, the widest gap seen during the pandemic, according to OPIS data. The widest gaps to 2019 seen by regions around the U.S. included a 49.8% slide in the West, a 49.6% decline in the Northeast, a 45.9% retreat in the Midcontinent, a 45.5% drop in the Southeast and 45.3% in the Southwest. All the declines came during the first weeks of the pandemic in mid- to late-March.

While demand began to recover in the following weeks, the deficit to 2019 levels has not only been persistent, it's also been consistent. By June 20, 2020, national sales were running 17.1% behind the same week in 2019, which means the national demand deficit to 2019 was actually narrower when much of the country still had Covid regulations in place and travel was restricted than it was approaching the three-year anniversary of the pandemic.

Indeed, most weeks in the intervening years have seen sales 14%-20% behind where they were during the same periods in 2019, DemandPro data show.

In terms of actual volumes of gasoline sold, the U.S. retail stations sold an average 20,619 gallons during the week ending March 23, 2019. The same week in 2020 saw average sales fall to 15,473 gallons while the most recent week saw sales average 16,333 gallons, according to OPIS data.

There are likely several factors behind the sluggish sales in years following the pandemic lockdowns. The number of people working remotely from home tripled between 2019 and 2021, according to the U.S. Census Bureau, going from about 9 million to 27.6 million people. The number of people who commuted alone to work fell from 119 million in 2019 to about 104 million in 2021. While some employers have been pushing in recent months to have employees return to the office, their success has been mixed. The Wall Street Journal reported in February that U.S. office occupancy was still just 40%-60% of pre-pandemic levels.

The decline in people commuting has also led to a drop in the length of the average trip to work, according to the Department of Transportation, which reported in December that the increase in the number of home-based workers seems to have come from among longer distance commuters. In 2020-2021, the number of workers leaving their home county for work fell to levels not seen since the 1990s, reversing six decades of growth, DOT reported.

In 2019, U.S. motorists drove a total of 3.261 trillion miles, 93 million miles fewer than the 3.168 trillion driven in 2022, according to DOT.

DOT also reported that the aging of America has also been contributing to a decline in travel, since older people whose families have matured drive less frequently than families with young children and retirees drive less than people who work.

Fuel efficiency is also contributing to lower demand. New vehicle fuel economy averaged 25.4 miles per gallon in 2020 and 2021, about half a gallon per mile better than seen in 2019, according to a December report from the Environmental Protection Agency. In that report, EPA also forecast that average fuel efficiency increased in 2022. As

with the driving habits of an aging population, increases in average fuel efficiency in coming years is also likely to continue exerting downward pressure on U.S. fuel demand.
--Reporting by Steve Cronin

February US Vehicle Traffic Stayed Higher Year to Year, DOT Figures Show

U.S. vehicle traffic in February was higher than the same month last year for a second consecutive month, according to the latest data from the Department of Transportation's Federal Highway Administration.

In Tuesday's Traffic Volume Trends report, the department estimated that motorists in the U.S. traveled a total of 233.7 billion miles. That's 1.9% higher than the level in February 2022.

On a seasonally adjusted basis, however, February's traffic was 0.6% lower than that in January.

According to DOT data, the Western region, which encompasses Alaska and states on the West Coast and in the Rocky Mountains, was the only area that reported lower traffic year to year with a 2.3% loss. The north central region, including states such as Illinois, Ohio and Michigan, rose 4.5% year to year, leading the five regions surveyed by DOT.

The underperformance in the Western region could be attributed to unusually heavy rain and snow in parts that discouraged people from driving more.

According to OPIS DemandPro, February average station gasoline volume was 2.4% lower compared with the level a year earlier. OPIS DemandPro data provides retail sales data collected directly from more than 30,000 station operators across the U.S.

DOT's data is collected at about 5,000 continuous traffic counting locations nationwide. Because of the limited sample sizes, caution should be used" with the estimates, DOT said in its report.
--Reporting by Frank Tang

US Gas Station Dollar Sales Fell Again in March, Down Year to Year

Monthly dollar sales at U.S. gas stations declined 14.2% year to year in March, the second straight 12-month decline since January 2021, according to U.S. Census Bureau data updated on Friday. On a month-to-month basis, dollar sales at gas stations have fallen for the last five months as gas prices continued declining from historic highs, the figures show.

In March, total monthly dollar sales at gas stations dropped 5.5% from February to $55.166 billion. The sales figures are adjusted for seasonal variation and holiday and trading day differences but not for price changes.

Inflation is contributing to the still-elevated dollar figures, which surpassed $50 billion for the first time in September 2021, according to figures dating back to 1992. Monthly gas station sales reached a record high of $68.805 billion last year in June when retail fuel prices also hit record highs.

The March 2023 figure is the fourth time in a year and the fourth consecutive month that gas station sales slipped below $60 billion, the bureau's records show.

Advance estimates of U.S. retail and food services sales for March were $691.7 billion, down 1% from the previous month, but up 2.9% year to year, the bureau reported.
--Reporting by Donna Harris

U.S. Crude Output, Demand to Rise in 2023, EIA says, Reuters

U.S. crude production and demand will rise in 2023 as Chinese travel drives consumption, the U.S. Energy Information Administration (EIA) said in its Short Term Energy Outlook (STEO).

The EIA projected that crude production will rise by 590,000 barrels per day (bpd) to 12.44 bpd in 2023 and by another 190,000 bpd to 12.63 million bpd next year.

The EIA also projected petroleum and other liquid fuels consumption would rise by 100,000 bpd to 20.4 million bpd in 2023.

China is expected to be the main driver of global growth in 2023 as its shift from its zero-COVID policy increases travel, the EIA said. A projected 1.4% increase in global gross domestic product in 2024 should to boost oil demand by 400,000 bpd next year to 20.8 million bpd, according to the agency.

Despite its forecast that Russian oil production in March will decline by more than the cuts the nation announced, the EIA revised up forecasts of Russian oil production up by 400,000 bpd as its recent petroleum exports outpace expectations.

The EIA also raised its forecast for U.S. gasoline consumption in 2023 and 2024 by about 2% from last month’s outlook. The agency estimates vehicle miles traveled fell in 2022 compared with 2021 and, it reduced its estimate of vehicle fuel efficiency in the period

Surprise OPEC+ Agreement Could Kickstart Oil Price Surge

Just when traders thought they were looking at more congestion for oil prices this spring, the OPEC+ cartel shocked the world by agreeing to a hefty cut in oil production.

OPEC+ fashioned a cut of more than 1 million b/d with participation from a number of Persian Gulf producers as well as a vow from Russia to extend its "cut" of 500,000 b/d.

Key to the deal is a commitment by Saudi Arabia to cut 500,000 b/d with Iraq participating with a 211,000 b/d cut;

Kuwait vowing to trim 128,000 b/d; Algeria slicing 48,000 b/d and Oman easing output by 40,000 b/d. Expectations were that the cartel would simply roll existing production into the last three quarters of 2022, even though benchmark prices recently drifted to multi-month lows.

Energy futures were idle when the OPEC+ moves were announced but there are expectations for a strong rise in crude oil and refined products' futures this evening. Oil analyst Andy Lipow of Lipow Oil predicted that crude oil prices would rise "$3/bbl to $5/bbl" when futures trading commences this evening, and suggests that gasoline and diesel futures could surge 8-12cts/gal.

The OPEC+ news was completely unexpected from marketwatchers who thought that OPEC+ would simply go through the motions at the upcoming meeting and stick with the status quo.

Reporting by Tom Kloza

E15 Sales Comes to New York State

For the first time, E15, the fuel blend containing 15 percent ethanol, will be available to drivers in New York state.

One of the first locations offering E15 in the Empire State is the Dandy Mini Mart and Travel Plaza in Nichols, where drivers recently reported purchasing the fuel blend for $3.29 per gallon — 20 cents below the price listed for regular gasoline.

Drivers in New York consume nearly 5.5 billion gallons of fuel every year, which already includes more than 500 million gallons of ethanol. However, a new study by economists at the University of California-Berkeley and elsewhere found the presence of ethanol in the U.S. fuel supply, including in blends such as E15, is responsible for reducing gas prices by as much as 77 cents per gallon in recent years.

Over the last few years, the RFA has been lobbying both state and federal regulators to expand access to ethanol fuel. The organization recently threw its support behind a proposed EPA rule change that would allow year-round availability for E15 starting in 2024.

New York originally gave E15 fuel blends the green light in November 2019. It is also home to companies such as Western New York Energy, an RFA member and biorefinery that already produces 65 million gallons of ethanol each year.

Fuels Industry Steps Up Push for E15 Sales This Summer

With the summer driving season less than two months away and fuel prices again on the rise, fuel and convenience retailer associations are urging the Biden Administration and the Environmental Protection Agency (EPA) to authorize the summertime sale of gasoline blended with up to 15 percent ethanol (E15).

The Renewable Fuels Association (RFA) kicked off an advertising campaign and call-to-action targeting ethanol supporters across the Midwest, as well as policymakers and insiders in Washington, D.C. In addition to radio spots running in both markets, the RFA is also running print ads in several Midwest states, as well as digital ads across multiple geographies.

"Our message to the Biden Administration is simple: unless the White House acts quickly, American drivers will lose access to the lowest-cost, lowest-carbon fuel at the pump on June 1," said RFA President and CEO Geoff Cooper. " As we saw last summer, allowing year-round sales of E15 is an easy step the administration can take to immediately reduce gas prices for consumers. With OPEC announcing another round of production cuts and oil prices on the rise again, American families need relief at the pump."

Meanwhile, NATSO, SIGMA: America's Leading Fuel Marketers and NACS sent a collective letter to the EPA stating that inflation coupled with lingering supply chain disruptions and continued geopolitical unrest have created a volatile fuel supply market that is unlikely to change in coming months.

The EPA temporarily allowed the summer sale of E15 in 2022, helping to lower gas prices, and is considering a rules change to allow the year-round sale of E15 fuel starting in 2024, eliminating the need for future waivers. However, trade associations point out this doesn't address the needs of drivers for 2023.

EIA Forecasts US Retail Gas Prices to Average $3.50/Gal This Summer

U.S. retail gasoline prices will average about $3.50/gal during the coming summer driving season, providing motorists with a 20% reduction from last year's record-setting pump prices, according to the latest forecast released Tuesday by the Energy Information Administration.

The latest Short-Term Energy Outlook by EIA forecasts that retail prices will peak at about $3.60/gal in June but average about 10cts/gal less during the driving season, which it defines as April through September.

The report forecasts American drivers will cover a total average of 9.12 billion miles per day in the second quarter of the year, with that rising to 9.233 billion in the peak driving months during Q3. Both averages are just under 2 million miles/day higher than seen during the same periods in 2022, according to EIA.

The summer forecast comes just over a week after Saudi Arabia, Russia and other countries in the OPEC+ cartel announced they would be cutting oil production by 1.6 million b/d beginning in May and running through the end of the year.

EIA's latest outlook includes the impact of the production cut, but the agency said it expects the 1.2 million b/d reduction by OPEC countries will be partly offset by EIA increasing its forecast for Russian production by 300,000 b/d.

EIA expects total global production of crude and liquid fuels to average 101.3 million b/d in 2023, down slightly from the 101.47 million b/d forecast in last month's outlook.

It expects U.S. crude production to average 12.54 million b/d, an increase of 100,000 b/d from its last forecast.

EIA boosted its 2023 price forecast for West Texas Intermediate crude by 2.8% from last month to an average $79.24/bbl. It increased its 2024 forecast by 5.1% from last month to $75.21/bbl. The agency expects Brent crude to average $85.01/bbl in 2023 and $81.21/bbl in 2024, increases of 2.5% and 4.7% from its forecast last month.

EIA expects U.S. gasoline prices to average $3.54/gal in Q2 and $3.45/gal in Q3, increases of 3.5% and 1.1%, respectively, from last month's forecast. It expects gasoline prices this year to average $3.42/gal, an increase of 1.7% from last month, and $3.18/gal in 2024, or 2.2% than previously forecast. Last year, gasoline prices averaged $4.08/gal in Q2 and $3.57/gal in Q3 with prices for all of 2022 averaging $3.97/gal.

It expects U.S. consumption of petroleum and liquid fuels to rise slightly from last year's levels, to 20.5 million b/d in Q2 and 20.6 million b/d in Q3, an increase of 200,000 b/d and 100,000 b/d from the same periods last year. It expects average 2023 consumption to rise 100,000 b/d to 20.4 million b/d and then to 20.7 million b/d in 2024.

Under its current outlook, EIA forecasts the average U.S. family will spend $2,400 this year on gasoline, down from the $2,780 it estimates families spent in 2022.

EIA lowered its forecast for diesel prices in 2023 to an annual average of $4.11/gal, down 1.4% from the previous month. For Q2 it expects diesel to average $4.07/gal, down 4.3% from last month's forecast, and it expects an average price of $3.89/gal in Q3, 2.4% lower than last month's forecast.

The agency raised its forecast for residential retail natural gas prices for 2023 by 3.2% to $13.94/thousand cubic feet but lowered its 2024 forecast by 1.6% to $12.87/thousand cubic feet.

--Reporting by Steve Cronin

Fewer EVs to Receive Full Tax Credits With New Provisions

New rules being put into effect as part of the Inflation Reduction Act will result in many new EVs not qualifying for a full $7,500 tax credit, Detroit Free Press reports.

The U.S. Treasury Department has laid out new rules that will go into effect on April 18 which will limit “the percentage of battery parts and minerals that come from countries that don't have free trade or mineral agreements with the U.S.”

According to an e-Mobility analyst with Guidehouse Research, Sam Abuelsamid, the battery sourcing requirements will not be as difficult to meet as mineral requirements.

“The minerals requirement is going to be the really challenging one,” stated Abuelsamid. “Setting up refining for lithium in other locations is probably going to take the longest.”

Once the new provisions take effect next month, EVs not meeting those rules will either not be granted a tax credit, or will only receive half: $3,750.

When a treasury official was questioned they were unable to provide “an estimate of how many EVs would be eligible under the new rules,” but said that a list would be available on April 18.

US EV Market Share Grew in 2022, Taxing Charging Infrastructure: Report

Electric vehicles made up 7% of new light-duty vehicle sales in the U.S. last year, more than triple their market share in just two years, according to a new report by an auto industry trade group.

The Get Connected Electric Vehicle Report released Thursday by the Alliance for Automotive Innovation also includes some red flags for the continued growth of EV uptake in the U.S. They include data showing that the growth of public charging infrastructure is not keeping up with the increase in EV sales and cost increases for electric vehicles, which were double those of gasoline- and diesel-powered vehicles and put the average cost of an EV about 30% higher than the average cost of an internal combustion engine car or truck.

In 2022, EV sales in the U.S. -- which included battery, plug-in hybrid and fuel cell electric vehicles --totaled almost 935,000, a 44% increase in a year that saw total light-duty vehicle sales fall by 11%, according to the report. EVs' 7.03% share of total sales were significant increases from the 4.3% seen in 2021 and 2.3% in 2020. However, the total number of EVs on U.S. roads was just over 3 million last year, representing 1.1% of the nation's 284 million light-duty vehicles in operation.

The increase in EV sales came despite an average $5,000 cost increase from December 2021 to December 2022, which put the average cost of an electric vehicle sold in the U.S. at about $63,600, according to the report. That's well above the U.S. median salary of about $54,132 as calculated by the U.S. Bureau of Labor Statistics and higher than the $48,800 average cost of an ICE vehicle, which had increased about $2,400 from December 2021 to December 2022.

The report found that EV market share increased in 15 states and the District of Columbia last year, with EV sales in California making up 20.1% of total new light-duty purchases in 2022. Other areas where EV purchases constituted double-digit market share were the District of Columbia (13.8%), Washington (12.9%), Oregon (11.5%) and Nevada (10.2%). EV sales made up less than 5% of market share in 34 states, with Wyoming (1.9%), South Dakota (1.6%), Louisiana (1.5%), Mississippi (1.2%), West Virginia (1.2%) and North Dakota (1.1%) seeing market share below 2%.

The report found that a total of just 45,242 non-proprietary EV charging and refueling stations in the U.S. at the end of 2022 offering 103,582 electric vehicle supply equipment ports. These include 41,398 Level 2 chargers offering 93,070 ports, 4,880 fast chargers with 10,512 ports and 56 hydrogen refueling stations, of which 55 are in California. The number of chargers represents a 31% increase from 2021, but the report said even more are needed to support adoption of EVs.

It noted that while although 80% of electric vehicle charging occurs at home, "reliable and convenient access to workplace and public charging and refueling stations help to support customers that purchase EVs."

"Workplace and public charging infrastructure not only eases perceived 'range anxiety' concerns but also increases consumer awareness of the technology," the report said. "Wider installation of both Level 2 chargers, DC Fast chargers, and hydrogen fueling will be necessary for the transformation to electric vehicles."

The report notes that the California Energy Commission has determined that 700,000 chargers available to the public are needed to support 5 million EVs. This results in a ratio of seven EVs for each public charger.

Nationally, at the end of 2022, there was a ratio of 29 EVs on U.S. roads for each public charger.

"For charging to meet the 7:1 ratio, more than 330 thousand additional chargers are needed today, which is more than triple the currently available non-proprietary chargers across the U.S," the report said. Currently, about 39% of counties and city-counties in the United States have no public chargers while 14 counties account for 30% of all public charging infrastructure. Similarly, California hosts 29% of the country's available public charging.

The situation did not improve with last year's uptake in EV sales, with 38 new EVs being sold for every new public port that was installed.

"Contrary to recent narratives, the U.S. is falling further behind in installing publicly available chargers for the number of EVs that are being sold, and that government regulations require in the near future," the report said.

The report noted that the bipartisan Infrastructure Investment and Jobs Act signed into law in late 2021 includes $5 billion in funding to establish a nationwide EV charging network and $2.5 billion to deploy publicly available EV charging, hydrogen fueling, propane fueling, and natural gas fueling stations through 2026. Programs to distribute that money are moving forward.

--Reporting by Steve Cronin

Biden Administration Lays Out Private Investments in EVs, Charging Networks

The Biden administration on Monday provided details of private-sector investments in electric vehicles and EV charging networks including those from Uber Technologies Inc., charging station manufacturer Blink Charging Co. and fuel payment card provider WEX Inc.

A White House fact sheet said there are more than 3 million EVs on U.S. roads and more than 135,000 EV chargers and reiterated its February goals of building a national network of 500,000 EV chargers and getting EVs to account for at least half of all new car sales by 2030.

The administration said Uber has pledged to "reach 400 million EV miles driven on its platform in the U.S. by the end of 2023." The world's largest ride-sharing company would distribute resources through its "Green Future program" to help drivers "transition to EVs and through its partnerships with automakers, rental companies, and charging companies."

Also, Zipcar, which rents its cars to members, plans to place a quarter of its EVs in "disadvantaged communities" this year.

First Student Inc., a major manufacturer of school buses, is committing to transition 30,000 fossil fuel-powered school buses to electric ones by 2035 and the White House said Amazon is rolling out 3,000 EVs as part of its pledge to bring 100,000 EVs to the road by 2035.

On EV chargers, the Biden administration said Blink is committed to investing in $49 million to quadruple its Maryland plant's manufacturing capacity to 40,000 chargers per year by 2024.

Further, the administration said We Realize Inc. has committed to add over 200,000 electric semi-truck Level 2 and DC fast charging stations nationwide by 2030.

The administration also cited an earlier April plan announced by Walmart Inc., the world's largest retailer, to build its own EV fast-charging network at its stores across the country.

WEX, a payment solution provider for more than half a million commercial fleet operators, has pledged to "launch a free tool to predict savings generated by switching to EVs as well as an innovative solution to reimburse employees who charge their commercial fleet vehicles at home."

EPA last week proposed stringent tailpipe emissions standards for carmakers with a goal to significantly increase the market share of EVs to two-thirds of new car sales by 2032.

--Reporting by Frank Tang

Biden Administration Seeks to Cut EV Benefit for Calculating Fleet Mileage

The Biden administration is moving to change how the U.S. government rates the overall fuel efficiency of electric vehicles, a move that would force manufacturers to sell a higher percentage of EVs to meet fleet efficiency requirements.

In a notice posted to the Federal Register on Tuesday, the Department of Energy said the proposal grants a petition submitted by the Natural Resources Defense Council and the Sierra Club for the government to change rules for determining petroleum-equivalent fuel economy values of electric vehicles. The current method used to determine such values were originally adopted 23 years ago.

The environmental groups said the current method for determining EV fuel economy values was outdated, allowing manufacturers to reach fleetwide compliance by offering a small number of electric vehicles while continuing to produce less-efficient ICE vehicles, according to the notice. DOE also said the change is needed to conserve "finite resources such as fossil fuels, including petroleum consumed" by internal combustion engine, or ICE, vehicles.

"Supply and demand of fossil fuels can change rapidly and be subject to market constraints. In contrast, DOE notes that current and future sources of electricity generation are and will be in relative abundance," according to the notice. DOE pointed to provisions in the recently adopted infrastructure bill and Inflation Reduction Act intended to promote growth of renewable electric generation.

The rule would consider emissions related to generation of electricity needed to charge the vehicles, as well as distribution efficiency and driving patterns, according to the notice.

A chart included in the notice shows the impact of changing the standards. A Ford F150 EV that currently has an miles per gallon equivalency of 237.7 would see that shrink to 67.1 MPGe. A Nissan Versa would go from 374.4 MPGe to 105.7. A Hyundai Kona would go from 426.5MPGe to 120.4. A KIA Nero with a 390.6 MPGe would drop to 110.3.

The reduction in MPGe ratings could also make EVs -- whose average is more than $60,000, according to Kelley Blue Book -- appear less of a bargain to consumers, as it would slash the estimated annual fuel cost savings when compared to driving an ICE vehicle.

The move to reduce the emissions benefits of EVs on manufacturers' fleets comes as the Biden administration on Wednesday is expected to unveil even stricter emissions standards for ICE vehicles, which could lead to more than half of new vehicles sold in the U.S. to be electric powered by the end of the decade. The rules could lead to about two-thirds of new vehicles sold in 2032 to be EVs, according to reports.

While automotive trade groups, such as the Alliance for Automotive Innovation, have touted increased consumer acceptance of electric vehicles, they have also warned that U.S. charging infrastructure build-out continues to lag behind EV uptake and could spell problems in the future.

The DOE will accept public comment on the proposal through June 12.

--Reporting by Steve Cronin

Study: Only 1.5% of EVs Have Had Battery Replaced

A new study carried out by Recurrent examined how long EV batteries are lasting in vehicles and how often they are replaced, Jalopnik reports.

Recurrent gathered data from 15,000 vehicles and found that battery replacements in EVs weren't as common as some may assume: outside of factory recalls, only 1.5% of EVs in the study reported undergoing battery replacements. Most that did occur were covered under warranty.

Unsurprisingly, the vehicles that had the most battery replacements were some of the oldest models on the market: the 2013-2015 Tesla Model S and 2011-2012 Nissan Leafs.

Replacements for the Nissan Leaf early on were covered by the manufacturer after it was discovered "their original battery chemistry lost charge quickly in hot environments," according to Recurrent. Since then, they have reportedly switched to a "more hearty battery" that has performed better.

"Almost all of the batteries we've ever made are still in cars, and we've been selling electric cars for 12 years," Nic Thomas, Nissan's marketing director for the UK, had told reporters with Forbes.

Additionally, the study reported mostly consistent range figures, with "an initial drop in range during the break-in period" as Jalopnik notes, but it did not sustain.

Shell Wraps Up Acquisition of Volta

Shell USA Inc., a subsidiary of Shell plc, completed its previously announced $169 million acquisition of electric vehicle (EV) charging and media company Volta Inc.

With the closing, Shell now owns and operates one of the largest public EV charging networks in the United States. Volta's assets include an existing public EV charging network of more than 3,000 charge points at destination sites such as shopping centers, grocery stores and pharmacies across 31 U.S. states and territories, as well as a development pipeline of more than 3,400 additional charge points and capabilities to continue developing, operating and monetizing EV charging infrastructure.

With the acquisition Shell can scale its existing network and offerings to better participate in the long-term EV charging market opportunity within the U.S. Globally, Shell aims to expand its EV charging offer to operate more than 500,000 charge points by 2025 and around 2.5 million charge points by 2030. Today, Shell operates more than 140,000 public and private charge points around the world.

EPA Approves California Heavy-Duty Vehicle Emissions Rules

The Environmental Protection Agency Friday approved California regulations aimed at phasing out the sale of new gasoline and diesel-powered heavy-duty vehicles.

EPA granted waivers allowing California to adopt the state's Advanced Clean Truck Regulation and Heavy-Duty Vehicle Warranty Amendments. The approvals come despite opposition from truck manufacturers, who say the rules by the California Air Resource Board don't give them enough time to meet the stricter emissions standards.

The ACT regulations require manufacturers to produce and sell increasing quantities of medium- and heavy-duty zero-emission, with 40%-75% of new truck sales to be zero emission vehicles by 2035, with percentages based on class. The ACT regulations also require a steady reduction in emissions from airport shuttle bus fleets and "establishes certification requirements and optional emission standards" for medium- and heavy-duty zero-emission powertrains and vehicles, according to the EPA announcement.

The agency said it held off on approving a waiver for a California regulation on nitrogen oxide and particulate matter emissions from heavy-duty vehicles following a CARB request for more time following a challenge by truck and engine manufacturers, who said the rules didn't allow for the required amount of time for implementation.

California has the ability to set its own vehicle emissions and mileage standards thanks to a waiver issued by the federal government under the Clean Air Act.

While former President Donald Trump revoked that waiver in 2019, it was later reinstated by EPA under President Joe Biden. That move is being challenged by a group of Republican-led states and several retail and fuel industry groups, who say permitting California to set its own standards has the effect of allowing the state to set national vehicle standards -- as automakers will not build different cars for different regions.

Once EPA approves California's regulations, other states can then adopt those regulations in place of federal standards. It's expected that several states controlled by Democrats will take up the California trucking rules.

--Reporting by Steve Cronin

Technician Shortage Prompts Efforts to Attract Talent

As a shortage of technicians continues to plague the industry, schools and organizations have been working to attract talent and advertise fulfilling careers, KGW 8 reports.

Jay Goninen is the co-founder and president of WrenchWay, “an online community for auto and diesel professionals” that works with “a thousand auto shops and 500 schools” nationwide. Beginning in April, the organization will be launching local chapters.

“ … A lot of it is just starting conversations and starting to figure out how do we get this ship righted we get more people into the industry and how do we keep the ones we've already got,” Goninen stated.

One chapter will be opening in Portland, Oregon; the home of Portland Community College (PCC), which is a part of WrenchWay’s vast network.

One automotive instructor, Jay Huykendahl, stated that their two-year program provides prospective technicians with a certificate, as well as an associate’s degree for those who complete additional coursework.

“They've got a good knowledge base at that point. They're ready to go out and start learning the real work of auto repair,” Huykendahl said.

Angel Orosco, a student at PCC, is looking to begin his own career in the industry. He said he plans to become “a master technician and eventually open my own shop, but we'll see how that pans out.”

Ford Customers Rank Automaker Among Worst in Customer Service Survey

Ford Motor Company ranked among the worst in customer satisfaction for service quality, service advisor, vehicle pickup, service facility and service initiation, according to the 2023 J.D. Power U.S. Customer Service Index Study.

Despite Ford CEO Jim Farley’s best efforts to make Ford a customer service-focused company, customers of the Detroit automaker didn’t give it top rankings in any category. Measured on a 1,000-point scale that measures the four aforementioned categories, Ford’s marks were as follows: service quality (32%); service advisor (19%); vehicle pickup (19%); service facility (15%); and service initiation (15%).

The Detroit Free Press noted that Rival General Motors ranked in all top categories, typing Porsche for excellent vehicle service.

Survey responses were captured from 64,248 verified registered owners and lessees of 2020 through 2022 model-year vehicles.

BMW Recalls Over 15K Vehicles for Air Bag Issues

A recall of more than 15,000 BMWs has been announced by the National Highway Traffic Safety Administration, according to WHIO-TV.

According to the NHTSA, the airbags in affected vehicles “may have been manufactured incorrectly and may not deploy as intended in a crash.” NHTSA has estimated that a potential 15,803 vehicles have been affected.

Models affected by the recall include “specific 2022-2023 iX xDrive40, iX xDrive50, iX M60 X1 xDrive28i vehicles.”

Manufacturers will replace airbags at no cost to drivers. Owners will receive notification letters by April 7.

330K+ Hondas Recalled for Side-View Mirrors Detaching

Honda is announcing a recall of over 330,000 vehicles due to heating pads behind side-view mirrors being improperly attached, resulting in glass falling out, AP News reports.

Vehicles listed in the recall were 2020-2022 models of Odysseys and Passports and 2020-2021 models of Pilots and Ridgelines.

Mirror glass falling out as a result of heating pads behind them that are not “bonded properly” poses a risk of crashing. The National Highway Traffic Safety Administration stated that the recalled vehicles have failed to follow “necessary rear visibility requirements.”

Owners of affected vehicles can expect to receive a mailed notice from Honda beginning May 8. Honda dealers will replace side-view mirrors on recalled vehicles at no cost to the driver.

NHTSA Launches Investigation Into Detaching Tesla Seatbelts

Another investigation has been launched into Tesla: this one centering around detaching seat belts, AP News reports.

The National Highway Traffic Safety Administration plans to investigate 50,000 Model X SUVs manufactured in 2022 and 2023 after receiving two complaints from Tesla owners claiming the front seat belts were not properly connected.

The seat belts are compromised of a belt linkage and pretensioners, which are connected to the seat frame and tighten before a crash. However, the complaints stated that when force was exerted on a seat belt that tightened, it detached from the seat, failing to hold back the passenger. Neither of the incidents involved an accident or collision, according to NHTSA documents.

The NHTSA has plans to investigate the automaker’s “manufacturing processes,” as well as how many have been impacted by the problem. Depending on how the investigation goes, it could potentially lead to recalls.

This is another of many investigations into complaints lodged against the automaker, some dating back to 2020. The NHTSA is currently also looking into “Teslas with partially automated driving systems,” steering wheels falling off, and faulty suspension parts.

Stewart's Shops Grows EV Charging Footprint

Stewart's Shop has officially opened a Tesla Supercharger station at a convenience store located in Ballston Spa. The charger is one of the first of its kind, capable of being used by either Teslas or non-Tesla electric vehicles (EVs) with combined charging system compatibility.

The newly installed station is one of only a few locations in the United States where this type of charger is accessible, according to Stewart's Shops. The site is equipped with 8 Superchargers that are available 24/7 and charge up to 250kW.

Stewart's originally broke ground on charging stations in 2021, with its first EV-friendly locations opening in 2022. The company currently has 11 shops equipped with EV charging stations, six of which are Tesla Superchargers and five that are NY EVolve stations. All of Stewart's EV chargers are level 3 direct current fast chargers, which take about 20 to 30 minutes to reach full battery. The costs to charge depend on a variety of factors.

Average U.S. Gas Station Wage Remains Near Historic High

The average hourly wage for nonsupervisory workers at U.S. gas stations and gas stations with convenience stores dipped by less than 1% in February, remaining near historic highs, according to the latest data released from the Bureau of Labor Statistics in April.

The current figures suggest that though those average wages are about flat in February, they could rise in March. The bureau's December hourly wage averages for gas stations and gas stations with c-stores also were down slightly just before climbing to record figures in January. And figures for the retail trade show a slight month-to-month uptick in average hourly wages in March to $20.29 from $20.27 in February.

The average hourly wage at gas stations in February was $16.74 per hour, down 2cts from the $16.76 average reported for January last month and 6cts from the bureau's latest report adjusting the January average to $16.80 per hour. February wages are up 9.8% from the year-ago average of $15.25 per hour.

The average hourly wage at gas stations with convenience stores in February was $16.53 per hour, down 3cts from the average reported for January last month and 7cts from the bureau's latest report adjusting the January figure to $16.60. February wages are up 9.7% from the year-ago average of $15.07 per hour.

Other channels that compete with convenience stores and gas stations showed mixed results in February. Drugstores saw average nonsupervisory hourly wages decline by 36cts month to month to $24.43 in February. Supermarkets and liquor stores saw an increase in average wages from the prior month, up 10 cents for grocers to $16.67 and up 5cts for liquor stores to $17.17 per hour.

The bureau's most current figures for nonsupervisory wages for specific industries is not seasonally adjusted.

--Reporting by Donna Harris

USDA to Test SNAP Contactless Payments in Five States

Soon Supplemental Nutrition Assistance Program (SNAP) participants across five states will have a new way to pay for groceries.

The U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) is partnering with the states of Illinois, Louisiana, Massachusetts, Missouri and Oklahoma to test mobile payment methods within SNAP. In the next few years, SNAP participants will have the option to use mobile payments methods like tapping or scanning their personal mobile device as an alternative to their physical SNAP card.

FNS will work with state agencies as well as EBT processors, mobile wallet providers, retailers and more to support the rollout of mobile payments in the selected pilot states.

Neither retailers nor SNAP households are required to participate in the pilots. Stores can decide whether to adopt the new technology and make contactless payments available to their SNAP customers, and shoppers can continue to use their EBT card if that's how they prefer to pay.

FNS is also investing in major modernization and innovation efforts across all its programs that support nutrition security for children and families, including the Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

Juul Settles With Six More States for $462M

Settlement terms bar the company from directly or indirectly Juul Labs Inc. reached another major settlement resolving numerous lawsuits over the way the company marketed its products, allegedly targeting minors who were too young to smoke.

The e-cigarette manufacturer will pay $462 million to New York, California, Colorado, Illinois, Massachusetts, New Mexico and Washington, D.C.

Similar to other settlements, San Francisco-based Juul now faces restrictions on the marketing and distribution of its products, reported The Associated Press. The company is barred from any direct or indirect marketing targeting youth, which includes anyone under age 35. Juul will also limit how many purchases customers can make in retail locations and online.

Juul previously settled federal multidistrict litigation for approximately $1.2 billion in late 2022, resolving thousands of cases that were consolidated in the United States District Court for the Northern District of California, as Convenience Store News previously reported.

Juul called the latest settlement "another critical part in our ongoing commitment to resolve issues from the company's past," noting that terms of the agreement provide financial resources to further combat underage use and develop cessation programs. They also reflect Juul's current business practices, which were implemented as part of its company-wide reset in the fall of 2019. Since that time, underage use of Juul products has declined by 95 percent, according to the company.

Despite the settlement, Juul continues to face legal challenges. On March 27, opening statements began in the state of Minnesota's lawsuit against the e-cigarette manufacturer. The suit accuses Juul of using its products to unlawfully target young people and get a new generation addicted to nicotine, in the process violating Minnesota's consumer-protection laws, breaching its duty of reasonable care and creating a public nuisance. It is the first case to reach trial rather than reach a settlement.

Your Inspection License May be Worth Money

Depending on where you are located, it may be possible to sell your license. Before merely turning it in, contact the association for further information.

DMV Record Retrieval

DMV record retrieval is available to association members and affiliates at a cost of $12 per record. Additionally, you may order DMV certified paper abstracts of driver's license, vehicle registration, and vehicle title records for an additional fee of $2 per abstract. Please call 585-423-9244 or 716-656-1035.

NYVIP	**MESSAGE No. 282**
DATE:	**April 5, 2023**
TO:	**ALL EMISSIONS INSPECTION STATIONS**
FROM:	**NYS DEPT. OF MOTOR VEHICLES**
SUBJECT:	**NYVIP3 IMPLEMENTATION - PHASE 2**

*****PLEASE BRING THIS MESSAGE TO THE ATTENTION OF STATION OWNER AND/OR MANAGER*****

This message is to inform you that shipment of NYVIP3 inspection equipment to current NYVIP2 inspection stations will start this week. Over the next five (5) months, Opus Inspection will ship new inspection systems to stations which have placed an order. Stations that did not pay in full at the time of order will owe the remaining balance upon receipt of equipment.

You must assemble your new inspection unit once you receive it; however, do **NOT** disassemble your NVYIP2 unit. You should continue using your current NYVIP2 inspection system and preprinted stickers for official inspections until notified by DMV and/or Opus.

Stickers for NYVIP3 units will ship separately from the units You will receive a separate message from Opus notifying you that print-on-demand sticker stock for the NYVIP3 system has been shipped to your location.

Note: DMV is no longer producing pre-printed inspection certificates. When this year's supply of certificates is depleted, NYVIP3 station printed certificates will be the only source of inspection certificates.

A detailed installation manual will be included in your NYVIP3 equipment order for your reference. You can also visit www.NYVIP3.com to find instructional videos for assembling and using the new system.

For additional assistance or if you have any questions, please contact the Opus Help Desk at 1-866-OBD-TEST (623-8378) or email Opus Inspection at NYVIP3Info@Opusinspection.com.

Group of 28 Attorneys General Urge Congress to Pass Right to Repair Legislation

“As our states’ chief consumer protection and antitrust enforcers, we write to respectfully request that you redouble your efforts in the 118th Congress to pass expansive Right-to-Repair legislation targeted at automobiles, agricultural equipment, and digital electronic equipment to protect our consumers and farmers across the nation.” – Attorneys General in Letter to Congressional Leaders

A group of 28 bipartisan attorneys general – from Maine to Alaska – is signaling unprecedented support for consumers’ right to repair the items they purchase – including automobiles, tractors, smartphones and more.

In a letter to leaders of the House Committee on Energy and Commerce and Senate Committee on Commerce, Science, and Transportation, the attorneys general point to bipartisan right to repair measures, like the recently reintroduced Save Money on Auto Repair Transportation (SMART) Act and Right to Equitable and Professional Auto Industry Repair (REPAIR) Act, as critical solutions to original equipment manufacturers’ (OEMs) anticompetitive practices.

By restricting access to aftermarket parts and limiting vehicle data access, automakers are contributing to rising car repair costs for consumers:

“Some [repair] restrictions may even allow OEMs to monopolize certain repair markets and/or raise prices with impunity. For example, according to the United States Bureau of Labor Statistics, the cost of repairing a vehicle—an industry with more robust independent repair than many others—has increased by more than 66% since 2000.”

Citing research from the CAR Coalition, the letter notes that 78% of American voters overwhelmingly support right to repair legislation, like the SMART and REPAIR Acts, and 92% agree that consumers should be able to choose between automaker-branded and aftermarket car parts when making repairs.

Consumers – not OEMs – should be able to choose how they repair the products they purchase. Bipartisan measures, like the SMART and REPAIR Acts, are critical to restoring Americans’ right to repair their cars.

Tell Congress to pass these bills today!

Tariffs on OTR Tires From India Will Stay

The U.S. International Trade Commission has determined that tariffs on OTR tires manufactured in India will remain.

The U.S. International Trade Commission (ITC) has determined that tariffs on OTR tires manufactured in India will remain.

The determination was made on April 7.

Boozman, Thune Lead Effort to Permanently Repeal Death Tax

U.S. Senators John Boozman (R-AR) and John Thune (R-SD), along with Republican Leader Mitch McConnell (R-KY), Ranking Member of the Senate Finance Committee Mike Crapo (R-ID) and dozens of their Senate Republican colleagues, introduced legislation to permanently repeal the federal estate tax, more commonly known as the death tax.

The *Death Tax Repeal Act* would end this purely punitive tax that has the potential to hit family-run farms, ranches and businesses as the result of the owner's death.

"The Death Tax hangs over too many family agriculture operations and small businesses as a potential destroyer of generations worth of work and investment. They deserve the opportunity to pass down what they've dedicated their lives to with the peace of mind that it can continue on. I remain committed to ending this detrimental, disincentivizing threat against families in Arkansas and across the country in the interest of fairness and sound economic policy," Boozman said.

The legislation is cosponsored by U.S. Sens. John Barrasso (R-WY), Marsha Blackburn (R-TN), Mike Braun (R-IN), Katie Britt (R-AL), Ted Budd (R-NC), Shelley Moore Capito (R-WV), John Cornyn (R-TX), Tom Cotton (R-AR), Kevin Cramer (R-ND), Mike Crapo (R-ID), Ted Cruz (R-TX), Steve Daines (R-MT), Joni Ernst (R-IA), Deb Fischer (R-NE), Lindsay Graham (R-SC), Chuck Grassley (R-IA), Bill Hagerty (R-TN), Josh Hawley (R-MO), John Hoeven (R-ND), Cindy Hyde-Smith (R-MS), Ron Johnson (R-WI), John Kennedy (R-LA), James Lankford (R-OK), Mike Lee (R-UT), Cynthia Lummis (R-WY), Roger Marshall, M.D. (R-KS), Jerry Moran (R-KS), Markwayne Mullin (R-OK), Pete Ricketts (R-NE), Jim Risch (R-ID), Mike Rounds (R-SD), Marco Rubio (R-FL), Eric Schmitt (R-MO), Rick Scott (R-FL), Tim Scott (R-SC), Thom Tillis (R-NC), Tommy Tuberville (R-AL) and Roger Wicker (R-MS).
Senate Republicans have persistently fought to end the estate tax, including through the *Tax Cuts and Jobs Act* (TCJA) in 2017.

Although the final version of the TCJA did not repeal the death tax, the law effectively doubled the individual estate and gift tax exclusion to $10 million ($12.9 million in 2023 dollars) through 2025, which prevents more families and generationally-owned businesses from being affected by it. The increased exclusion expires at the end of 2025, which increases uncertainty and planning costs for family-owned businesses, farms and ranches.

The bill is supported by SSDA-AT.

SSDA-AT supports full repeal of the Estate Tax.

SSDA-AT Support Letter to Senator Thune: Estate Tax Repeal Act 2023

Dear Senator Thune:

On behalf of SSDA-AT, thank you for introducing the Death Tax Repeal Act of 2023 to permanently repeal the estate tax.

Historically, SSDA-AT has supported increased estate tax exemption thresholds indexed for inflation, permanent lower tax rates, and provisions for spousal transfer and stepped-up basis.

Additionally, SSDA-AT supported the temporary estate tax relief in the *Tax Cuts and Jobs Act* (TCJA), which doubled the exemption to approximately $12.9 million for tax year 2023 and indexed future increases for inflation through 2025.

These changes represent significant relief to family-owned businesses from the estate tax.

However, without further congressional action, the temporary increase in the exemption amount will expire at the end of 2025, increasing uncertainty and planning costs.

While SSDA-AT supports making the estate tax provisions of TCJA permanent, SSDA-AT continues to believe that repeal is the best solution to protect all family-owned businesses from the estate tax.

Thank you for your continued efforts to support America's family-owned businesses and farms.

We look forward to working with you to advance this important issue.

Sincerely,

Tire Industry Association