SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

SSDA News

Service Station Dealers of America and Allied Trades

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SSDA-AT Against Proposed Tailpipe Emissions Rules

By Roy Littlefield

SSDA-AT has joined with the American Highway Users Alliance in opposing two recently proposed rules by the Environmental Protection Agency (EPA) that would dramatically increase the number of Zero Emission Vehicles (ZEVs) on the road.

SSDA-AT will submit comments against both proposed rules and already has had multiple conversations with members about their potential impact.

On April 11, the EPA announced it is seeking new aggressive emissions standards for light- and medium-duty vehicles – cars, trucks and vans weighing up to 14,000 pounds – that could require up to 67% of new vehicle sales to be ZEVs in 2032.

The agency also announced Phase III of its greenhouse gas regulations, which would set increasingly stringent emissions standards for model years 2027-2032 trucks and buses.

The EPA is singularly proposing the new rules as the agency had worked previously with the National Highway Traffic Safety Administration (NHTSA) on truck and bus greenhouse gas rules for corporate average fuel efficiency (CAFE) standards for vehicles.

Because of this, the proposed rules on light and medium-duty vehicles would not be considered new CAFE standards by the EPA but rather new emission standards for nitrogen oxides (NOx), particulate matter (PM), ozone, carbon dioxide (CO2) and other greenhouse gases.

In its comments opposing the proposed rules, Littlefield said SSDA-AT will urge the EPA to reconsider them over concerns that the new standards could negatively impact the Highway Trust Fund.

“If implemented without addressing the funding structure, these proposed regulations could strain the already precarious state of transportation funding,” Littlefield said. “It is crucial to consider additional solutions, such as a low carbon fuel standard, to address the revenue lost by having fewer internal-combustion engines on the road.”

The period for comments closes July 5.

The full proposed rule for light and medium-duty cars, trucks and vans can be viewed here:

https://www.regulations.gov/document/EPA-HQ-OAR-2022-0829-0451

Spring Cleaning your Digital Storefront by Hollie Flottum

It's spring and it's time to think about spring cleaning. Not just in your home or store, but your website too. In the spring I am ready for a quick to-do list, and I want to see fast results. You know what to do with your brick and mortar store, but where do you begin when thinking about spring cleaning your website? I can help!

Review each page. Is there out of date content that needs to be removed/updated? Does this page still have useful information for potential and current customers?

Think about customer questions. Are those answers represented on your website? Is the content easy to find and digest? Today's customers have very short attention spans. Are they able to find out **who you are**, **what you offer** and **why your brand has value?**

Promote your sales! Do you have **new promotions, events, or coupons to add?** Out with the old, in with the new!

Feature customer testimonials. Do you have **customer testimonials** you can display on your site? FinancesOnline found that **68% of consumers will choose a business because of their positive reviews**. Online reviews build trust. Recent reviews create new content opportunities. Sharing and responding to a negative review builds empathy and shows that you stand behind your brand.

Enable digital customer service! Live chat on your website can be a great addition to your service. Interacting digitally with your customers proves to the search engines that you care about your customers and your content is genuine. It can even help you move your website up in the search engine rankings.

Add high-quality images of your business! Review the images on your website. Are they clear? Are they up to date? Do you include inventory, a view from inside and outside? Shoppers are drawn to visuals. They want to envision themselves at your store or enjoying their new purchase.

Review CTAs on your website! A CTA, or call to action, on your website is just like having signs to assist customers in your brick and mortar. Look at your site and make sure it is easy to find out how to call you or request a quote!

Working on our digital storefront can be fun and overwhelming! Remember we are here to help. Contact Us | Net Driven®

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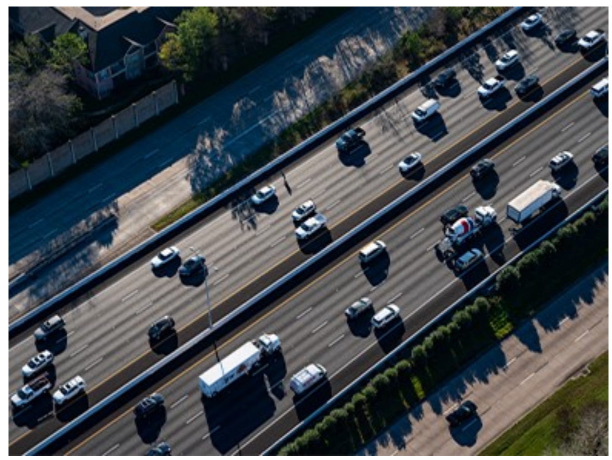
Highway Funding in FY 2024 Appropriations Legislation

While there is significant debate in Congress and with the Administration over funding levels in general, Congress will proceed to develop details of funding legislation that would be adjusted depending on the outcome of the larger debate.

As of last year, for FY 2023, SSDA-AT will work to ensure that the appropriations process continues to fund highway investments and protects highway investments in the Infrastructure Investment and Jobs Act.



G-7 Pushes for Gas Investment, Enhanced Climate Action

At the recent G-7 Hiroshima Summit in Japan, G-7 leaders urged major economies to step up their climate actions and energy security efforts, as well as strengthen their greenhouse gas emission targets and strategies before the upcoming COP28 conference in Dubai. Additionally, they advocated for greater investments in natural gas and highlighted the potential of expanded liquefied natural gas deliveries to reduce the dependence on Russian energy and address the energy crisis.

California Lawmakers Block Bill Making Oil Companies Liable for Some Health Problems, AP

California lawmakers blocked two big environmental bills Thursday: One that would have ramped up the state's emissions targets, and another that would have made oil companies liable for the health problems of people who live close to oil wells.

They are among the hundreds of bills that did not survive the Legislature's suspense file, a mysterious process where lawmakers decide — with no explanation — which bills will get a chance to become law later this year and which ones should not move forward.

Last year, Gov. Gavin Newsom signed a law that bans drilling new oil wells within 3,200 feet (975 meters) of sensitive areas like homes and schools. But the law hasn't taken effect because the oil industry qualified a referendum on the 2024 ballot asking voters to overturn it.

That referendum angered environmental and health advocates. They decided if the oil industry wanted to block that law, then they would try to pass another law making it easier for oil companies to be held liable for health problems of people who live near wells. The bill, authored by Sen. Lena Gonzalez, would have required oil companies to pay up to $1 million to people who have cancer or other health problems associated with the well.

"Today, we missed a key opportunity to advance legislation that would hold polluters accountable and prevent further harm to families who are just trying to stay healthy and have a better quality of life," Gonzalez said in a statement.

The Senate Appropriations Committee stopped the bill from getting a vote by the full Senate, meaning it is not likely to become law this year. Jamie Court, president of the advocacy group Consumer Watchdog, blamed committee chair Sen. Anthony Portantino, a Democrat from Burbank who is also running for Congress.

"A bill like this should get a hearing by the full Senate and not be shoved in a drawer by one politician when we have millions of people living within a half mile of oil wells whose lives and health are at threat every damn day," Court said.

Portantino's office did not respond to an email seeking comment about why the bill was held.

Kara Greene, a spokesperson for the Western States Petroleum Association, which opposed the bill, said it would have been unfair to oil and gas companies and done more harm than good.

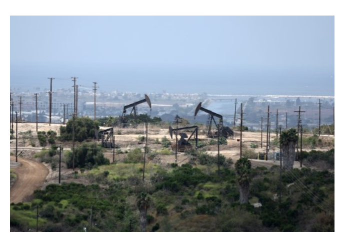
"The billions of dollars and the fiscal mess that this bill would have caused to the State and local governments from their own liabilities, the fiscal responsibility of inherited wells, and the cost to the court system, would be substantial," Greene said in a statement.

State Sen. Henry Stern, a Los Angeles Democrat, introduced another bill this year that would have required the state to reduce its planet-warming emissions to 55% below the 1990 level by the end of 2030. The state has already set out to reduce those emissions by 40% by that same deadline.

"The bill dying was a reflection of the impasse I worry we're heading towards on climate in California," Stern said in a statement. "As the world races ahead, we may get stuck debating pathways forward."

A similar bill introduced last year didn't make it to the governor's desk.

California is also aiming to achieve carbon neutrality, meaning the state will remove as many carbon emissions as it releases, by 2045. The state Air Resources Board has approved rules to limit pollution from cars, trucks, lawn mowers and trains.



Republicans Lay Out Permitting Reform Vision, but Signal Openness to Negotiation, The Hill

Key Senate Republicans laid out their vision for how to speed up the approval process for energy and other infrastructure projects, but they also signaled a willingness to work with Democrats to get bipartisan legislation across the finish line.

The new proposals, from Sens. Shelley Moore Capito (R-W.Va.) and John Barrasso (R-Wyo.), articulate a starting point for the GOP amid interest in working on the issue from both parties.

Two other recent proposals — a Democratic bill focusing on renewables and Sen. Joe Manchin's (D-W.Va.) introduction of his proposal from last year — have been issued in recent days.

Capito's bill focuses on shortening the time it takes to approve a project and limiting legal challenges they may face.

Barrasso's proposal focuses on specifically bolstering oil and gas as well as mining for coal and other minerals in addition to measures related to gas pipelines and electric reliability.

Republicans in Congress have long-lamented how long it takes to build out energy and other infrastructure projects, but congressional discussion of the issue was supercharged last year after Democratic leadership agreed to work with Manchin on the issue in exchange for his vote on the Inflation Reduction Act.

Last year, Manchin's proposal ultimately flopped despite getting votes from seven Republicans.

One major sticking point between the parties has been provisions that aim to bolster the buildout of electric transmission lines, which are particularly important for getting more renewable energy onto the grid, though they could also bolster fossil energy.

Democrats have supported a provision that would allow the independent Federal Energy Regulatory Commission (FERC) to approve transmission lines that are deemed to be in the nation's interest.

Barrasso and Capito expressed willingness to work with Democrats on the issue, though they did not include the provision in their proposals.

"I would say these are negotiating points in terms of what FERC's role would be," Capito told reporters.

But, Barrasso said that he opposes cost allocation provisions in Manchin's prior proposal, saying he

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Republicans Lay Out Permitting Reform Vision, but Signal Openness to Negotiation, The Hill

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did not want "states like Wyoming subsidizing the energy that was going to California."

The lawmakers also said they had a meeting with their counterparts, Manchin and Sen. Tom Carper (D-Del.), saying that all four want to move on the permitting issue.

While Capito and Barrasso said they did not have a specific timeline, they hoped to reach a deal over the summer.

"I think we can be a lot quicker here than what most people would think simply because we have been in negotiations for a long time on this," Capito said. "I would hope we could get to something in the summer."

Capito's proposal, like Manchin's would institute a two-year time limit for the most rigorous type of environmental review.

It would also require judges to render judgments on court challenges to project approvals within 180 days and additionally limit states' authorities to block projects. It also requires the approval of the Mountain Valley Pipeline.

The Capito bill would also take on certain environmental regulations, restricting which waters are subject to federal regulations, limiting when changes to polluting require a permit, and limiting federal agencies' ability to use a metric known as "social costs of greenhouse gases" in their decision making.

The bill from Barrasso would require there to be at least 11 offshore oil and gas lease sales planned for between the years 2023 and 2028, would give the Energy Department just 45 days to block the construction or expansion of a facility to export liquified natural gas and could allow companies to pay lower fees to the federal government in order to drill on public lands or in public waters.

It would also limit federal authority to block mining in certain areas, lift a freeze on auctioning off federal lands for coal leasing and makes it easier for uranium to be designated as a "critical mineral."

ExxonMobil, Shell Explode A Pair Of Energy Transition Myths, Forbes

In a pair of recent stories, publicly-held oil ma-
jors ExxonMobil and Shell exploded a pair of the most popular myths that have become a part of the overarching narrative of the “energy transition,” which is fast turning out to be more of an “energy diversification” or “energy addition” than any sort of transition.

ExxonMobil Disputes Stranded Asset Theory

In a May 17 filing with the Securities and Exchange Commission in response to the 2023 Glass Lewis Proxy Report Feedback Statement, ExxonMobil takes on the myth that the world is currently on course to meet the much-publicized “net zero by 2050” target, and as a result, Exxon and other oil companies are at significant risk of incurring major “asset retirement obligations (SROs),” or what is commonly referred to as "stranded assets.”

I have written several times in the past that this stranded assets narrative is an overblown concern that few executives in the industry itself take seriously, for good reason. The simple fact is that the global community is not remotely on a pace to achieve the net-zero by 2050 goal, and even if it were, a robust level of global demand for the products supplied by oil and natural gas companies would continue to exist, perhaps at even higher levels than today.

This is essentially the theme of ExxonMobil’s response to the Glass Lewis Report, with the company pointing out that even the energy transition boosters at the International Energy Agency (IEA) admit the world is not on a pace to meet the 2050 target. Here is the key part of the company’s response:

“In their analysis, Glass Lewis states that AROs could represent a material financial risk to the company. We are unable to understand how they have arrived at this conclusion. In accordance with GAAP, we do not incorporate into our financial statements those types of risks that are as remote as the IEA NZE path. Glass Lewis apparently believes the likelihood of the IEA NZE scenario is well beyond what the IEA itself contends: that the world is not on the NZE path and that this is a very aggressive scenario.” The company goes onto state its belief that “it is highly unlikely that society would accept the degradation in global standard of living required to permanently achieve a scenario like the IEA NZE.”

The ExxonMobil reply here reflects precisely the answers I get back from the variety of industry executives I converse with during the course of my daily activities. The narrative surrounding stranded

ExxonMobil, Shell Explode A Pair Of Energy Transition Myths, Forbes

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assets is not a driver of investment or strategic decision-making inside the industry, though it has been used as a tactical talking point by activists seeking to discourage investment in oil and gas-related industries and projects.

Shell Pushes Back At Renewables At Any Cost Advocates

Bloomberg reported May 18 on remarks made by Steve Hill, executive vice president of Shell Energy, during a May 17 internal town hall meeting. In the meeting, Mr. Hill is quoted as making it clear to employees in Shell's renewable power business that their projects must become more profitable or face defunding and/or divestment.

"Delivery will be the mandate of the organization going forward," Bloomberg quotes Hill as telling the gathering. "The things we've been less successful with, we need to scale back or stop." The story goes on to cite examples of unprofitable renewables projects the company has divested in recent months, and indicates the new direction is part of a strategy designed to create higher shareholder returns and make Shell more competitive with peer companies like ExxonMobil.

When asked by one questioner on the conference call about why capital for renewables projects would be reduced considering Shell's $40 billion in reported profits for 2022, Bloomberg reports that "Ingrid Button, the finance chief for Shell's renewables business, responded by saying that the company needs to use that money for other purposes, including shareholder dividends and buyback." Briton added that the company's renewables unit "needs to improve compared to competitors and demonstrate discipline with financial choices."

Bottom Line

Shell's strategic shift is similar to the announcement in February by BP CEO Bernard Looney that his company would dedicate increased capital investment away from less-profitable renewables investments back to its core oil and gas business in order to make the company more competitive. Taken together, the actions by these three oil majors reflect growing willingness in the industry to defend itself against critics and speak positively about the undeniable benefits its investments and products provide to the public.

After years of comparative timidity in the industry's willingness to tell its own story, these stories represent a welcome change in direction.

ExxonMobil

U.S. NATGAS OUTPUT TO HIT RECORD HIGH IN 2023, DEMAND TO FALL, Natural Gas World

EIA projected dry gas production will rise to 101.09 billion cubic feet per day (bcfd) in 2023 and 101.24 bcfd in 2024 from a record 98.13 bcfd in 2022.

The agency also projected domestic gas consumption would fall to 87.54 bcfd in 2023 and 86.05 bcfd in 2024 from a record 88.53 bcfd in 2022.

If correct, 2024 would be the first time that output rises for four years in a row since 2015. It would also be the first time that demand declines for two years in a row since 2006.

The latest projections for 2023 were higher than the EIA's April forecast of 100.87 bcfd for supply and 87.37 bcfd for demand.

The agency forecast that average U.S. liquefied natural gas (LNG) exports would reach 12.11 bcfd in 2023 and 12.73 bcfd in 2024, up from a record 10.59 bcfd in 2022.

That 2023 LNG forecast was higher than the 12.08 bcfd EIA forecast in April.

EIA projected U.S. coal production would fall from 597.2 million short tons in 2022 to 577.1 million short tons in 2023, the lowest since 2020, and 491.2 million short tons in 2024, the lowest since 1963, as natural gas and renewable sources of power displace coal-fired plants.

As gas demand eases and power producers burn less coal, EIA projected carbon dioxide emissions from fossil fuels would fall from 4.964 billion tonnes in 2022 to 4.830 billion tonnes in 2023 and 4.807 billion tonnes in 2024.

That compares with 4.580 billion tonnes in 2020, which was the lowest since 1983 because the coronavirus pandemic depressed demand for energy.

New Mexico Residents Sue Seeking to Block Oil and Gas Permitting, Reuters

New Mexico residents sued the state seeking to suspend new permitting for oil and gas production, claiming the government's approvals for fossil fuel projects, without proper oversight, violates a state constitutional right to a clean and healthy environment.

The residents filed their lawsuit against state agencies and the state legislature in state court in Santa Fe, claiming New Mexico has set up a regulatory and permitting scheme that essentially exempts the oil and gas industry from environmental regulations — either explicitly in state laws, or through inadequate enforcement.

"That's why we have methane clouds you can see from outer space, and why we have such poor air," said Gail Evans, an attorney at the Center for Biological Diversity, who is representing the plaintiffs.

A spokesperson for the governor's office, Caroline Sweeney, said the lawsuit is "misguided" and would distract from the government's work on climate issues, and its efforts to enforce "nationally leading regulations this administration fought hard" to pass.

The governor's office and state environmental department didn't immediately respond to requests for comment.

According to the lawsuit, several state laws that regulate things like hazardous waste and groundwater pollution explicitly exempt oil and gas industry pollution from their reach. And while there are laws addressing air pollution that do apply to the industry, the residents said they're not adequately enforced.

Those regulatory and enforcement gaps have created a "pollution crisis" that exacerbates climate change and damages the natural environment, according to the residents. They said that violates the state's constitution, which requires the state to control pollution, and to protect the state's "beautiful and healthful environment."

The residents are seeking an order saying the state is violating the state constitution and stopping all future oil and gas permitting until better controls are put in place.

The lawsuit was filed by a coalition that includes environmental groups, indigenous communities and frontline communities near oil and gas production sites. Those groups said there are approximately 66,000 active oil and gas wells in the state's Permian and San Juan Basins.

Oil and gas production in those basins has increased nearly tenfold since 2010, according to the U.S. Energy Information Administration. That agency said the state was the second-largest crude oil producing state in 2011.

The lawsuit is the first to focus on the 1971 environmental clause in the New Mexico constitution, but comes following the filing of several similar lawsuits across the country in recent years involving environmental rights protected in state constitutions.

The case is Mario Atencio et al. v. The State of New Mexico et al, County of Santa Fe First Judicial District, case No. Not immediately available

For the residents: Gail Evans, Maya Golden-Krasner and Jason Rylander of the Center for Biological Diversity, and Timothy Davis of WildEarth Guardians

For the state: Counsel not immediately available

Over 60 Pennsylvania Business Groups Urge Action on State's Permitting Reform, Pittsburg Business Times

More than 60 business groups from around Pennsylvania are urging Gov. Josh Shapiro and the General Assembly to speed up permitting reform. A letter sent this week by the organizations asked Shapiro and the Pennsylvania House and Senate to work together to fix what it called a dysfunctional and unpredictable permitting system for businesses.

"Doing so will result in greater opportunity for our residents, a modernized system of infrastructure, and encourage more investment into our state," the letter said.

Permitting reform has been a signature issue of Shapiro. In his first executive order, Shapiro ordered a 90-day review of all permitting and licensing in the commonwealth and required state agencies to come up with faster and more certain time lines. Shapiro said last week that the review is complete and his administration was working on the recommendations.

The administration's efforts were lauded in the letter and said the General Assembly should do its part, too.

"Permitting reform will unlock a more efficient and modernized system of public infrastructure, facilitate reshored investment into advanced manufacturing, and provide more opportunity for hard-working Pennsylvanians," the letter read.

The letter was spearheaded by the Pennsylvania Chamber of Business & Industry, which has been working to enact permitting reform. Its director of government affairs, Kevin Sunday, testified in March before a House Republican Policy Committee meeting that offered specific steps that could be taken.

Local groups signing on to the letter included the Beaver County Chamber of Commerce, the Butler County Chamber of Commerce, the Greater Pittsburgh Chamber of Commerce, the Greene County Chamber of Commerce, the Monroeville Chamber of Commerce, the Norwin Chamber of Commerce and the Pittsburgh Area Chamber of Commerce, as well as employer groups including the Marcellus Shale Coalition, the Pennsylvania Coal Alliance, the Pennsylvania Independent Oil & Gas Association and the Pennsylvania Manufacturers Association, among others.

PAChamber®
of Business and Industry

Alaska Oil Industry Launches Campaign Against Proposed Tax Increase, Anchorage Daily News

Alaska's oil and gas trade association has launched a campaign against a Senate bill that would increase taxes on the industry as a way to help fill the state's structural deficit.

Senate Bill 114 would reduce tax credits available to oil companies, thereby increasing their overall tax burden. Privately held oil companies such as Hilcorp — the operator of Prudhoe Bay — would also be required to pay corporate income taxes. When combined with the tax credit reduction, both proposals are projected to raise $1.3 billion in their first year, dropping to $783 million by the end of the decade.

There may be enough votes in the Senate to advance the five-page bill — likely during next year's regular legislative session. But the measure faces longer odds of passing through the Republican-led House of Representatives, with key members of leadership expressing concerns about the potential impacts a tax increase could have on industry investment.

Late last month, Republican Gov. Mike Dunleavy discussed with reporters his still-unseen state sales tax proposal and the need for a long-term fiscal plan. In response to a question about whether he could support an oil tax increase, Dunleavy said, "Everything is on the table."

The Senate Finance Committee held several hearings on the oil tax bill last week, but it did not advance for a full Senate vote.

Bill Cline, executive director of Gaffney-Cline, the Legislature's oil and gas consultant, told the committee that the proposed tax increase would likely not reduce Alaska's existing production, which increased slightly last year to an average of 483,000 barrels per day. There would also be limited impacts on current investments and opportunities, such as the Willow and Pikka oil projects, but there would be some downside risk that a tax change could discourage "substantial new investments" in the future, Cline said.

Anchorage Democratic Sen. Bill Wielechowski, who introduced the bill and has long called for the state to collect more revenue from its resources, said that the measure would be a "reasonable" tax increase. He said that was needed as the state has struggled to pay for essential services amid a worsening fiscal outlook.

The Alaska Oil and Gas Association — a 14-member industry trade group — announced its staunch and unanimous opposition last week to all the provisions in the Senate's bill. The association launched Defend Alaska's Future, a website and digital ad campaign that encourages legislators to reject the proposed tax hike.

"Senate Bill 114 is a massive tax increase that threatens to cripple Alaska's oil and gas industry, and every Alaskan will feel the impact," the website says.

Since 2013, Alaska's average annual crude oil production has dropped from 544,000 barrels a day to 483,000 barrels last year.

US Refiners Build New Oil Processing as Travel Rises, Reuters

U.S. oil refiners aim to run at up to 94% of a total 17.9 million barrels per day processing capacity this quarter, according to company forecasts and analysts, driven in part by expectations of seasonal travel demand.

Strong prices and demand since late 2021 have encouraged refiners to run above 90% of their processing capacity and in a sign that they expect fuel demand to remain high, two refiners have added units or enhanced their output, reviving a once routine practice that disappeared amid COVID-19 closures.

This quarter is traditionally one of the year's hottest for demand as companies build gasoline and jet fuel output for the summer vacation season. Motorist group AAA on Monday predicted the May 27-29 Memorial Day holiday weekend will be the third busiest for auto travel since 2000 and most active at U.S. airports since 2005.
This quarter's pace compares to 91.3% utilization in the year-ago quarter and the 71.5% and 87.8% run-rates in 2020 and 2021 as the industry struggled with COVID-19 lockdowns that reduced fuel consumption and crushed industry profits.

BELOW PAR INVENTORIES

Behind the higher run-rate is the fact that motor fuel stocks are beneath their 5-year averages. Gasoline and distillates inventories are 7% and 16% below, investment firm Tudor Pickering Holt & Co estimated.

"Demand trends are strong in gasoline and jet (fuel)," said Matthew Blair, a managing director at Tudor Pickering. He estimates refiners overall will run at 94% utilization rate this quarter, matching the 2017-19 average for the period.
Among larger refiners, Marathon Petroleum (MPC.N) plans to run at 91% of capacity, Valero Energy (VLO.N) at between 90% and 93%, and Phillips 66 (PSX.N) in the mid-90s, officials said.

"I would expect utilization to go up a couple of points (this quarter)," from the early May run rate of 91%, said David Hackett, chairman of fuel consultancy Stillwater Associates.
High prices will keep U.S. refinery utilization rates at levels near last year's about 91.7% this year and next, the U.S. Energy Information Administration forecast in January.

Refiners will add the capacity to process an additional 328,000 bpd in this quarter, increasing gasoline and diesel supplies this summer.

Exxon Mobil (XOM.N) added 250,000 bpd at its Beaumont, Texas, refinery; Citgo Petroleum Inc 38,000 bpd at its Lake Charles, Louisiana, plant; and Marathon Petroleum Corp (MPC.N) 40,000 bpd at its Galveston Bay Refinery in Texas City, Texas.

Two others whose refineries were offline last quarter - Suncor's (SU.TO) in Commerce City, Colorado and Cenovus' (CVE.TO) in Superior, Wisconsin, are resuming operations.

"Margins are not going to be as robust as they have been in the past year and a half," said John Auers, managing director of Refined Fuels Analytics.

SSDA-AT Supports Bipartisan Bill to Strengthen Driver Apprenticeship Program

SSDA-AT applauds the introduction of the DRIVE Safe Integrity Act, introduced by Representatives Rick Crawford (R-Arkansas) and Henry Cuellar (D-Texas), to help alleviate the truck driver workforce shortage.

The bill builds upon strong, bipartisan support for the DRIVE Safe Act over the last few Congresses and the inclusion of the Safe Driver Apprenticeship Pilot Program in the bipartisan infrastructure law.

Building a 21st century supply chain requires a strong, vibrant and growing trucking workforce. The DRIVE Safe Integrity Act will bolster new career pathways into interstate trucking while promoting safety and training standards that far exceed the bar set by states today. This legislation offers a timely and essential trucking workforce and supply chain solution, built off years of broad bipartisan Congressional support.

The last three years have proven just how important truck drivers are to the American economy and way of life, and how urgently we need to develop a pipeline of qualified, well-trained professional drivers to meet our nation's growing freight needs. Strengthening the ability of younger drivers to receive rigorous training and safely enter the trucking workforce will help fill this pipeline, and we thank Representatives Crawford and Cuellar for their bipartisan leadership in addressing this issue.

The trucking industry is currently facing a shortage of more than 78,000 truck drivers coupled with a need to hire 1.2 million new drivers over the next decade to meet increasing freight demands. However, current U.S. Department of Transportation regulations bar a vital population of job seekers from interstate trucking, exacerbating the driver shortage as qualified candidates are lost to other industries. In 49 states plus the District of Columbia, 18-, 19- and 20-year-olds are permitted to obtain a CDL and drive heavy-duty commercial vehicles in intrastate commerce, but federal rules have long prohibited those same drivers from driving in interstate commerce.

SSDA-AT Supports Bipartisan Bill to Strengthen Driver Apprenticeship Program

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To address this issue, the bipartisan infrastructure law enacted in 2021 included a nationwide pilot program modeled after the DRIVE Safe Act to create a pathway for young drivers to operate interstate with rigorous safety and training guardrails in place.

The Save Driver Apprenticeship Pilot Program was capped at 3,000 participating drivers at any one time; however, fewer than a dozen driver participants have enrolled.

This failure is partly due to extraneous USDOT requirements for program participation that were not included in the bipartisan infrastructure law. The DRIVE Safe Integrity Act would help get the pilot program back on track by:

Urging DOT to take corrective actions that would improve participation in the SDAP; and

Requiring DOT to provide Congress detailed reports on SDAP's status and corrective actions taken to improve participation.

By directing DOT to steer the Safe Driver Apprenticeship Pilot Program back to the course Congress originally intended and providing a path forward for participants to safely enter the workforce, this bill will ensure our industry has the talent it needs to meet the economy's freight demands in the years to come. SSDA-AT thanks Representatives Crawford and Cuellar for their outstanding leadership.

Upon the sunset of the pilot program, the bill would direct DOT to review the safety data and issue regulations for a permanent apprenticeship program for commercial drivers between the ages of 18-20.

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