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Branded Retailers May Be Denied Share of Swipe Fee Settlement

Thousands of major oil company branded retailers could have trouble collecting their share of the $5.4 billion swipe fee settlement against Mastercard and Visa, according to an alert the Energy Marketers of America sent to members on Wednesday.

The Settlement Administrator in the Visa/MasterCard swipe fee antitrust litigation has begun mailing claim forms to millions of potential claimants to the $5.4 million settlement fund (the "Fund"). The Fund includes the proceeds of a settlement of the litigation, which claimed that merchants paid excessive fees to accept Visa and MasterCard transaction cards in violation of the antitrust laws.

The Settlement Administrator began mailing claim forms on December 1, 2023 and will continue sending the forms for most of December. Because of the large number of claim forms being sent, claimants may not receive a form until late December 2023 or January 2024. The Administrator urges potential claimants to be patient and wait to receive a form which will assign the claimant a Claimant ID and allow for online filing. The claims deadline is May 31, 2024.

Reports suggest that between 12 and 18 million businesses across the United States that accepted Visa and MasterCard payments between January 1, 2004 and January 25, 2019 are eligible to claim a share of the Fund. EMA is concerned.

However, thousands of major oil company branded retailers may not be recipients of a claim form, and that they may be declared ineligible because they are deemed "indirect" payers, meaning that their major oil company supplier is recognized as the party that paid the interchange fees that formed the basis for the lawsuit.

Under this theory, branded retailers who reimbursed their suppliers for the fees would not qualify as claimants. A Special Master has been appointed by the court to hear appeals from denials of eligibility, such as claim denials based on the alleged status of branded retailers as indirect payers.

If you receive a claim form in the mail, fill it out and return it to the Settlement Administrator in accordance with the instructions on the form using the assigned Claim ID number. If your claim is denied, you will be able to bring it before the Special Master for review.

If you do not receive a form, access the settlement at http://www.paymentcardsettlement.com/en/Login and enter your Tax ID number (TIN) to find out whether the

Settlement Administrator considers you eligible.. While we have yet to gotten a hold of the procedures to be utilized by the Special Master, a determination of ineligibility obtained by accessing the above-referenced login information should be sufficient as a denial of your claim to warrant an appeal to the Special Master.

If your claim is denied on the ground that you are an “indirect payer,” and you wish to lodge an appeal, you may want to first seek guidance from your attorney, although you are free to file your appeal without attorney assistance. The primary basis for any such appeal would be that you are, in fact, a direct payer of the interchange fees paid on each card transaction.

New Coalition Forms to Push for Swipe Fee Reform

Passing the Credit Card Competition Act is the top priority for a network of businesses and advocates that are coming together as the newly formed Lower Credit Card Fees Coalition.

Members include American Economic Liberties Project, Americans for Financial Reform, International Brotherhood of Teamsters, Service Employees International Union, and the Merchants Payments Coalition, which includes NACS.

The coalition recently launched a microsite featuring information, testimonials and guidance in reaching out to members of Congress at www.lowercreditcardfees.com, reported NACS Daily.

The Credit Card Competition Act would mandate that retailers in many cases have the right to route payments through networks unaffiliated by the credit card providers, potentially lowering the fees they have to pay.

According to the Lower Credit Card Fees Coalition, passing the act marks "a crucial step towards rectifying the long-standing hold of Visa-Mastercard duopoly. Visa and Mastercard's market power allows them to set sky-high swipe fees, ten times higher than they charge in Europe, that have more than doubled over the past decade. Merchants have no way to negotiate rates and have no choice but to accept the rates Visa and Mastercard set. These fees are then passed onto consumers."

Requiring banks that issue credit cards to offer multiple payment networks on their cards would jump-start competition that would lower swipe fees and enhance security and other features, ultimately benefiting both consumers and small businesses, the coalition continued.

2023-12-15 10:43:30 EST

US Gasoline Prices Hit 904-Day Low

The nationwide retail gasoline price average as monitored by OPIS for the AAA Friday slumped to a level last seen more than 900 days ago.

This morning's gasoline price average of $3.087/gal slipped beneath the $3.0961/gal average that represented the 2022 low (Dec. 23, 2022). One now has to go back to June 25, 2021 to find a lower aggregate number as U.S. motor fuel prices averaged $3.0858/gal on that date.

The 2021 year began with motor fuel prices as low as $2.25/gal nationally before higher crude and RBOB numbers led to considerably higher numbers by year's end. Should the present declines continue and push U.S. numbers beneath $3/gal, it would represent the first time since that benchmark level was hit on May 11, 2021 ($2.9854/gal).

There are many states that have hit new 904-day lows, but there is considerable diversity by region. Prices in states served by Gulf Coast refineries are at numbers last witnessed in the first quarter of 2021. Gasoline price averages in the Great Lakes and Great Plains are generally at their lowest level since early second-quarter 2021.

On the other end of the spectrum, California's average price Friday of $4.6305/gal reflects just a 10-month low. January and early February of this year saw lower street prices. Neighboring states of Oregon and Washington similarly have only managed to match 10-month lows.

The cheaper fuel isn't unusual for December and January, and indeed annual lows in most years occur in those two winter months. The savings for consumers are substantial. When U.S. gasoline prices soared over $5/gal in June 2022, consumers were spending about $1.9 billion per day. At today's lower numbers and adjusting for lower off-season demand, those expenses are about $775 million lower per day.

Last year saw a similar gasoline price swoon in December but this year's version has much more breadth. OPIS data suggest that more than 60% of U.S. fueling sites now have gasoline available for less than $3/gal. The median price dropped Thursday to $2.959/gal, and some individual states are flirting with sub-$2.50/gal averages.

Diesel has also seen significant disinflation, but the national average number of $4.046/gal is still 20cts/gal or more above summer lows witnessed in late July. Diesel prices averaged less than $4/gal from May 21 through July 28. If they slip below the $3.8367/gal level from July 10, it would represent a new multiyear low.

--Reporting by Tom Kloza

Lower US Gasoline Prices Help Keep Inflation in Check, Government Data Shows

The U.S. gasoline price index fell by 6% in November after declining by 5% in October, helping to keep the overall rate of inflation in check, according to data released Tuesday by the Bureau of Labor Statistics.

BLS said gasoline prices were down 7.3% in November, before accounting for a seasonal adjustment. The Consumer Price Index for all goods rose by 0.1% in November after no change was reported in October. It also was up 3.1% from a year ago, the agency said.

November gasoline prices were down 8.9% year to year and the index has declined in three of the last seven months. Lower gasoline prices offset increases in other forms of energy, leading to a 2.3% decline in the overall energy index, which was down 5.4% from November 2022.

Fuel oil prices fell by 2.7% in November and were down nearly 25% year to year. The fuel oil index has declined in four of the past seven months.

Electricity prices, which fell in two of the last seven months, rose by 1.4% in November and were up 3.4% year to year. Gas utility prices, which weakened in three of the last seven months, rose by 2.8% in November, but were down more than 10% from the same month of last year, BLS data showed.

The index for food away from home, which includes convenience stores, rose 0.4% in November and 5.3% year to year. The index has logged at least seven straight month-to-month increases, according to the data.

--Reporting by Donna Harris

Robust Non-OPEC Supply Led by US Prompts Goldman to Cut 2024 Oil Forecast

Goldman Sachs has slashed its 2024 Brent crude oil forecast by $10/bbl to a range between $70/bbl and $90/bbl, as a surprisingly strong non-OPEC supply led by the U.S. should turn the oil market into a surplus instead of an anticipated deficit over the near term.

Goldman's lower price forecast is unusual because the U.S. investment bank has been mostly calling for higher crude oil prices for the last several years since the start of Covid 19 pandemic. Just a month ago, Goldman had expected Brent in an $80-$100/bbl range next year.

In a late Sunday note, the bank said Brent crude prices have fallen by 20% since late September "as non-OPEC supply, led by the US, has continued to surprise to the upside." The main driver for the selloff is a build-up in inventories in the past two months due to higher-than-expected supply in the U.S. and Russia, against the market's expectation of a deficit, the bank said.

Also, Goldman is raising its 2024 U.S. petroleum liquids supply forecast to a growth of 900,000 b/d, versus 500,000 b/d previously, due to "ongoing gains in drilling speed and well completion intensity" in shale oil production.

The bank said it is now lowering its 36-month Brent forecast by $2 to 72/bbl, and it forecasts Brent to rise to $85/bbl by June 2024.

In addition, Goldman expects Brent to average $81/bbl in 2024 and $80/bbl in 2025, which is $5-$6 above current forwards prices. The bank is also projecting West Texas Intermediate to average $77/bbl in 2024 and $75 in 2025.

Meanwhile, Goldman said it is unlikely to see another "price war" launched by OPEC and its allies led by the world's top oil producer Saudi Arabia to lower prices. This is because the existing OPEC+ production cuts should be profitable for Saudi Arabia, and there are weak economic incentives for a Saudi-led price war now compared with the previous ones in 2014-2016 and 1985, Goldman says.

On Monday, ICE Brent for February delivery traded around $78.50/bbl and February WTI was at $73.50/bbl, as the crude benchmark rose about $2 after news of another attack on an oil vessel in the Red Sea.

--Reporting by Frank Tang

2023-12-26 09:55:22 EST

Crude Rises $2/bbl on US/Iran Strife Overseas

Oil prices moved up sharply Tuesday in reaction to weekend news that suggests more friction between the U.S. and Iran.

Both Brent and West Texas Intermediate were up by close to $2/bbl this morning, albeit in a market that is likely to feature very light volumes through Friday. February Brent got as high as $81.23/bbl (up $2.26 at the time) before easing to $80.98/bbl (up $1.91) by midmorning. February WTI hit a morning high of $74.01/bbl and was pegged at $75.49/bbl at publication time, reflecting a $1.93 increase.

U.S. Defense Secretary Lloyd Austin confirmed that the U.S. engaged in retaliatory strikes against Iran-backed militia groups in Iraq Monday following weekend attacks against U.S. personnel in Iraq and Syria. An Iranian commander in Syria was among the casualties, according to the state-run Islamic Republic News Agency.

Previously, Iran threatened to shut the Strait of Gibraltar and other shipping lanes in the Mediterranean unless the Israeli bombings of Gaza ceased. It was not clear how that might be accomplished, but the rhetoric underscored the deterioration in U.S. and Iranian relations. Last Friday, the White House suggested that Iran was "deeply involved" in the Houthi attacks on shipping in the Red Sea.

Interference on shipping isn't viewed as a likely outcome, but the tough talk between the U.S. and Iran increases the odds of tougher enforcement of Western sanctions against the Islamic republic.

Beyond the geopolitical strife, petroleum historians note a strong tendency for the first four months of any year to see significant price appreciation in crude oil benchmarks. If Brent merely lives up to the average performance in the last 10 years, a price point of $101.70/bbl would be hit.

Similarly, gasoline has a very strong seasonal trajectory with a 10-year average appreciation of 59.6%. That sort of move would push RBOB futures up to nearly $3/gal.

Gasoline was higher this morning, but there was no evidence that offers were being chased by buyers. January RBOB rose 3.31cts to $2.1632/gal.

Similarly, diesel moved appreciably higher with the January contract up 6.12cts to $2.7224/gal.

--Reporting by Tom Kloza

US Vehicle Traffic Sees Sixth Straight Year-to-Year Gain in October

Traffic on U.S. roads saw a sixth straight year-to-year monthly increase in October, even as seasonal changes saw travel continue to decrease from summer highs, according to data released Tuesday by the Federal Highway Administration.

Motorists travelled 6.23 billion miles during the month, an increase of 3.5 billion miles, or 1.3%, from the same time last year, according to FHA's latest Traffic Volume Trends report.

Overall, cumulative travel for the first 10 months of the year totaled 2.711 trillion miles, a 2.1% increase from the same period in 2022, according to the FHA data. The moving 12-month total shows travel at 3.224 trillion miles, the highest moving 12-month total since March 2020, which saw the start of Covid-19 lockdowns across the U.S.

The highway administration divides the U.S. into five regions and all saw October traffic that was higher than last-year levels. The largest year-to-year increase was in the Northeast, where traffic totaled 38.3 billion miles, a 2.4% increase from October 2022. The North-Central region, which covers the Great Lakes area, had the highest overall travel at 62 billion miles, but the lowest year-to-year increase at 0.4%.

On a state level, travel increased in 42 states, with the largest year-to-year increase seen in South Dakota, with a 4% jump. Travel decreased from 2022 levels in Colorado, Delaware, Hawaii, Iowa, Kansas, Louisiana, Montana, North Dakota and the District of Columbia. A 2.4% decline in Montana was the steepest decrease in the nation.

The year-to-year increase in travel came as fuel prices across the U.S. were significantly lower than 2022. Regular unleaded gasoline averaged $3.615/gal during the month, compared to an average $3.837/gal a year earlier.

Meanwhile, retailers saw strong gross rack-to-retail margins during the month, with regular unleaded bringing an average 58.5ct/gal margin, compared to 44.9cts/gal in October 2022, according to OPIS MarginPro data. Gasoline sales in the U.S. were 0.7% higher during the month than in October 2022, according to OPIS DemandPro data, which is based on weekly surveys of fuel sales at more than 30,000 retailers nationwide. Monthly fuel sales have exceeded year-ago averages in seven of the first 11 months, according to DemandPro data.

--Reporting by Steve Cronin

US Gasoline Station Hourly Wages Hit Another Record, Approach $17

The average hourly wage for U.S. retail fuel stations and stations with convenience stores rose month to month in October, with the average wage for gasoline stations hitting a new high, according to Bureau of Labor Statistics figures updated on Friday.

The hourly wage for nonsupervisory workers at gasoline stations averaged a record $16.95 in October, even after the average hourly wage for September reported last month was adjusted 2cts higher to $16.91. A year earlier, the average gas station wage was 4.8%, or 78cts lower, at $16.17/hour, the statistics showed.

The October average hourly wage for gas stations with convenience stores was $16.78, matching the record reached in July and up 2cts from September. The September wage reported last month was adjusted upward by 2cts, level with August's average of $16.76. A year ago in October, the average wage for gas stations with convenience stores was 5%, or 84cts lower, at $15.94.

The average hourly wage across retail businesses in October was below September's $20.73 at $20.64 and $20.52 in November. September's average was adjusted upward by 2cts, the numbers show. A year ago in October, the average retail wage was 3.6%, or 72cts lower, at $20.01/hour.

Some competing retail channels also saw month-to-month increases in average wages. The average wage at supermarkets was $17.32/hour per hour, up 3cts, and the average wage at liquor stores was $17.73/hour, up 13cts from September.

Some retailers saw even more dramatic month-to-month increases. Hourly wages rose 22cts to $17.76 across all restaurants, and increased by 33cts to $19.63 at full-service restaurants and 14cts to $15.65 at limited-service restaurants, the BLS figures showed. The average hourly wage at car washes jumped by 23cts to $18.61 in October.

The average hourly wage for nonmanagerial workers at petroleum products wholesalers in October rose by 44cts from September to $30.91 and was up 26cts from a year ago, the bureau reported.

--Reporting by Donna Harris

RaceTrac Completes Gulf Oil Acquisition

RaceTrac Inc.'s deal for Gulf Oil LLC is officially in the books.

The convenience retailer's wholly owned wholesale fuel supply and trading subsidiary, Metroplex Energy Inc., closed on its acquisition of Gulf Oil. The transaction, which made headlines in July, received the appropriate regulatory approvals and all closing conditions have been satisfied, according to RaceTrac.

Financial terms were not disclosed.

As part of the transaction, RaceTrac acquires Gulf's iconic brand in the United States and Puerto Rico, all Gulf-branded distributor and license agreements comprising approximately 1,100 branded sites, as well as exclusive rights to market fuel at eleven Massachusetts Turnpike service plaza locations.

Metroplex appointed Ron Sabia as chief operating officer of the acquired Gulf entity and head of the Gulf business unit. After more than 30 years in the fuel industry, Sabia served as president of Gulf Oil LP from 2005 to 2016.

According to RaceTrac, the acquisition adds another renowned, consumer-facing brand to its family of companies as well as complementary expertise and even deeper industry relationships. The deal reflects RaceTrac's ongoing strategy to accelerate growth in its core business activities and drive enhanced operating efficiencies.

The combination of Metroplex Energy and Gulf Oil creates a best-in-class fuel network with a leading presence in high-demand markets across the country, the company added.

Metroplex Energy is an Atlanta-based wholesale fuel supply and trading company that secures bulk fuel to supply rack sales and delivery of gasoline, diesel and biofuel products by pipeline, rail, truck, barge and vessel. Metroplex Energy supplies fuel to all RaceTrac and RaceWay locations, as well as many other leading retailers and fuel wholesalers in 15 states.

FHWA Releases Final Greenhouse Gas Performance Measurement Rule

On November 22, the Federal Highway Administration (FHWA) released its long-awaited final rule on Greenhouse Gas Performance Measurement on the National Highway System.

The rule imposes measurement, targeting and reporting requirements on states with the objective of reducing greenhouse gas (GHG) emissions from the transportation sector (specifically, CO_2 tailpipe emissions).

As you will recall, SSDA-AT submitted comments to the FHWA in October 2022 on the version of this rule that was proposed.

In our comment letter, we encouraged the FHWA to withdraw the rule as they did not have authority to propose the rule for multiple reasons, including statutory wording and that authorization for such a rule was debated by Congress during consideration of the Infrastructure Investment and Jobs Act and not passed.

The final rule made several changes from the proposal, notably by removing the requirement for a state to set a declining emissions target that would meet the Biden Administration's Net Zero goals.

While the elimination of the need to meet the Biden Administration's Net Zero goals will give states some flexibility in meeting the requirements of this rule, the rule as structured will still require states to set targets to achieve a decline in tailpipe CO_2 emissions.

This is especially problematic for states that are growing in population and increasing economic output. Furthermore, states which do not have a strong electric vehicle market also will have difficulty meeting the reduction goals of this rule.

Additionally, SSDA-AT was pleased that the FHWA chose to change the baseline year for measuring reductions in GHG emission levels from 2021 to 2022.

As we stressed in our comments, 2021 was not a realistic or fair baseline as it was still in the middle of the pandemic and economic activity was down significantly compared to future post pandemic years. So, a 2021 baseline would require states to work towards reductions from a low level of CO_2 emissions; 2022 as the baseline year is an improvement.

Despite these changes SSDA-AT remain opposed to this rule as we believe it penalizes and/or discourages investments in highways and adding badly needed capacity to our Interstate System. Though the FHWA released its rule last week, the rule has not yet been officially published in the Federal Register.

Once it is published SSDA-AT anticipate there will be potential legal challenges to whether the agency had the authority to propose this rule without congressional authorization.

We believe that the Supreme Court's decision in West Virginia v. EPA requires federal agencies to have clear congressional authorization to introduce rules on Major Questions which we believe this rule does.

Additionally, we expect both the House and Senate will use the Congressional Review Act (CRA) to rescind this rule by the FHWA.

While Congress may pass a CRA on this rule it will undoubtedly be vetoed by President Biden and there will not be enough votes to override his veto.

U.S. House Challenges White House's Electric Vehicle Goals

The U.S. House of Representatives has voted to prevent the White House from enacting proposed emissions restrictions, reports Reuters.The Environmental Protection Agency's (EPA) proposed regulations would require 67% of new vehicles to be electric by 2032. The move has been opposed by auto manufacturers, dealers, and the United Auto Workers union.

The standards for 2027-2032 are estimated by the EPA to eliminate nine billion tons of carbon dioxide emissions through 2055. The finalized rules are expected to be released early next year.

The House voted 221 to 197 to stop the regulation from proceeding, with five Democrats joining 216 Republicans. The White House has threatened to respond with a veto, arguing that it will affect the EPA's ability to issue automotive regulations.

"While EVs may play a large role in the future of the auto industry, Washington should not discount other technologies like hydrogen, hybrids, and the internal combustion engine," argued Republican Tim Walberg.

Survey: One in Four Americans Considering EV as Next Vehicle

A recent survey conducted by AAA dived into what consumers think about purchasing an electric vehicle (EV), according to a news release.

The survey launched in March 2023 and found that one in four U.S. adults is very likely or likely to purchase a fully electric vehicle the next time they are looking to purchase a new vehicle.

76% of those surveyed said that saving on the cost of fuel was a major factor for them, followed by 60% citing concern for the environment.

Younger demographics displayed more interest in purchasing EVs. Millennials were the most likely, followed by Generation X and baby boomers.

Six in ten of those who said they would consider purchasing an EV are looking at buying one used. A quarter would be looking at used EVs, while 16% were unsure.

Consumers also expressed concern with potential issues they may encounter with EVs, including cost, the availability of charging stations, range anxiety, and the cost of replacing or repairing a battery. Four in ten consumers are specifically worried about how an EVs range will fare in cold weather.

EVs, Hybrids Rise to Record 18% of US New Car Sales in Third Quarter: EIA

U.S. sales of electric vehicles, hybrid and plug-in hybrid vehicles rose to an all-time high of 17.7% of new light-duty vehicle sales in the third quarter, the Energy Information Administration said on Monday.

The agency attributed the trend to both a decline in sales of non-hybrid gasoline- and diesel-fueled vehicles as well as an increase in sales of several existing EV models.

EIA said sales of hybrid, plug-in hybrid and EVs accounted for 15.8% of all light-duty vehicle sales in the first nine months of 2023, up from 12.3% in 2022 and 8.5% in 2021.

A drop in the price for the most popular EV models contributed to the rise in Q3 sales, the agency added.

EIA said the average Q3 sales price for EVs fell by 5% from the second quarter to $50,283, putting it 24% below the average in the second quarter of 2022. Over the same period, the average price paid for all light-duty vehicles fell by less than 0.5%.

In addition, EV prices are now within $3,000 of the overall industry average transaction price for light-duty vehicles, EIA said.

The agency said its vehicle sales data came from Ward Intelligence and attributed pricing data to Kelly Blue Book.

EV sales continue to be dominant in the luxury category, accounting for 34% of that market in the third quarter. In the non-luxury market, EVs accounted for less than 2% of the total, according to the report.

In addition, 9 out of 10 new EV sales were classified as luxury in the quarter, while only 13% of non-hybrid gasoline- and diesel-engine vehicles were considered luxury, the agency said.

An average new luxury vehicle is sold for more than $60,000 in September, while a non-luxury vehicle sold for about $45,000, the report said.

In April, the International Energy Agency said it expects global sales of new EVs to reach 14 million new EV sales in 2023, which would mark a 35% year-to-year increase. EVs are projected to account for 18% of all new global car sales this year, thanks to government incentives and higher fuel prices, IEA said.

--Reporting by Frank Tang

Electric Vehicle Adoption Struggles to Meet Industry Goals

Many automakers are rethinking their plans for electric vehicle production as they struggle with the rate of EV adoption, Reuters reports.

Legacy automakers as well as EV startups including Tesla and Rivian have been rethinking investments and product strategies as a result of slow EV adoption, fueled by consumer doubts surrounding affordability and adequate infrastructure.

The cost to produce EVs is still higher than it would be for a non-electric vehicle. Along with high-interest rates, it makes it difficult for automakers to offer an affordable car while still keeping a profit. Even EV giant Tesla has had to cut prices to maintain functional assembly lines.

Charging stations are another obstacle preventing many from switching to an EV. The lack of available chargers has forced legacy automakers to utilize Tesla's Supercharger network to be compatible with their EVs. Even with this, the time it takes to charge compared to the time it takes to fill a tank up with gasoline can be a turnoff for those considering an EV.

Though EV production is on track to increase to almost 7 million vehicles by 2030, it would fall roughly 60% short of meeting the Biden administration's goals of EVs accounting for two-thirds of new vehicles by 2032. As a result, industry executives are urging the U.S. government to reconsider its proposed emissions standards.

Energy Department Offers $3.5B for Battery Manufacturing, Utility Dive

The Biden administration announced $3.5 billion from the bipartisan infrastructure law to fund domestic battery and battery material manufacturing. The Energy Department money will go towards establishing, retrofitting and expanding domestic facilities to process critical minerals, battery precursor materials, battery components and cell and pack manufacturing. It's one of the White House's latest pushes to reduce the country's dependence on the import of critical minerals and battery materials from foreign entities of concern, a list of countries that includes China.

The funds are the second phase of a total of $6 billion allocated by the bipartisan infrastructure law for battery manufacturing. The first phase of funds went to 15 projects that could catalyze further public or private investment, according to the release. Money allocated in the next phase will be used to support domestic battery materials processing as well as battery production. The department also said it will prioritize projects that create jobs for low and moderate-income communities and support the administration's goal that 40% of overall benefits from federal investments go to underserved communities as part of the Justice40 Initiative.

Funds will also be prioritized for lithium-based technologies as well as other battery mineral makeups, and manufacturing for medium- and heavy-duty vehicle markets. "DOE is also calling for projects that will increase separation of battery-grade critical materials, expand production facilities for cathode and anode materials production, and expand battery component manufacturing facilities —i.e., projects that will attract further investment into topic areas solicited in the program's first phase," the department said in its release. Concept papers for funding applicants are due Jan. 9, 2024, while full applications are due March 19

Representatives Voice Concern Over Implementation of Massachusetts' Data Access Law

A group of U.S. Congressional representatives have expressed concern with how Massachusetts' Data Access Law will be enforced, according to a news release from the CAR Coalition.

Reps. Jake Auchincloss (D-MA), Jared Golden (D-ME), and Marie Gluesenkamp Perez (D-WA)–the latter being a former auto repair shop owner and REPAIR and SMART Act co-sponsor–addressed a letter to Secretary of Transportation Pete Buttigieg and NHSTA Administrator Sophie Shulman, highlighting potential pitfalls for independent repair businesses in the recently passed Massachusetts right-to-repair law.

Though the NHTSA initially opposed the implementation of the law, it came to an agreement with the Massachusetts Attorney General's Office on how it would be enforced.

However, the representatives argued that NHTSA's current guidance allows for differences in remote data access between automaker repair networks and independent repair businesses, effectively creating what they called a double standard.

Major Automakers Oppose Potential ARC Automotive Airbag Inflator Recall

As the National Highway Traffic Safety Administration (NHTSA) seeks to enforce a recall of ARC Automotive's airbag inflators, several major automakers have voiced opposition to the decision, Reuters reports.

Following an eight-year investigation conducted by NHTSA, the agency reported one death and seven injuries resulting from the airbag inflators, which are capable of rupturing and shooting out metal fragments upon deployment.

If a recall were enforced, it would cover 52 million airbag inflators that are in vehicles produced from 2000 through early 2018 from a dozen different automakers. It would be the second-largest recall in U.S. history.

This past week, several automakers spoke out against the potential recall, which NHTSA has begun taking steps towards legally enforcing after ARC Automotive refused to issue one voluntarily. General Motors, Toyota Motor, Volkswagen, Ford, Mercedes-Benz, BMW, Hyundai, Kia, and Porsche have all issued statements opposing the recall.

GM echoed ARC Automotive's initial response to the recall proposition, which is that NHTSA's findings do not demonstrate enough of a threat to warrant such a large recall.

"(NHTSA's) record is devoid of any evidence, let alone credible evidence, that a systemic defect exists," ARC Automotive reaffirmed in a statement.

ARC has added that, according to NHTSA's estimated rate of failure, less than one rupture would occur over the next 33 years. But during an October hearing, NHTSA enforcement official Cem Hatipoglu explained that in the rare event the airbags deploy, the consequences could be dire.

2023 Saw High Number of Recalls From Ford

Ford has recalled a large number of vehicles this year; though some claim that it may a good sign, Autoblog reports.

his year, Ford issued 54 recalls affecting 5,692,135 vehicles. Prior to a recent Honda recall for 2.5 million Hondas and Acuras this past week–putting them at a total of 6.3 million recalled vehicles this year–Ford had the highest total of recalled vehicles, coming out to more than double the total of Stellantis, who followed behind Ford.

Though General Motors did recall more vehicles, it was spread throughout different companies within GM's portfolio. Honda's recent recall this week was the single largest recall issued this year, while Tesla notably issued a massive recall for over 2 million of its vehicles due to issues with its Autopilot feature.

While most automakers issued recalls for issues related to electrical systems, Ford's recalls predominantly involved powertrain issues.

Though the number of recalls for Ford is large–and is an increase from 2021, which saw 53 recalls covering 5.4 million vehicles–it is an improvement from this time last year. In 2022, Ford issued 68 recalls that affected over 8.7 million vehicles.

An industry expert who recently spoke with Automotive News remarked that the high number of recalls is not necessarily negative, in that it displays an effort to address every issue, no matter how minor.

Regardless, Ford is making an effort to reduce the number of recalls, such as improving its manufacturing procedures and implementing additional quality control practices.

Honda Recalls 4.5M Vehicles Due to Fuel Pump Failures

Honda Motor has issued a recall of around 4.5 million vehicles globally due to potential fuel pump failure, Reuters reports. The recall applies to the 2018-2020 model year Honda Accord, Civic, CR-V, HR-V, Insight, Ridgeline, Odyssey, and Passport, as well as several Acura models, including the ILX, MDX, RDX, RLX, TLX, and NSX.

2.54 million vehicles in the U.S. are included in the recall. In 2021, Honda recalled 628,000 vehicles in the U.S. for the same issue, and again in 2020, with that recall affecting 136,000 vehicles. Recalls in China and Japan were issued earlier this month for the same issue, as well.

Since 2018, the automaker has received 4,042 warranty claims related to the fuel pump issue but has not received any reports of injuries occurring as a result.

To resolve the problem, Honda dealers will replace the fuel pump module. The company said the replacement parts will provide improved density and clearance, and that owners of recalled vehicles will be alerted beginning in early February.

Tesla Issues Largest Recall Over Autopilot Safety Concerns

Tesla has issued a recall for over 2 million vehicles due to safety concerns with its Autopilot advanced driver-assistance system, Reuters reports.

The National Highway Traffic Safety Administration (NHTSA) has asserted that the Autopilot feature in Tesla vehicles does not require enough attention from the driver while it is in use.

The agency has been investigating this issue for over two years, now culminating in the largest Tesla recall affecting nearly all of its vehicles on U.S. roadways. A probe was first opened in August 2021 after over a dozen incidents of Tesla vehicles hitting stationary emergency vehicles were reported.

Though the automaker did not agree with NHTSA's assessment, it will be releasing an over-the-air software update to emphasize visual alerts on the user interface, make it easier to turn Autosteer on and off, and put in place other precautions for drivers before they can engage Autosteer, which is a function of Autopilot that helps maintain speed and staying within lanes.

The software update will apply to 2.03 million Model S, X, 3, and Y vehicles spanning back to the 2012 model year.

32k Hybrid Jeep Wranglers Recalled for Fire Risk

Stellantis is recalling over 32,000 hybrid Jeep Wrangler SUVs due to a potential fire risk, USA Today reports.

The recall applies to 2021-2024 Jeep Wrangler 4xe SUVs.

Following a routine internal investigation from a company review of customer data, Stellantis found that eight Jeep Wrangler SUVs caught on fire while parked and turned off. Six of the vehicles were charging when they caught on fire.

The automaker said that while vehicle owners may still operate their cars, they should avoid charging them and should keep recalled vehicles away from structures or buildings.

To remedy the issue, Stellantis will have a software flash performed on recalled vehicles. If the appropriate error code is detected, the battery pack will be replaced.

BMW Issues Recall Over Loose Steering Components

BMW has issued a recall that will require immediate attention from drivers, Kelley Blue Book reports.

Though the recall affects only 201 vehicles, they are prone to loose steering components that could potentially lead to loss of control and increase the risk of crash. Vehicles included in the recall include 2024 model year 2 Series, 3 Series, X3, and X4 cars.

According to BMW, steering gears not produced to specifications by the supplier can lead to internal bolts becoming loose. If the servo unit and the housing rack connections become loose, this can lead to a potential loss of control. Signs of the problem include unusual noises or vibrations.

No injuries or accidents related to the problem have been reported to BMW. Owners of recalled vehicles will receive mailed notice from BMW in early January, and dealers will replace the entire steering gear to remedy the issue.

Ford Escape Catches on Fire Despite Owner Receiving Recall Fix

The driver of a Ford Escape in DeLand, Florida experienced her vehicle exploding and catching on fire, despite a recall fix that was meant to prevent such a scenario, WFTV Channel 9 reports.

Just a few months before Kedena Douglas' 2020 Ford Escape caught on fire in her driveway, a recall was issued on her car due to a potential crack in the fuel injector that can cause underhood fires. The recall covered 2021-2023 Bronco Sports and 2020-2023 Escapes, affecting over half a million vehicles total.

Though Douglas had her SUV serviced at a local Ford dealership as soon as she learned of the recall, this past November she noticed smoke coming from her engine after parking at her home, shortly followed by a fire. The DeLand Fire Department responded promptly, afterward determining the fire was ignited by "failure of equipment or heat source."

Now, Ford is facing a class-action lawsuit that alleges the recall fix did not fix the problem causing the fuel injector to crack, but only drains the fuel from the car after the crack is there.

It is not known whether the cracked fuel injector was the cause behind Douglas' incident, and Ford is confident that its recall fix was effective in preventing the problem. Michael Brooks with the Center for Auto Safety feels that isn't a satisfactory answer, though.

"It's somewhat unacceptable, you know, they did everything right, they went and got the recall repair when they were supposed to. And supposedly their vehicle is fixed," said Brooks. "For all we know, it is a bad recall repair or it could be another defect."

In the meantime, Douglas struggles with losing her car–which is worth less than what she owed on it, resulting in the finance company, Ford Credit, receiving the insurance money–as well as damage to her home. When she attempted to contact Ford, she was transferred to different people and received no resolution.

"I think they should give me back a car because I was paying on that car for two years," explained Douglas. "That's a total loss right there for me."

NHTSA Opens Probe Into Chevrolet Volts After Loss of Power Complaints

The National Highway Traffic Safety Administration (NHTSA) will be opening an investigation into 73,000 Chevrolet Volt plug-in hybrid cars after incidents of drivers losing operating power, Reuters reports.

A preliminary evaluation of the 2016 through 2019 model year Chevrolet Volts has been opened as the result of 61 complaints made related to problems with the battery energy control module (BECM).

One Volt owner experienced their vehicle suddenly losing propulsion while driving and is now unable to turn on or drive the vehicle. Another driver reported that their Volt fails to surpass a speed of 35 miles per hour and that it sporadically stops driving on electricity.

According to some of the complaints received, there was little to no warning before power was reduced or entirely eliminated from the vehicle. NHTSA has said it presents a safety risk if vehicles are not flowing with traffic, and an even greater threat is posed if a stalled vehicle is not able to restart.

Some owners have reported waiting months for replacement battery modules, if they're able to obtain them at all, though General Motors has said it has enough replacement parts in supply.

GM ceased production on the Volt back in early 2019. The automaker has not recalled the vehicles but has released a technical service bulletin instructing drivers to have the BECM replaced and reprogrammed if the car is unable to restart.

The company believes it has taken appropriate action in response to the issue, but is complying with NHTSA's investigation.

U.S. Auto Regulator Opens Investigation Into Nissan Engine Failures

The U.S. Office of Defects Investigation will be investigating around 454,840 Nissan vehicles due to complaints of engine failure, Reuters reports.

A preliminary investigation was opened into the issue, which has caused a loss of motive power as well as the ability to restart the car. The vehicles in question include the Nissan Rogue, Altima, and Infiniti Qx50 models. The investigation could be expanded if it's determined to be necessary.

The agency has received six complaints that detail engine failures, loss of power, sounds of engine knocking, metal chunks, and shavings in the oil pan of certain vehicles containing KR15DDT and KR20DDET engines.

In response to the problem, Nissan has turned its focus to potential main bearing and L-link damage or seizures on the engine by implementing changes in various manufacturing procedures.

Biden Administration Expected to Delay Federal Menthol Ban

A proposed menthol ban could be on hold after fierce opposition from a variety of fronts, including trade groups and critics who believe a ban could harm President Joe Biden's popularity with some Black smokers ahead of an election year.

The Biden administration is expected to announce that the finalization of federal rules that would lead to menthol cigarettes' departure from the market will be pushed to next March, reported The Washington Post. Officials speaking on the condition of anonymity told the news outlet that the process could potentially be delayed further than that.

In October, the U.S. Food and Drug Administration (FDA) submitted a final product standard that would prohibit the use of menthol in cigarettes, roll-your-own tobacco and heated tobacco products to the White House Office of Management and Budget (OMB) for final review.Health officials say that menthol increases the addictiveness of tobacco products by making smoke easier to inhale and enhancing the effects of nicotine.

The move came more than a year after the FDA first announced its intention to ban menthol in order to help prevent children from becoming the next generation of smokers and help adult smokers quit, according to Health and Human Services Secretary Xavier Becerra.

Data from the Centers for Disease Control and Prevention shows that 81 percent of Black smokers chose menthol cigarettes in 2019, a significantly higher rate than white smokers. Some civil rights and health groups say this is the result of a history of purposeful marketing to Black communities. Following the announcement of the proposed ban, the American Civil Liberties Union and other civil rights activists claimed that a menthol ban would prompt an underground market, leading law enforcement disproportionately target Black smokers, according to news outlet.

Officials in favor of the menthol ban state that law enforcement would target manufacturers, distributors and retailers, not individual smokers.

While the Biden administration's pending regulatory agenda seeks to finalize menthol ban rules by March, sources said, the agenda is not binding, and the White House could finalize new tobacco rules in advance of that date.

Lawmakers Raise Concerns Over Proposed Menthol Ban's Impact on Small Business

Two federal legislators are showing support for small businesses as a proposal to ban menthol cigarettes undergoes review.

U.S. Rep. Roger Williams (R-Texas), chairman of the House Committee on Small Business, along with U.S. Rep. Dan Meuser (R-Pa.), sent a letter to Shalanda Young, director of the White House Office of Management and Budget (OMB), and Richard Revesz, administrator of the White House Office of Information and Regulatory Affairs (OIRA), raising concerns over the impact the proposal would have on small businesses.

The U.S. Food and Drug Administration (FDA) submitted two proposed product standards to the OMB for final review in mid-October. One proposal would prohibit menthol as a characterizing flavor in cigarettes and the other would prohibit all characterizing flavors (other than tobacco) in cigars.

OMB reviews potential regulations to assess their economic impact — a necessary step before the FDA's rule can be implemented.

"Unfortunately, the Biden Administration has proposed another rule that would disproportionally harm our nation's small businesses," Williams said. "Banning menthol cigarettes would result in an estimated loss of $2 billion in sales at convenience stores across the country and would simply create a black market for these products. It is my hope that Director Young and Administrator Revesz reject this rule and allow small business to operate without government interference."

In the letter, the congressmen urge the OMB and OIRA to consider the significant economic impacts on small entities and the fueling of illicit markets that would result if the proposal is implemented.

"[NACS], which represents more than 150,000 convenience stores in the U.S., reports that tobacco products are a vital source of revenue for the convenience store industry, 60 percent of which are single-store operators. If implemented, this rule would cause a single convenience store to lose $72,285 a year in nontobacco sundry sales (nearly 4 percent of inside sales) on top of the $160,107 lost due to the reduction in sales of tobacco products. Small operators in the convenience industry would collectively lose $2.16 billion in sales, representing $232,392 in lost sales per store."

The lawmakers also noted that even if consumers switch to nonmenthol cigarettes purchases at c-stores, small tobacco companies would still see lost revenue from menthol cigarettes.

Another concern is the rise of the illicit market for menthol cigarettes, they wrote.

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Branded Retailers May Be Denied Share of Swipe Fee Settlement

Thousands of major oil company branded retailers could have trouble collecting their share of the $5.4 billion swipe fee settlement against Mastercard and Visa, according to an alert the Energy Marketers of America sent to members on Wednesday.

The Settlement Administrator in the Visa/MasterCard swipe fee antitrust litigation has begun mailing claim forms to millions of potential claimants to the $5.4 million settlement fund (the "Fund"). The Fund includes the proceeds of a settlement of the litigation, which claimed that merchants paid excessive fees to accept Visa and MasterCard transaction cards in violation of the antitrust laws.

The Settlement Administrator began mailing claim forms on December 1, 2023 and will continue sending the forms for most of December. Because of the large number of claim forms being sent, claimants may not receive a form until late December 2023 or January 2024. The Administrator urges potential claimants to be patient and wait to receive a form which will assign the claimant a Claimant ID and allow for online filing. The claims deadline is May 31, 2024.

Reports suggest that between 12 and 18 million businesses across the United States that accepted Visa and MasterCard payments between January 1, 2004 and January 25, 2019 are eligible to claim a share of the Fund. EMA is concerned.

However, thousands of major oil company branded retailers may not be recipients of a claim form, and that they may be declared ineligible because they are deemed "indirect" payers, meaning that their major oil company supplier is recognized as the party that paid the interchange fees that formed the basis for the lawsuit.

Under this theory, branded retailers who reimbursed their suppliers for the fees would not qualify as claimants. A Special Master has been appointed by the court to hear appeals from denials of eligibility, such as claim denials based on the alleged status of branded retailers as indirect payers.

If you receive a claim form in the mail, fill it out and return it to the Settlement Administrator in accordance with the instructions on the form using the assigned Claim ID number. If your claim is denied, you will be able to bring it before the Special Master for review.

If you do not receive a form, access the settlement at http://www.paymentcardsettlement.com/en/Login and enter your Tax ID number (TIN) to find out whether the

Settlement Administrator considers you eligible.. While we have yet to gotten a hold of the procedures to be utilized by the Special Master, a determination of ineligibility obtained by accessing the above-referenced login information should be sufficient as a denial of your claim to warrant an appeal to the Special Master.

If your claim is denied on the ground that you are an “indirect payer,” and you wish to lodge an appeal, you may want to first seek guidance from your attorney, although you are free to file your appeal without attorney assistance. The primary basis for any such appeal would be that you are, in fact, a direct payer of the interchange fees paid on each card transaction.

New Coalition Forms to Push for Swipe Fee Reform

Passing the Credit Card Competition Act is the top priority for a network of businesses and advocates that are coming together as the newly formed Lower Credit Card Fees Coalition.

Members include American Economic Liberties Project, Americans for Financial Reform, International Brotherhood of Teamsters, Service Employees International Union, and the Merchants Payments Coalition, which includes NACS.

The coalition recently launched a microsite featuring information, testimonials and guidance in reaching out to members of Congress at www.lowercreditcardfees.com, reported NACS Daily.

The Credit Card Competition Act would mandate that retailers in many cases have the right to route payments through networks unaffiliated by the credit card providers, potentially lowering the fees they have to pay.

According to the Lower Credit Card Fees Coalition, passing the act marks "a crucial step towards rectifying the long-standing hold of Visa-Mastercard duopoly. Visa and Mastercard's market power allows them to set sky-high swipe fees, ten times higher than they charge in Europe, that have more than doubled over the past decade. Merchants have no way to negotiate rates and have no choice but to accept the rates Visa and Mastercard set. These fees are then passed onto consumers."

Requiring banks that issue credit cards to offer multiple payment networks on their cards would jump-start competition that would lower swipe fees and enhance security and other features, ultimately benefiting both consumers and small businesses, the coalition continued.

2023-12-15 10:43:30 EST

US Gasoline Prices Hit 904-Day Low

The nationwide retail gasoline price average as monitored by OPIS for the AAA Friday slumped to a level last seen more than 900 days ago.

This morning's gasoline price average of $3.087/gal slipped beneath the $3.0961/gal average that represented the 2022 low (Dec. 23, 2022). One now has to go back to June 25, 2021 to find a lower aggregate number as U.S. motor fuel prices averaged $3.0858/gal on that date.

The 2021 year began with motor fuel prices as low as $2.25/gal nationally before higher crude and RBOB numbers led to considerably higher numbers by year's end. Should the present declines continue and push U.S. numbers beneath $3/gal, it would represent the first time since that benchmark level was hit on May 11, 2021 ($2.9854/gal).

There are many states that have hit new 904-day lows, but there is considerable diversity by region. Prices in states served by Gulf Coast refineries are at numbers last witnessed in the first quarter of 2021. Gasoline price averages in the Great Lakes and Great Plains are generally at their lowest level since early second-quarter 2021.

On the other end of the spectrum, California's average price Friday of $4.6305/gal reflects just a 10-month low. January and early February of this year saw lower street prices. Neighboring states of Oregon and Washington similarly have only managed to match 10-month lows.

The cheaper fuel isn't unusual for December and January, and indeed annual lows in most years occur in those two winter months. The savings for consumers are substantial. When U.S. gasoline prices soared over $5/gal in June 2022, consumers were spending about $1.9 billion per day. At today's lower numbers and adjusting for lower off-season demand, those expenses are about $775 million lower per day.

Last year saw a similar gasoline price swoon in December but this year's version has much more breadth. OPIS data suggest that more than 60% of U.S. fueling sites now have gasoline available for less than $3/gal. The median price dropped Thursday to $2.959/gal, and some individual states are flirting with sub-$2.50/gal averages.

Diesel has also seen significant disinflation, but the national average number of $4.046/gal is still 20cts/gal or more above summer lows witnessed in late July. Diesel prices averaged less than $4/gal from May 21 through July 28. If they slip below the $3.8367/gal level from July 10, it would represent a new multiyear low.

--Reporting by Tom Kloza

Lower US Gasoline Prices Help Keep Inflation in Check, Government Data Shows

The U.S. gasoline price index fell by 6% in November after declining by 5% in October, helping to keep the overall rate of inflation in check, according to data released Tuesday by the Bureau of Labor Statistics.

BLS said gasoline prices were down 7.3% in November, before accounting for a seasonal adjustment. The Consumer Price Index for all goods rose by 0.1% in November after no change was reported in October. It also was up 3.1% from a year ago, the agency said.

November gasoline prices were down 8.9% year to year and the index has declined in three of the last seven months. Lower gasoline prices offset increases in other forms of energy, leading to a 2.3% decline in the overall energy index, which was down 5.4% from November 2022.

Fuel oil prices fell by 2.7% in November and were down nearly 25% year to year. The fuel oil index has declined in four of the past seven months.

Electricity prices, which fell in two of the last seven months, rose by 1.4% in November and were up 3.4% year to year. Gas utility prices, which weakened in three of the last seven months, rose by 2.8% in November, but were down more than 10% from the same month of last year, BLS data showed.

The index for food away from home, which includes convenience stores, rose 0.4% in November and 5.3% year to year. The index has logged at least seven straight month-to-month increases, according to the data.

--Reporting by Donna Harris

Robust Non-OPEC Supply Led by US Prompts Goldman to Cut 2024 Oil Forecast

Goldman Sachs has slashed its 2024 Brent crude oil forecast by $10/bbl to a range between $70/bbl and $90/bbl, as a surprisingly strong non-OPEC supply led by the U.S. should turn the oil market into a surplus instead of an anticipated deficit over the near term.

Goldman's lower price forecast is unusual because the U.S. investment bank has been mostly calling for higher crude oil prices for the last several years since the start of Covid 19 pandemic. Just a month ago, Goldman had expected Brent in an $80-$100/bbl range next year.

In a late Sunday note, the bank said Brent crude prices have fallen by 20% since late September "as non-OPEC supply, led by the US, has continued to surprise to the upside." The main driver for the selloff is a build-up in inventories in the past two months due to higher-than-expected supply in the U.S. and Russia, against the market's expectation of a deficit, the bank said.

Also, Goldman is raising its 2024 U.S. petroleum liquids supply forecast to a growth of 900,000 b/d, versus 500,000 b/d previously, due to "ongoing gains in drilling speed and well completion intensity" in shale oil production.

The bank said it is now lowering its 36-month Brent forecast by $2 to 72/bbl, and it forecasts Brent to rise to $85/bbl by June 2024.

In addition, Goldman expects Brent to average $81/bbl in 2024 and $80/bbl in 2025, which is $5-$6 above current forwards prices. The bank is also projecting West Texas Intermediate to average $77/bbl in 2024 and $75 in 2025.

Meanwhile, Goldman said it is unlikely to see another "price war" launched by OPEC and its allies led by the world's top oil producer Saudi Arabia to lower prices. This is because the existing OPEC+ production cuts should be profitable for Saudi Arabia, and there are weak economic incentives for a Saudi-led price war now compared with the previous ones in 2014-2016 and 1985, Goldman says.

On Monday, ICE Brent for February delivery traded around $78.50/bbl and February WTI was at $73.50/bbl, as the crude benchmark rose about $2 after news of another attack on an oil vessel in the Red Sea.

--Reporting by Frank Tang

2023-12-26 09:55:22 EST

Crude Rises $2/bbl on US/Iran Strife Overseas

Oil prices moved up sharply Tuesday in reaction to weekend news that suggests more friction between the U.S. and Iran.

Both Brent and West Texas Intermediate were up by close to $2/bbl this morning, albeit in a market that is likely to feature very light volumes through Friday. February Brent got as high as $81.23/bbl (up $2.26 at the time) before easing to $80.98/bbl (up $1.91) by midmorning. February WTI hit a morning high of $74.01/bbl and was pegged at $75.49/bbl at publication time, reflecting a $1.93 increase.

U.S. Defense Secretary Lloyd Austin confirmed that the U.S. engaged in retaliatory strikes against Iran-backed militia groups in Iraq Monday following weekend attacks against U.S. personnel in Iraq and Syria. An Iranian commander in Syria was among the casualties, according to the state-run Islamic Republic News Agency.

Previously, Iran threatened to shut the Strait of Gibraltar and other shipping lanes in the Mediterranean unless the Israeli bombings of Gaza ceased. It was not clear how that might be accomplished, but the rhetoric underscored the deterioration in U.S. and Iranian relations. Last Friday, the White House suggested that Iran was "deeply involved" in the Houthi attacks on shipping in the Red Sea.

Interference on shipping isn't viewed as a likely outcome, but the tough talk between the U.S. and Iran increases the odds of tougher enforcement of Western sanctions against the Islamic republic.

Beyond the geopolitical strife, petroleum historians note a strong tendency for the first four months of any year to see significant price appreciation in crude oil benchmarks. If Brent merely lives up to the average performance in the last 10 years, a price point of $101.70/bbl would be hit.

Similarly, gasoline has a very strong seasonal trajectory with a 10-year average appreciation of 59.6%. That sort of move would push RBOB futures up to nearly $3/gal.

Gasoline was higher this morning, but there was no evidence that offers were being chased by buyers. January RBOB rose 3.31cts to $2.1632/gal.

Similarly, diesel moved appreciably higher with the January contract up 6.12cts to $2.7224/gal.

--Reporting by Tom Kloza

US Vehicle Traffic Sees Sixth Straight Year-to-Year Gain in October

Traffic on U.S. roads saw a sixth straight year-to-year monthly increase in October, even as seasonal changes saw travel continue to decrease from summer highs, according to data released Tuesday by the Federal Highway Administration.

Motorists travelled 6.23 billion miles during the month, an increase of 3.5 billion miles, or 1.3%, from the same time last year, according to FHA's latest Traffic Volume Trends report.

Overall, cumulative travel for the first 10 months of the year totaled 2.711 trillion miles, a 2.1% increase from the same period in 2022, according to the FHA data. The moving 12-month total shows travel at 3.224 trillion miles, the highest moving 12-month total since March 2020, which saw the start of Covid-19 lockdowns across the U.S.

The highway administration divides the U.S. into five regions and all saw October traffic that was higher than last-year levels. The largest year-to-year increase was in the Northeast, where traffic totaled 38.3 billion miles, a 2.4% increase from October 2022. The North-Central region, which covers the Great Lakes area, had the highest overall travel at 62 billion miles, but the lowest year-to-year increase at 0.4%.

On a state level, travel increased in 42 states, with the largest year-to-year increase seen in South Dakota, with a 4% jump. Travel decreased from 2022 levels in Colorado, Delaware, Hawaii, Iowa, Kansas, Louisiana, Montana, North Dakota and the District of Columbia. A 2.4% decline in Montana was the steepest decrease in the nation.

The year-to-year increase in travel came as fuel prices across the U.S. were significantly lower than 2022. Regular unleaded gasoline averaged $3.615/gal during the month, compared to an average $3.837/gal a year earlier.

Meanwhile, retailers saw strong gross rack-to-retail margins during the month, with regular unleaded bringing an average 58.5ct/gal margin, compared to 44.9cts/gal in October 2022, according to OPIS MarginPro data. Gasoline sales in the U.S. were 0.7% higher during the month than in October 2022, according to OPIS DemandPro data, which is based on weekly surveys of fuel sales at more than 30,000 retailers nationwide. Monthly fuel sales have exceeded year-ago averages in seven of the first 11 months, according to DemandPro data.

--Reporting by Steve Cronin

US Gasoline Station Hourly Wages Hit Another Record, Approach $17

The average hourly wage for U.S. retail fuel stations and stations with convenience stores rose month to month in October, with the average wage for gasoline stations hitting a new high, according to Bureau of Labor Statistics figures updated on Friday.

The hourly wage for nonsupervisory workers at gasoline stations averaged a record $16.95 in October, even after the average hourly wage for September reported last month was adjusted 2cts higher to $16.91. A year earlier, the average gas station wage was 4.8%, or 78cts lower, at $16.17/hour, the statistics showed.

The October average hourly wage for gas stations with convenience stores was $16.78, matching the record reached in July and up 2cts from September. The September wage reported last month was adjusted upward by 2cts, level with August's average of $16.76. A year ago in October, the average wage for gas stations with convenience stores was 5%, or 84cts lower, at $15.94.

The average hourly wage across retail businesses in October was below September's $20.73 at $20.64 and $20.52 in November. September's average was adjusted upward by 2cts, the numbers show. A year ago in October, the average retail wage was 3.6%, or 72cts lower, at $20.01/hour.

Some competing retail channels also saw month-to-month increases in average wages. The average wage at supermarkets was $17.32/hour per hour, up 3cts, and the average wage at liquor stores was $17.73/hour, up 13cts from September.

Some retailers saw even more dramatic month-to-month increases. Hourly wages rose 22cts to $17.76 across all restaurants, and increased by 33cts to $19.63 at full-service restaurants and 14cts to $15.65 at limited-service restaurants, the BLS figures showed. The average hourly wage at car washes jumped by 23cts to $18.61 in October.

The average hourly wage for nonmanagerial workers at petroleum products wholesalers in October rose by 44cts from September to $30.91 and was up 26cts from a year ago, the bureau reported.

--Reporting by Donna Harris

RaceTrac Completes Gulf Oil Acquisition

RaceTrac Inc.'s deal for Gulf Oil LLC is officially in the books.

The convenience retailer's wholly owned wholesale fuel supply and trading subsidiary, Metroplex Energy Inc., closed on its acquisition of Gulf Oil. The transaction, which made headlines in July, received the appropriate regulatory approvals and all closing conditions have been satisfied, according to RaceTrac.

Financial terms were not disclosed.

As part of the transaction, RaceTrac acquires Gulf's iconic brand in the United States and Puerto Rico, all Gulf-branded distributor and license agreements comprising approximately 1,100 branded sites, as well as exclusive rights to market fuel at eleven Massachusetts Turnpike service plaza locations.

Metroplex appointed Ron Sabia as chief operating officer of the acquired Gulf entity and head of the Gulf business unit. After more than 30 years in the fuel industry, Sabia served as president of Gulf Oil LP from 2005 to 2016.

According to RaceTrac, the acquisition adds another renowned, consumer-facing brand to its family of companies as well as complementary expertise and even deeper industry relationships. The deal reflects RaceTrac's ongoing strategy to accelerate growth in its core business activities and drive enhanced operating efficiencies.

The combination of Metroplex Energy and Gulf Oil creates a best-in-class fuel network with a leading presence in high-demand markets across the country, the company added.

Metroplex Energy is an Atlanta-based wholesale fuel supply and trading company that secures bulk fuel to supply rack sales and delivery of gasoline, diesel and biofuel products by pipeline, rail, truck, barge and vessel. Metroplex Energy supplies fuel to all RaceTrac and RaceWay locations, as well as many other leading retailers and fuel wholesalers in 15 states.

FHWA Releases Final Greenhouse Gas Performance Measurement Rule

On November 22, the Federal Highway Administration (FHWA) released its long-awaited final rule on Greenhouse Gas Performance Measurement on the National Highway System.

The rule imposes measurement, targeting and reporting requirements on states with the objective of reducing greenhouse gas (GHG) emissions from the transportation sector (specifically, CO2 tailpipe emissions).

As you will recall, SSDA-AT submitted comments to the FHWA in October 2022 on the version of this rule that was proposed.

In our comment letter, we encouraged the FHWA to withdraw the rule as they did not have authority to propose the rule for multiple reasons, including statutory wording and that authorization for such a rule was debated by Congress during consideration of the Infrastructure Investment and Jobs Act and not passed.

The final rule made several changes from the proposal, notably by removing the requirement for a state to set a declining emissions target that would meet the Biden Administration's Net Zero goals.

While the elimination of the need to meet the Biden Administration's Net Zero goals will give states some flexibility in meeting the requirements of this rule, the rule as structured will still require states to set targets to achieve a decline in tailpipe CO2 emissions.

This is especially problematic for states that are growing in population and increasing economic output. Furthermore, states which do not have a strong electric vehicle market also will have difficulty meeting the reduction goals of this rule.

Additionally, SSDA-AT was pleased that the FHWA chose to change the baseline year for measuring reductions in GHG emission levels from 2021 to 2022.

As we stressed in our comments, 2021 was not a realistic or fair baseline as it was still in the middle of the pandemic and economic activity was down significantly compared to future post pandemic years. So, a 2021 baseline would require states to work towards reductions from a low level of CO2 emissions; 2022 as the baseline year is an improvement.

Despite these changes SSDA-AT remain opposed to this rule as we believe it penalizes and/or discourages investments in highways and adding badly needed capacity to our Interstate System. Though the FHWA released its rule last week, the rule has not yet been officially published in the Federal Register.

Once it is published SSDA-AT anticipate there will be potential legal challenges to whether the agency had the authority to propose this rule without congressional authorization.

We believe that the Supreme Court's decision in West Virginia v. EPA requires federal agencies to have clear congressional authorization to introduce rules on Major Questions which we believe this rule does.

Additionally, we expect both the House and Senate will use the Congressional Review Act (CRA) to rescind this rule by the FHWA.

While Congress may pass a CRA on this rule it will undoubtedly be vetoed by President Biden and there will not be enough votes to override his veto.

U.S. House Challenges White House's Electric Vehicle Goals

The U.S. House of Representatives has voted to prevent the White House from enacting proposed emissions restrictions, reports Reuters.The Environmental Protection Agency's (EPA) proposed regulations would require 67% of new vehicles to be electric by 2032. The move has been opposed by auto manufacturers, dealers, and the United Auto Workers union.

The standards for 2027-2032 are estimated by the EPA to eliminate nine billion tons of carbon dioxide emissions through 2055. The finalized rules are expected to be released early next year.

The House voted 221 to 197 to stop the regulation from proceeding, with five Democrats joining 216 Republicans. The White House has threatened to respond with a veto, arguing that it will affect the EPA's ability to issue automotive regulations.

"While EVs may play a large role in the future of the auto industry, Washington should not discount other technologies like hydrogen, hybrids, and the internal combustion engine," argued Republican Tim Walberg.

Survey: One in Four Americans Considering EV as Next Vehicle

A recent survey conducted by AAA dived into what consumers think about purchasing an electric vehicle (EV), according to a news release.

The survey launched in March 2023 and found that one in four U.S. adults is very likely or likely to purchase a fully electric vehicle the next time they are looking to purchase a new vehicle.

76% of those surveyed said that saving on the cost of fuel was a major factor for them, followed by 60% citing concern for the environment.

Younger demographics displayed more interest in purchasing EVs. Millennials were the most likely, followed by Generation X and baby boomers.

Six in ten of those who said they would consider purchasing an EV are looking at buying one used. A quarter would be looking at used EVs, while 16% were unsure.

Consumers also expressed concern with potential issues they may encounter with EVs, including cost, the availability of charging stations, range anxiety, and the cost of replacing or repairing a battery. Four in ten consumers are specifically worried about how an EVs range will fare in cold weather.

EVs, Hybrids Rise to Record 18% of US New Car Sales in Third Quarter: EIA

U.S. sales of electric vehicles, hybrid and plug-in hybrid vehicles rose to an all-time high of 17.7% of new light-duty vehicle sales in the third quarter, the Energy Information Administration said on Monday.

The agency attributed the trend to both a decline in sales of non-hybrid gasoline- and diesel-fueled vehicles as well as an increase in sales of several existing EV models.

EIA said sales of hybrid, plug-in hybrid and EVs accounted for 15.8% of all light-duty vehicle sales in the first nine months of 2023, up from 12.3% in 2022 and 8.5% in 2021.

A drop in the price for the most popular EV models contributed to the rise in Q3 sales, the agency added.

EIA said the average Q3 sales price for EVs fell by 5% from the second quarter to $50,283, putting it 24% below the average in the second quarter of 2022. Over the same period, the average price paid for all light-duty vehicles fell by less than 0.5%.

In addition, EV prices are now within $3,000 of the overall industry average transaction price for light-duty vehicles, EIA said.

The agency said its vehicle sales data came from Ward Intelligence and attributed pricing data to Kelly Blue Book.

EV sales continue to be dominant in the luxury category, accounting for 34% of that market in the third quarter. In the non-luxury market, EVs accounted for less than 2% of the total, according to the report.

In addition, 9 out of 10 new EV sales were classified as luxury in the quarter, while only 13% of non-hybrid gasoline- and diesel-engine vehicles were considered luxury, the agency said.

An average new luxury vehicle is sold for more than $60,000 in September, while a non-luxury vehicle sold for about $45,000, the report said.

In April, the International Energy Agency said it expects global sales of new EVs to reach 14 million new EV sales in 2023, which would mark a 35% year-to-year increase. EVs are projected to account for 18% of all new global car sales this year, thanks to government incentives and higher fuel prices, IEA said.

--Reporting by Frank Tang

Electric Vehicle Adoption Struggles to Meet Industry Goals

Many automakers are rethinking their plans for electric vehicle production as they struggle with the rate of EV adoption, Reuters reports.

Legacy automakers as well as EV startups including Tesla and Rivian have been rethinking investments and product strategies as a result of slow EV adoption, fueled by consumer doubts surrounding affordability and adequate infrastructure.

The cost to produce EVs is still higher than it would be for a non-electric vehicle. Along with high-interest rates, it makes it difficult for automakers to offer an affordable car while still keeping a profit. Even EV giant Tesla has had to cut prices to maintain functional assembly lines.

Charging stations are another obstacle preventing many from switching to an EV. The lack of available chargers has forced legacy automakers to utilize Tesla's Supercharger network to be compatible with their EVs. Even with this, the time it takes to charge compared to the time it takes to fill a tank up with gasoline can be a turnoff for those considering an EV.

Though EV production is on track to increase to almost 7 million vehicles by 2030, it would fall roughly 60% short of meeting the Biden administration's goals of EVs accounting for two-thirds of new vehicles by 2032. As a result, industry executives are urging the U.S. government to reconsider its proposed emissions standards.

Energy Department Offers $3.5B for Battery Manufacturing, Utility Dive

The Biden administration announced $3.5 billion from the bipartisan infrastructure law to fund domestic battery and battery material manufacturing. The Energy Department money will go towards establishing, retrofitting and expanding domestic facilities to process critical minerals, battery precursor materials, battery components and cell and pack manufacturing. It's one of the White House's latest pushes to reduce the country's dependence on the import of critical minerals and battery materials from foreign entities of concern, a list of countries that includes China.

The funds are the second phase of a total of $6 billion allocated by the bipartisan infrastructure law for battery manufacturing. The first phase of funds went to 15 projects that could catalyze further public or private investment, according to the release. Money allocated in the next phase will be used to support domestic battery materials processing as well as battery production. The department also said it will prioritize projects that create jobs for low and moderate-income communities and support the administration's goal that 40% of overall benefits from federal investments go to underserved communities as part of the Justice40 Initiative.

Funds will also be prioritized for lithium-based technologies as well as other battery mineral makeups, and manufacturing for medium- and heavy-duty vehicle markets. "DOE is also calling for projects that will increase separation of battery-grade critical materials, expand production facilities for cathode and anode materials production, and expand battery component manufacturing facilities —i.e., projects that will attract further investment into topic areas solicited in the program's first phase," the department said in its release. Concept papers for funding applicants are due Jan. 9, 2024, while full applications are due March 19

Representatives Voice Concern Over Implementation of Massachusetts' Data Access Law

A group of U.S. Congressional representatives have expressed concern with how Massachusetts' Data Access Law will be enforced, according to a news release from the CAR Coalition.

Reps. Jake Auchincloss (D-MA), Jared Golden (D-ME), and Marie Gluesenkamp Perez (D-WA)–the latter being a former auto repair shop owner and REPAIR and SMART Act co-sponsor–addressed a letter to Secretary of Transportation Pete Buttigieg and NHSTA Administrator Sophie Shulman, highlighting potential pitfalls for independent repair businesses in the recently passed Massachusetts right-to-repair law.

Though the NHTSA initially opposed the implementation of the law, it came to an agreement with the Massachusetts Attorney General's Office on how it would be enforced.

However, the representatives argued that NHTSA's current guidance allows for differences in remote data access between automaker repair networks and independent repair businesses, effectively creating what they called a double standard.

Major Automakers Oppose Potential ARC Automotive Airbag Inflator Recall

As the National Highway Traffic Safety Administration (NHTSA) seeks to enforce a recall of ARC Automotive's airbag inflators, several major automakers have voiced opposition to the decision, Reuters reports.

Following an eight-year investigation conducted by NHTSA, the agency reported one death and seven injuries resulting from the airbag inflators, which are capable of rupturing and shooting out metal fragments upon deployment.

If a recall were enforced, it would cover 52 million airbag inflators that are in vehicles produced from 2000 through early 2018 from a dozen different automakers. It would be the second-largest recall in U.S. history.

This past week, several automakers spoke out against the potential recall, which NHTSA has begun taking steps towards legally enforcing after ARC Automotive refused to issue one voluntarily. General Motors, Toyota Motor, Volkswagen, Ford, Mercedes-Benz, BMW, Hyundai, Kia, and Porsche have all issued statements opposing the recall.

GM echoed ARC Automotive's initial response to the recall proposition, which is that NHTSA's findings do not demonstrate enough of a threat to warrant such a large recall.

"(NHTSA's) record is devoid of any evidence, let alone credible evidence, that a systemic defect exists," ARC Automotive reaffirmed in a statement.

ARC has added that, according to NHTSA's estimated rate of failure, less than one rupture would occur over the next 33 years. But during an October hearing, NHTSA enforcement official Cem Hatipoglu explained that in the rare event the airbags deploy, the consequences could be dire.

2023 Saw High Number of Recalls From Ford

Ford has recalled a large number of vehicles this year; though some claim that it may a good sign, Autoblog reports.

his year, Ford issued 54 recalls affecting 5,692,135 vehicles. Prior to a recent Honda recall for 2.5 million Hondas and Acuras this past week–putting them at a total of 6.3 million recalled vehicles this year–Ford had the highest total of recalled vehicles, coming out to more than double the total of Stellantis, who followed behind Ford.

Though General Motors did recall more vehicles, it was spread throughout different companies within GM's portfolio. Honda's recent recall this week was the single largest recall issued this year, while Tesla notably issued a massive recall for over 2 million of its vehicles due to issues with its Autopilot feature.

While most automakers issued recalls for issues related to electrical systems, Ford's recalls predominantly involved powertrain issues.

Though the number of recalls for Ford is large–and is an increase from 2021, which saw 53 recalls covering 5.4 million vehicles–it is an improvement from this time last year. In 2022, Ford issued 68 recalls that affected over 8.7 million vehicles.

An industry expert who recently spoke with Automotive News remarked that the high number of recalls is not necessarily negative, in that it displays an effort to address every issue, no matter how minor.

Regardless, Ford is making an effort to reduce the number of recalls, such as improving its manufacturing procedures and implementing additional quality control practices.

Honda Recalls 4.5M Vehicles Due to Fuel Pump Failures

Honda Motor has issued a recall of around 4.5 million vehicles globally due to potential fuel pump failure, Reuters reports. The recall applies to the 2018-2020 model year Honda Accord, Civic, CR-V, HR-V, Insight, Ridgeline, Odyssey, and Passport, as well as several Acura models, including the ILX, MDX, RDX, RLX, TLX, and NSX.

2.54 million vehicles in the U.S. are included in the recall. In 2021, Honda recalled 628,000 vehicles in the U.S. for the same issue, and again in 2020, with that recall affecting 136,000 vehicles. Recalls in China and Japan were issued earlier this month for the same issue, as well.

Since 2018, the automaker has received 4,042 warranty claims related to the fuel pump issue but has not received any reports of injuries occurring as a result.

To resolve the problem, Honda dealers will replace the fuel pump module. The company said the replacement parts will provide improved density and clearance, and that owners of recalled vehicles will be alerted beginning in early February.

Tesla Issues Largest Recall Over Autopilot Safety Concerns

Tesla has issued a recall for over 2 million vehicles due to safety concerns with its Autopilot advanced driver-assistance system, Reuters reports.

The National Highway Traffic Safety Administration (NHTSA) has asserted that the Autopilot feature in Tesla vehicles does not require enough attention from the driver while it is in use.

The agency has been investigating this issue for over two years, now culminating in the largest Tesla recall affecting nearly all of its vehicles on U.S. roadways. A probe was first opened in August 2021 after over a dozen incidents of Tesla vehicles hitting stationary emergency vehicles were reported.

Though the automaker did not agree with NHTSA’s assessment, it will be releasing an over-the-air software update to emphasize visual alerts on the user interface, make it easier to turn Autosteer on and off, and put in place other precautions for drivers before they can engage Autosteer, which is a function of Autopilot that helps maintain speed and staying within lanes.

The software update will apply to 2.03 million Model S, X, 3, and Y vehicles spanning back to the 2012 model year.

32k Hybrid Jeep Wranglers Recalled for Fire Risk

Stellantis is recalling over 32,000 hybrid Jeep Wrangler SUVs due to a potential fire risk, USA Today reports.
The recall applies to 2021-2024 Jeep Wrangler 4xe SUVs.

Following a routine internal investigation from a company review of customer data, Stellantis found that eight Jeep Wrangler SUVs caught on fire while parked and turned off. Six of the vehicles were charging when they caught on fire.

The automaker said that while vehicle owners may still operate their cars, they should avoid charging them and should keep recalled vehicles away from structures or buildings.

To remedy the issue, Stellantis will have a software flash performed on recalled vehicles. If the appropriate error code is detected, the battery pack will be replaced.

BMW Issues Recall Over Loose Steering Components

BMW has issued a recall that will require immediate attention from drivers, Kelley Blue Book reports.
Though the recall affects only 201 vehicles, they are prone to loose steering components that could potentially lead to loss of control and increase the risk of crash. Vehicles included in the recall include 2024 model year 2 Series, 3 Series, X3, and X4 cars.

According to BMW, steering gears not produced to specifications by the supplier can lead to internal bolts becoming loose. If the servo unit and the housing rack connections become loose, this can lead to a potential loss of control. Signs of the problem include unusual noises or vibrations.

No injuries or accidents related to the problem have been reported to BMW. Owners of recalled vehicles will receive mailed notice from BMW in early January, and dealers will replace the entire steering gear to remedy the issue.

Ford Escape Catches on Fire Despite Owner Receiving Recall Fix

The driver of a Ford Escape in DeLand, Florida experienced her vehicle exploding and catching on fire, despite a recall fix that was meant to prevent such a scenario, WFTV Channel 9 reports.

Just a few months before Kedena Douglas’ 2020 Ford Escape caught on fire in her driveway, a recall was issued on her car due to a potential crack in the fuel injector that can cause underhood fires. The recall covered 2021-2023 Bronco Sports and 2020-2023 Escapes, affecting over half a million vehicles total.

Though Douglas had her SUV serviced at a local Ford dealership as soon as she learned of the recall, this past November she noticed smoke coming from her engine after parking at her home, shortly followed by a fire. The DeLand Fire Department responded promptly, afterward determining the fire was ignited by “failure of equipment or heat source.”

Now, Ford is facing a class-action lawsuit that alleges the recall fix did not fix the problem causing the fuel injector to crack, but only drains the fuel from the car after the crack is there.

It is not known whether the cracked fuel injector was the cause behind Douglas’ incident, and Ford is confident that its recall fix was effective in preventing the problem. Michael Brooks with the Center for Auto Safety feels that isn’t a satisfactory answer, though.

"It's somewhat unacceptable, you know, they did everything right, they went and got the recall repair when they were supposed to. And supposedly their vehicle is fixed," said Brooks. "For all we know, it is a bad recall repair or it could be another defect."

In the meantime, Douglas struggles with losing her car–which is worth less than what she owed on it, resulting in the finance company, Ford Credit, receiving the insurance money–as well as damage to her home. When she attempted to contact Ford, she was transferred to different people and received no resolution.

"I think they should give me back a car because I was paying on that car for two years," explained Douglas. "That's a total loss right there for me."

NHTSA Opens Probe Into Chevrolet Volts After Loss of Power Complaints

The National Highway Traffic Safety Administration (NHTSA) will be opening an investigation into 73,000 Chevrolet Volt plug-in hybrid cars after incidents of drivers losing operating power, Reuters reports.

A preliminary evaluation of the 2016 through 2019 model year Chevrolet Volts has been opened as the result of 61 complaints made related to problems with the battery energy control module (BECM).

One Volt owner experienced their vehicle suddenly losing propulsion while driving and is now unable to turn on or drive the vehicle. Another driver reported that their Volt fails to surpass a speed of 35 miles per hour and that it sporadically stops driving on electricity.

According to some of the complaints received, there was little to no warning before power was reduced or entirely eliminated from the vehicle. NHTSA has said it presents a safety risk if vehicles are not flowing with traffic, and an even greater threat is posed if a stalled vehicle is not able to restart.

Some owners have reported waiting months for replacement battery modules, if they're able to obtain them at all, though General Motors has said it has enough replacement parts in supply.

GM ceased production on the Volt back in early 2019. The automaker has not recalled the vehicles but has released a technical service bulletin instructing drivers to have the BECM replaced and reprogrammed if the car is unable to restart.

The company believes it has taken appropriate action in response to the issue, but is complying with NHTSA's investigation.

U.S. Auto Regulator Opens Investigation Into Nissan Engine Failures

The U.S. Office of Defects Investigation will be investigating around 454,840 Nissan vehicles due to complaints of engine failure, Reuters reports.

A preliminary investigation was opened into the issue, which has caused a loss of motive power as well as the ability to restart the car. The vehicles in question include the Nissan Rogue, Altima, and Infiniti Qx50 models. The investigation could be expanded if it's determined to be necessary.

The agency has received six complaints that detail engine failures, loss of power, sounds of engine knocking, metal chunks, and shavings in the oil pan of certain vehicles containing KR15DDT and KR20DDET engines.

In response to the problem, Nissan has turned its focus to potential main bearing and L-link damage or seizures on the engine by implementing changes in various manufacturing procedures.

Biden Administration Expected to Delay Federal Menthol Ban

A proposed menthol ban could be on hold after fierce opposition from a variety of fronts, including trade groups and critics who believe a ban could harm President Joe Biden's popularity with some Black smokers ahead of an election year.

The Biden administration is expected to announce that the finalization of federal rules that would lead to menthol cigarettes' departure from the market will be pushed to next March, reported The Washington Post. Officials speaking on the condition of anonymity told the news outlet that the process could potentially be delayed further than that.

In October, the U.S. Food and Drug Administration (FDA) submitted a final product standard that would prohibit the use of menthol in cigarettes, roll-your-own tobacco and heated tobacco products to the White House Office of Management and Budget (OMB) for final review.Health officials say that menthol increases the addictiveness of tobacco products by making smoke easier to inhale and enhancing the effects of nicotine.

The move came more than a year after the FDA first announced its intention to ban menthol in order to help prevent children from becoming the next generation of smokers and help adult smokers quit, according to Health and Human Services Secretary Xavier Becerra.

Data from the Centers for Disease Control and Prevention shows that 81 percent of Black smokers chose menthol cigarettes in 2019, a significantly higher rate than white smokers. Some civil rights and health groups say this is the result of a history of purposeful marketing to Black communities. Following the announcement of the proposed ban, the American Civil Liberties Union and other civil rights activists claimed that a menthol ban would prompt an underground market, leading law enforcement disproportionately target Black smokers, according to news outlet.

Officials in favor of the menthol ban state that law enforcement would target manufacturers, distributors and retailers, not individual smokers.

While the Biden administration's pending regulatory agenda seeks to finalize menthol ban rules by March, sources said, the agenda is not binding, and the White House could finalize new tobacco rules in advance of that date.

Lawmakers Raise Concerns Over Proposed Menthol Ban's Impact on Small Business

Two federal legislators are showing support for small businesses as a proposal to ban menthol cigarettes undergoes review.

U.S. Rep. Roger Williams (R-Texas), chairman of the House Committee on Small Business, along with U.S. Rep. Dan Meuser (R-Pa.), sent a letter to Shalanda Young, director of the White House Office of Management and Budget (OMB), and Richard Revesz, administrator of the White House Office of Information and Regulatory Affairs (OIRA), raising concerns over the impact the proposal would have on small businesses.

The U.S. Food and Drug Administration (FDA) submitted two proposed product standards to the OMB for final review in mid-October. One proposal would prohibit menthol as a characterizing flavor in cigarettes and the other would prohibit all characterizing flavors (other than tobacco) in cigars.

OMB reviews potential regulations to assess their economic impact — a necessary step before the FDA's rule can be implemented.

"Unfortunately, the Biden Administration has proposed another rule that would disproportionally harm our nation's small businesses," Williams said. "Banning menthol cigarettes would result in an estimated loss of $2 billion in sales at convenience stores across the country and would simply create a black market for these products. It is my hope that Director Young and Administrator Revesz reject this rule and allow small business to operate without government interference."

In the letter, the congressmen urge the OMB and OIRA to consider the significant economic impacts on small entities and the fueling of illicit markets that would result if the proposal is implemented.

"[NACS], which represents more than 150,000 convenience stores in the U.S., reports that tobacco products are a vital source of revenue for the convenience store industry, 60 percent of which are single-store operators. If implemented, this rule would cause a single convenience store to lose $72,285 a year in nontobacco sundry sales (nearly 4 percent of inside sales) on top of the $160,107 lost due to the reduction in sales of tobacco products. Small operators in the convenience industry would collectively lose $2.16 billion in sales, representing $232,392 in lost sales per store."

The lawmakers also noted that even if consumers switch to nonmenthol cigarettes purchases at c-stores, small tobacco companies would still see lost revenue from menthol cigarettes.

Another concern is the rise of the illicit market for menthol cigarettes, they wrote.

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