NYS ASSOCIATION OF SERVICE STATIONS & REPAIR SHOPS, INC.

July 2023

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INSIDE THIS ISSUE

FTC Orders Mastercard to Allow the Use of Competing Debit Payment Networks

Following a public comment period, the Federal Trade Commission finalized a consent order settling charges that Mastercard used illegal business tactics to force merchants to route debit card payments through its payment network.

Under the FTC's order, Mastercard will have to start providing competing networks with customer account information that these networks need to process debit payments. This reverses a tactic Mastercard allegedly had been using to prevent merchants from using competing networks to process certain ecommerce debit payments. The FTC alleged that practice violated provisions of the 2010 Dodd-Frank Act known as the Durbin Amendment and its implementing rule, Regulation II.

The Durbin Amendment requires banks to enable at least two unaffiliated networks on every debit card, thereby giving merchants a choice of which network to use for a given debit transaction. It also bars payment card networks from inhibiting merchants from using other networks. The FTC alleged that Mastercard violated the law by setting policies that effectively blocked merchants from routing ecommerce transactions using Mastercard-branded debit cards saved in ewallets to alternative payment card networks.

The order requires Mastercard to end those practices and provide competing networks with customer account information they need to process debit payments. It also bans Mastercard from taking other actions to inhibit merchants' ability to choose between competing debit card networks.

The vote to approve the final order was 3-0.

Federal Lawmakers Poised to Address Credit Card Swipe Fees

Legislators introduced a bipartisan bill in both the U.S. Senate and House of Representatives on June 7 that would provide merchants with choice in the networks they use to process many Visa and Mastercard credit card purchases.

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, reported the Wall Street Journal.

The act was introduced by Senators Richard Durbin (D-Ill.), Roger Marshall (R-Kan.), Peter Welch (D-Vt.) and J.D. Vance (R-Ohio) and House Representatives Lance Gooden

(R-Texas), Zoe Lofgren (D-Calif.), Tom Tiffany (R-Wis.) and Jeff Van Drew (R-N.J.).

In summer 2022, Sen. Durbin and Sen. Marshall introduced a nearly identical bill that was referred to the Senate Banking Committee but not voted on. The increased Republican support of the new bill is reportedly the result of legislators' offices hearing from small businesses and other merchants.

In the United States, banks that issue Visa and Mastercard credit cards charge a swipe fee that averages 2.25 percent of the purchase price when the cards are processed over Visa or Mastercard's networks, a rate that is significantly higher than in other countries. American businesses pay seven times more in swipe fees than businesses in Europe and five times more than businesses in China.

We encourage retailers and suppliers to reach out to their representatives in Congress and ask that they support the Credit Card Competition Act. You can send such messages through the NACS Grassroots Portal. www.votervoice.net/NACS/Campaigns/105778/Respond

Armour noted that credit card swipe fees for the c-store industry have increased 82 percent between 2020 and 2022 to reach $19.5 billion.

REPAIR Act Gains More Support in Congress

Another 16 members of the United States Congress have signed on to support the REPAIR Act (H.R. 906), which aims to provide freedom for consumers to choose where to have their vehicles worked on, according to the Auto Care Association.

The bill was first introduced by Congressman Neal Dunn (R-FL), Congressman Brendan Boyle (D-PA), Congressman Warren Davidson (R-OH), and Congresswoman Marie Gluesenkamp Perez (D-WA). It is currently the only bill that addresses restrictions on vehicle maintenance and repair and includes heavy-duty vehicles used for freight transport.

Eight members of Congress signed on in support of the bill in April. Recently, another 16 bipartisan members have signed on, bringing the total of supporters to 28.

The new supporters of the bill have been recognized and thanked by the Auto Care Association, MEMA Aftermarket Suppliers, CAR Coalition, and SEMA.

Automakers Fail to Stop Massachusetts Right-to-Repair Law

A federal judge has cleared the way for Massachusetts Attorney General Andrea Joy Campbell to enforce a right-to-repair law that has been challenged by automakers since 2020, the Boston Globe reports.

The law, which will finally take effect on June 1, will require car manufacturers that sell vehicles in Massachusetts to provide wireless access to a vehicle’s telematics to both consumers and independent repair shops.

Though voters overwhelmingly voted in favor of the law in a 2020 referendum, it has yet to be put into effect due to a lawsuit from a group of automakers that claim the law is unclear and will jeopardize auto data security.

Another attempt was made to delay the law after Campbell announced in March that she would be taking steps to enforce it, with automakers asking for a temporary restraining order from District Judge Douglas Woodlock.

Though Woodlock admitted during an online hearing that he viewed the goals of the law as “likely unattainable,” he also said that “the people have voted on this and that’s the result. I am loath to impose my own views on the initiative.”

Woodlock stated that the next step automakers could take is a preliminary injunction against the law–a lengthy, complicated process.

NHTSA Tells Automakers to Dismiss Right-to-Repair

The National Highway Traffic Safety Administration has instructed automakers to not comply with Massachusetts’ recently passed right-to-repair law, Yahoo News reports.

According to Vice, Assistant Chief Counsel at the NHTSA Kerry Kolodziej composed a letter to almost two dozen manufacturers–including BMW, Ferrari, Ford, and Hyundai–in which he argued that providing open access to a vehicle’s telematics poses a risk for hacking.

If open access to a manufacturer’s telematics is provided, Kolodziej writes that a “malicious actor here or abroad” could have the ability to remotely send commands to a vehicle and interfere with vital safety functions, which include steering, acceleration, braking, air bags, and electronic stability control.

Kolodziej urged automakers to not comply with the law, suggesting that by doing so they would be jeopardizing the safety of drivers and thereby violating the National Highway Traffic Safety Act.

“Given the serious safety risks posed by the Data Access Law, taking action to open remote access to vehicles’ telematics units in accordance with that law, which requires communication pathways to vehicle control systems, would conflict with your obligations under the [National Highway Traffic] Safety Act,” Kolodziej’s letter read.

US Visits to Retail Fuel Stations Rises in All Regions But East Coast: RBC

Visits by U.S. consumers to retail fuel stations rose last week in all parts of the country except the East Coast, according to data released Wednesday by RBC Capital Markets.

The bank began tracking vehicle traffic at more than 135,000 U.S. fueling stations early this month and releases the numbers when the Energy Information Administration publishes its weekly supply and demand report.

RBC said driver visits to the stations rose in the Midwest, Rocky Mountains, Gulf Coast and West Coast.

Rocky Mountain stations saw a 2.87% increase in visits, while West Coast traffic rose by 2.24% from the previous week. More modest week-to-week increases of 0.39% were seen in the Gulf Coast and 0.87% in the Midwest. Visits in the East Coast last week fell by 0.51% from the previous week, the bank said.

The data still suggests U.S. fuel consumption may be flat or below the year-ago level. East Coast visits were down 1.11% on the year and large declines of 3.46% and 5.61% were recorded for the Midwest and Gulf Coasts. The Rocky Mountain region was the only area that saw a year-to-year increase and it was a very modest 0.18%. Station traffic on the West Coast was down 1.98% for the year.

--Reporting by Tom Kloza

Convenience Store News Industry Report 2023: Reaching New Highs

On May 11 of this year, U.S. President Joe Biden formally declared the national state of emergency for the COVID-19 pandemic over but, for much of the last year, Americans already have been returning to normal living and the nation's convenience stores have been benefitting as traditional commuting routines and shopping behaviors bounce back.

Total U.S. convenience store sales reached a record high of $814 billion last year, an increase of nearly 23 percent year over year, according to the 2023 Convenience Store News Industry Report, the longest-running annual analysis of U.S. c-store industry performance.

For the second year in a row, motor fuel sales posted an annual increase upwards of 30 percent. Largely driven by higher gas prices, the industry's 2022 fuel revenue rose by 32.9 percent to reach $538.7 billion. Fuel volume grew slightly, with gallons up 1.6 percent for the year.

Also for the second consecutive year, in-store sales at U.S. convenience stores hit a new high of $275.3 billion last year, up 6.6 percent over the prior year. While inflation pushed product prices higher throughout 2022, a 1.5-percent increase in the industry's store count — led by single-store operators — contributed as well to last year's strong in-store sales growth.

Industry gross profits overall jumped 3.3 percent last year, down slightly from the nearly 5-percent increase of 2021. While both in-store and motor fuel gross profits climbed last year, in-store saw a stronger increase, propelled by the power of the foodservice category. In-store gross profits totaled $73.35 billion for the year, while fuel profits totaled $50.61 billion.

Fuel Prices Hold Steady as Demand Drops

Despite the surge in travel over the long Memorial Day weekend, the national average for a gallon of gas remained steady at $3.57, the same as the previous week, according to a new analysis from AAA.

Even though AAA forecasted that more than 37 million Americans drove to their holiday destinations, the Energy Information Administration (EIA) found gas demand decreased from 9.43 million to 9.1 million barrels per day (b/d) last week, which helped to cap increases in pump prices. Meanwhile, total domestic gasoline stocks dropped slightly to 216.1 million barrels of crude oil (bbl).

"Although millions hit the road last week, gasoline demand fell," said Andrew Gross, AAA spokesperson. "Meanwhile, the cost for a barrel of oil dropped below $70 per barrel. Pump prices could dip further as the start of summer approaches."

Today's national average of $3.57 is 4 cents less than a month ago but $1.10 less than a year ago.

Since May 25, these 10 states have seen the largest decreases in gas price averages: Arizona (-10 cents), Indiana (-9 cents), Ohio (-8 cents), Wisconsin (-6 cents), Iowa (-7 cents), Illinois (-6 cents), Michigan (-5 cents), Delaware (-3 cents), New Mexico (-2 cents) and Louisiana (-2 cents).

Currently, the nation's top 10 least expensive markets include Mississippi ($2.98), Texas ($3.12), Louisiana ($3.12), Arkansas ($3.12), Alabama ($3.14), South Carolina ($3.20), Tennessee ($3.20), Missouri ($3.20), Oklahoma ($3.23) and Kansas ($3.26).

At the close of the formal trading session on May 31, West Texas Intermediate decreased by $1.37 to settle at $68.09. Additionally, the EIA reported that total domestic commercial crude inventories increased significantly by 4.5 million bbl to 459.7 million bbl last week.

Gasoline, Fuel Oil Prices Decline by Double Digits Year to Year: BLS

Several key U.S. energy price indexes saw double-digit declines year to year in the month of May, the Bureau of Labor Statistics reported Tuesday.

The overall energy index dropped by 3.6% month to month and 11.7% year to year. The gasoline index declined 5.6% in May and 19.7% over the last 12 months. Thefuel oil index dropped 7.7% in May and 37.0% year to year. The gas utility index declined 2.6% in May and 11.0% year to year.

While the electricity index dropped 1.0% in May, it increased on an annual basis by 5.9%, the bureau reported.

The Consumer Price Index rose 0.1% in May on a seasonally adjusted basis after increasing 0.4% in April. The CPI rose 4.0% over the last 12 months before seasonal adjustment, the smallest 12-month increase since March 2021.

"The index for shelter was the largest contributor to the monthly all-items increase, followed by an increase in the index for used cars and trucks," the report said. "The food index increased 0.2% in May after being unchanged in the previous two months. The index for food at home rose 0.1% over the month while the index for food away from home rose 0.5%."

On an annual basis, food prices increased 6.7% overall -- 5.8% for food at home and 8.3% for food away from home.

--Reporting by Donna Harris

US Gas Station Dollar Sales Hit 17-Month Low: Census Bureau Data

Census Bureau data updated on Thursday show monthly dollar sales at U.S. gas stations fell to a 17-month low in May, though sales remain historically high. May sales at gas stations fell for a seventh straight month to $53.061 billion, down about 2.6% from April and 20.5% below May 2022's $66.708 billion.

The sales figures are adjusted for seasonal variations and holiday and trading day differences but not for price changes, the agency said.

Inflation is contributing to the still-elevated dollar figures, which surpassed $50 billion for the first time in the fall of 2021, according to figures dating back to 1992. Monthly gas station sales reached a record high of more than $67 billion in June 2022 when retail fuel prices also hit record highs.

For eight months last year, gas station sales breached the $60 billion mark. May is the seventh month since the June peak that gas station sales have slipped below $60 billion.

--Reporting by Donna Harris

U.S. Vehicle Miles Rose for Fourth Month in April: DOT Data

U.S. motorists continued to hit the road in April, with total miles traveled by motorists rising for fourth straight month, according to data from the U.S. Department of Transportation released Thursday.

DOT's Federal Highway Administration estimates motorists traveled a total of 256.1 billion vehicle miles during the month, a slight 0.1% increase from the same month last year. Seasonally adjusted data put the monthly total at 267 billion miles, or 1.2% higher than April 2022, and a 0.1% gain compared with March.

The increase in travel took place in the Northeast and Western regions, with travel in both regions rising 1.2% compared to April 2022 levels, according to DOT data. Travel in the Southeast fell 0.8% compared to last year's levels, and it dropped 0.7% in the Gulf Coast region. Travel remained unchanged year-over-year in the Mid Continent or North-Central region, the DOT said.

Year to date, U.S. motorists have traveled nearly 1.009 trillion miles in 2023, the highest level seen since 2019, DOT data shows. From April 2022 to April 2023, motorists traveled 3.189 trillion miles, also the largest 12-month moving total in four years.

OPIS DemandPro data, which measures fuel sales at retailers around the nation, shows the volume of fuel sold in April was 1.2% higher than March sales. Fuel marketers, however, sold 2.9% fewer gallons when compared to April 2022, OPIS data shows.

Sales were also 20.4% behind pre-pandemic levels seen in April 2019, OPIS DemandPro data shows.

--Reporting by Steve Cronin

Summer Gas Prices Unlikely to See Slide Similar to Last Year

U.S. gasoline prices this morning average $3.591/gal, putting them $1.425/gal beneath the record numbers achieved on this day in 2022.

An optimist might look at the savings and suggest that consumers will be much better off financially this summer, with twenty gallons of fuel costing nearly $30 less than what it cost a year ago. A pessimist might counter with the prediction that fuel savings will almost certainly shrink between now and the first day of autumn. The period from June 15 through Sept. 20, 2022 brought 97 days of consecutive price decreases, taking gasoline from $5.016/gal to a $3.6742/gal on the final day of summer.

A similar summer slow-motion skein is not likely this year, given the measures taken by the extended OPEC+ cartel to trim oil inventories and the still-to-come prospect of a one million b/d July cut by Saudi Arabia. West Texas Intermediate crude front-month futures began this day in 2022 at the lofty cost of $120.93/bbl. In the next 97 days, the price drifted mostly lower and ended meteorological summer at $84.45/bbl, reflecting a loss of $36.48/bbl.

WTI settled yesterday at $69.42/bbl and is only a few dollars removed from the lowest prices recorded in the last 18 months. Most analysts and traders believe it might continue to be valued in a trading range that doesn't drift more than$5-$10/bbl from the $70/bbl level.

The current disinflation for diesel is even more spectacular than gasoline or crude. On this day in 2022, ULSD futures opened the CME session at $4.2834/gal and the average pump price was a staggering $5.775/gal. Consumers needed only to wait another five days for the all-time high average price of $5.816/gal which was recorded on June 19, 2022. Unlike gasoline, diesel had more staying power at the pump, ending the summer at $4.936/gal.

The most spectacular prices last year occurred in western real estate, with California a particular stand-out. On this day last year, the average price of California regular gas was $6.4375/gal. This morning's number of $4.8878/gal (representing the most expensive statewide average) reflects a drop of $1.5497/gal or 24.07%.

In all, 20 states plus the District of Columbia featured average gasoline prices above $5/gal one year ago. California was the only state that topped $6/gal.

The most drastic savings year-on-year currently show up in Mississippi. That state finds an average price for regular gasoline this morning of $2.9985/gal, some $1.5261/gal below the recorded price of $4.5246/gal one year ago. Similarly large drops of more than 30% are confirmed this morning for Alabama, Arkansas, Delaware, Indiana, Kansas, Louisiana, Maryland, Michigan, Missouri, Nebraska, New Hampshire, New Jersey, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Virginia and West Virginia.

The least extensive disinflation shows up in Washington where the current fuel price of $4.8438/gal is only 70.97cts/gal beneath the $5.5535/gal value of one year ago. Disinflation of less than 20% is also visible in Hawaii, Oregon, and Utah.

Beyond gasoline and diesel, the current disinflation for jet fuel prices is quite considerable. On this day in 2022, average wholesale prices for jet fuel were $4.314/gal in New York; $4.2415/gal at the Gulf Coast; $4.534/gal in Chicago and $4.244/gal in Southern California. Those four venues this morning find respective jet fuel price of $2.30/gal; $2.207/gal; $2.153/gal and $2.508/gal, reflecting disinflation of between 41% and 52.5%.

-- Reporting by Tom Kloza

US Refiners Build New Oil Processing as Travel Rises

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

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

This quarter is traditionally one of the year's hottest for demand as companies build gasoline and jet fuel output for the summer vacation season. This quarter's pace compares to 91.3% utilization in the year-ago quarter and the 71.5% and 87.8% run-rates in 2020 and 2021 as the industry struggled with COVID-19 lockdowns that reduced fuel consumption and crushed industry profits.

Refiners will add the capacity to process an additional 328,000 bpd in this quarter, increasing gasoline and diesel supplies this summer. Exxon Mobil (XOM.N) added 250,000 bpd at its Beaumont, Texas, refinery; Citgo Petroleum Inc 38,000 bpd at its Lake Charles, Louisiana, plant; and Marathon Petroleum Corp (MPC.N) 40,000 bpd at its Galveston Bay Refinery in Texas City, Texas.

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

Average Wage for US Fuel Station Workers Dips Again in April

Average hourly wages for nonsupervisory workers at U.S. gas stations and gas stations with convenience stores dipped by a few cents between March and April, suggesting that fuel industry wages may have peaked, according to Bureau of Labor Statistics numbers issued on Friday.

April was the third straight month that average wages were steady or dipped by a few cents. Still, wages remain at near record highs at or above $16.50/hour.

The average nonmanagerial wage for gas stations fell 6 cents to $16.69/hour, but were up $1.24, or 8%, from $15.45/hour in April 2022.

The average hourly wage for gas stations with c-stores also fell 6 cents to $16.50, up $1.26 or 8.3% from the year-ago average of $15.24.

Though gas station wages have generally been outpacing wage increases seen by other retailers, the average nonsupervisory hourly wage for food and beverage retailers rose to $17.01 in April from $16.94 in March.

The average wage for supermarket employees rose to $16.89 from $16.81 in March and the average nonmanagerial wage for the retail trade jumped almost 2% to $20.64 from $20.26 in March, BLS reported.

--Reporting by Donna Harris

A Cold Start: ERDC Tests Stryker Batteries In Frigid Temps

A cold-start battery being tested by the U.S. Army Engineer Research and Development Center's Cold Regions Research and Engineering Laboratory (CRREL) is attached to a simulated Stryker engine starter, which sits inside one a cold room inside CRREL's Cold Room Complex, which consists of 26 refrigerated rooms, each varying in size and in other capabilities, allowing for a variety of environmentally controlled experimentation at low temperatures. These laboratory-grade rooms can maintain temperatures from −30°C to over 43°C (−22°F to 110°F), with an additional standalone unit extending to −40°C (−40°F). The CRREL-designed battery is intended for use with U.S. military Stryker vehicles to ensure they are able to consistently start even in the most extreme cold environments.

Many people living in northern regions of the United States have experienced getting in a car on a cold, winter morning, turning the key in the ignition and having the engine starter sputter, but not start.

This relatable inconvenience is one that many people have dealt with. However, for U.S. military service members called to action in regions such as northern Alaska, there is no time to deal with a vehicle that won't start in the extreme cold temperatures.

This is a dilemma that engineers like Kathryn Trubac, a research general engineer for the U.S. Army Engineer Research and Development Center (ERDC) Cold Regions Research and Engineering Laboratory (CRREL), are working to resolve.

The Styker has been deployed to combat zones since 2003 and is used in numerous other areas of operation, such as Alaska. It is designed to be a medium-weight vehicle capable of quick deployment and effective maneuverability. So, if a Stryker's battery is unable to start in extreme cold climates, a fix must be found.

Trubac tests these batteries inside of CRREL’s Main Lab Cold Rooms Complex, which consists of 26 refrigerated rooms, each varying in size and in other capabilities, that allow for a variety of environmentally controlled experimentation at low temperatures. These laboratory-grade rooms can maintain temperatures from −30°C to over 43°C (−22°F to 110°F) with an additional standalone unit extending to −40°C (−40°F).

Currently, Trubac is waiting for the time of year when Fort Wainwright, Alaska, reaches the lowest possible temperatures, so that the batteries can be most effectively field tested.

US Ranked Second Globally for EV Sales in First Quarter: Research Firm Says

The U.S. now trails only China in electric vehicle sales, as a new federal tax credit led to a surge in EV sales at the start of the year, according to data from research firm Counterpoint.

U.S. sales of passenger EVs in the first quarter rose by 79% from the same period of last year, Counterpoint's USA Passenger Electric Vehicle Model Sales Tracker said.

The jump in purchases allowed the U.S. to overtake Germany, as the second-largest EV market.

Counterpoint researchers said the introduction of a $7,500 EV tax credit in the U.S. "played a crucial role in driving up EV sales" along with lower inflation and signs of recovery in the U.S. economy, which bolstered consumer sentiment.

Industry news site InsideEVs said 257,507 EVs were registered in the U.S. in the first quarter, accounting for 7% of the total light-duty vehicle market, up from 4.6% in the same period in 2022.

Battery EVs made up 81% of passenger EV sales in the quarter, with plug-in hybrid EVs accounting for the remainder.

Improving economic conditions also led to an 8.4% jump in the total number of light-duty vehicle registrations in the quarter to 3.69 million.

While Tesla's dominance of the EV market is being challenged, the company remains the most popular EV manufacturer in the country. The company accounted for 60% of all EV sales in the quarter, according to InsiderEV, while Counterpoint noted that its sales total was larger than the combined sales of the other top 19 automotive groups.

One factor helping Tesla could be restrictions put in place by the Biden administration on which vehicles are eligible for the U.S. tax credit, Counterpoint said.

While about 20 models offered by Tesla, GM, Ford, Stellantis, Rivian and Volkswagen are eligible, brands such as Hyundai, Nissan, BMW, Audi and Volvo are excluded, the firm said.

--Reporting by Steve Cronin

Toyota Voices Criticism of a Switch to BEVs

Toyota Motor Corp's top scientist recently said battery electric vehicles (BEVs) alone cannot be the answer to climate change until there are more resources and infrastructure to support such a change, Reuters reports.

While certain investors and environmental groups have pushed Toyota to pursue more EV production, the company has stated that hybrid vehicles are more practical and that the sole focus on BEVs will cause people to hold onto vehicles that will release pollution.

Toyota Research Institute’s Chief Executive, Gill Pratt, said that while a complete switch to BEVs could be a net positive in a country such as Norway, which has renewable infrastructure, the same cannot be done in other parts of the world that are still reliant on coal. In these environments, he argued, hybrid vehicles are more helpful in lowering CO2 emissions.

“Battery materials and renewable charging infrastructure will eventually be plentiful. But it's going to take decades for battery material mines, renewable power generation, transmission lines and seasonal energy-storage facilities to scale up,” stated Pratt.

SSDA-AT Against Proposed Tailpipe Emissions Rules

SSDA-AT has joined with the American Highway Users Alliance in opposing two recently proposed rules by the Environmental Protection Agency (EPA) that would dramatically increase the number of Zero Emission Vehicles (ZEVs) on the road. SSDA-AT will submit comments against both proposed rules and already has had multiple conversations with members about their potential impact.

On April 11, the EPA announced it is seeking new aggressive emissions standards for light- and medium-duty vehicles – cars, trucks and vans weighing up to 14,000 pounds – that could require up to 67% of new vehicle sales to be ZEVs in 2032. The agency also announced Phase III its greenhouse gas regulations, which would set increasingly stringent emissions standards for model years 2027-2032 trucks and buses.

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

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

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

https://www.regulations.gov/ document/EPA-HQ-OAR-2022-0829- 0451. The period for comments closes July 5.

Issues with the EPA Proposed Tailpipe Emissions Rule

The EPA's recently proposed tailpipe emissions rule could have far-reaching impacts on our economy, the automobile market, national security, and transportation infrastructure.

Here's how:

- AUTO MARKET TRANSITION: Under this rule, two-thirds of all light-duty vehicles sold in the country must be all-electric by 2032. For reference, electric vehicles only made up 6 percent of total sales in 2022. The EPA is asking for over ten times that amount in less than a decade.
- ELECTRIC VEHICLE INFRASTRUCTURE: These rules would put millions of new electric vehicles on the road without the charging infrastructure necessary to deal with such an influx. If you don't live in a big city with well built-out EV charging infrastructure, this could mean running out of charge when you need it most.
- CRITICAL MINERALS AND NATIONAL SECURITY: The U.S. relies heavily on imported minerals like lithium, cobalt, manganese nickel, and graphite to make batteries for electric vehicles. This proposal does not address improving the permitting process for mining these critical resources in America, which could mean relying on hostile nations like China for our energy needs for decades to come.
- DECREASED HIGHWAY FUNDING: With the decline of internal combustion engines, revenue from gas taxes, a primary source of funding for the Highway Trust Fund, will dwindle. This could create a significant funding gap that could hamper our ability to carry out vital road repairs and infrastructure projects.

We can't allow this far-reaching policy to go unchecked.

SSDA-AT Opposes the EPA's Proposed Light-Duty Tailpipe Emissions Rule

IN OPPOSITION RE: OAR-2022-0829

To: Environmental Protection Agency

I am writing to express my opposition to the proposed tailpipe emissions rule outlined in EPA-HQ-OAR-2022-0829. As proposed, I believe these regulations for light-duty vehicles go too far, reduce consumer choice, and fail to include safeguards to address serious infrastructure, resource, and funding shortfalls.

Firstly, the country's current charging infrastructure is inadequate to support a forced shift towards electric vehicles. Charging infrastructure is not yet fully developed or accessible in many regions of the country. Forcing consumers to transition to EVs without ensuring sufficient charging infrastructure could place undue burdens on drivers across the country.

Secondly, by not taking any significant steps to improve permitting for the mining of critical minerals in America, we are endangering our ability to access the minerals required for EV production. This over-reliance on foreign sources of minerals could undermine our domestic energy security and jeopardize our nation's economic independence. After seeing how international supply chains can break down during the pandemic, American consumers cannot and should not be subject to increased reliance on unstable foreign supply chains, especially concerning something as vital as personal transportation.

Additionally, I am concerned about how these new standards could negatively impact the Highway Trust Fund. If implemented without addressing the funding structure, these proposed regulations could strain the already precarious state of transportation funding. It is crucial to consider additional solutions, such as a Low Carbon Fuel Standard, to address the revenue lost by having fewer internal-combustion engines on the road.

In conclusion, I strongly urge the EPA to reconsider the proposed tailpipe emissions rules. It is crucial that the EPA engage in meaningful collaboration with Congress, automotive manufacturers, and other stakeholders to develop a comprehensive approach that accounts for the current limitations in charging infrastructure, safeguards consumer choice, promotes domestic energy security, and ensures the continued funding of our vital transportation infrastructure.

Thank you for your attention to this critical matter.

Sincerely,

Roy Littlefield IV

SSDA-AT

150-plus House Republicans Oppose EPA Emissions Standards

Over 150 Republicans in the U.S. House wrote a letter to the Environmental Protection Agency Administrator Michael Regan asking for their proposed emissions standards to be reconsidered, the Detroit News reports.

The letter was composed by a group led by House Energy and Commerce Committee Chair Rep. Cathy McMorris Rodgers of Washington.

In it, they claim that the proposed standards should be reconsidered because they are "unworkable and impractical" and that the Chinese government would benefit from its domination in the mineral supply chain for EV batteries. They also claim that EVs are still out of range economically for most Americans, who should "should not be forced into paying an excessive amount for a car they do not want and cannot afford."

Since the EPA first introduced the standards in April, which would require EV sales to increase to 67% of new car sales by 2032, the practicality of it has been called into question, with EV sales accounting for 5.8% of new car sales in 2022, according to AutoForecast Solutions LLC, and is estimated to increase to 9% this year.

EPA spokesperson Shayla Powell has said that the "EPA has received the letter and will review it and respond accordingly."

Numbers: Location, Location, Location

A look at the four major geographic locations of shops and how their revenue, ARO, and car counts compare. While the money is in the South and West, the largest concentration of shops is in the Midwest and Northeast.

Where Owners Set Up Shop

- Midwest: 30%
- Northeast: 28%
- South: 19%
- West: 23%

Midwest (IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, SD, WI)

- Annual Revenue over $1 million: 47%
- Average Repair Order Above $400: 69%
- Car count above 250: 19%

Northeast (CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT, WV)

- Annual Revenue over $1 million: 47%
- Average Repair Order Above $400: 64%
- Car count above 250: 16%

South (AL, AR, FL, GA, LA, MS, NC, OK, SC, TN, TX)

- Annual Revenue over $1 million: 51%
- Average Repair Order Above $400: 75%
- Car count above 250: 29%

West (AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY)

- Annual Revenue over $1 million: 55%
- Average Repair Order Above $400: 81%
- Car count above 250: 27%

Report: Aftermarket Industry Sees 9.7% in Growth

The Auto Care Association and MEMA Aftermarket Suppliers have released the 2023 Joint Channel Forecast Model report, according to a press release.

This year's report revealed a 9.7% growth for the automotive aftermarket in 2022, which exceeded the previous prediction of 8.5% for the year. Forecasts for 2023 predict that high inflation will result in additional growth of 8.1% before it evens out.

The report includes other information such as market size projections, key economic predictions, and motor vehicle sale forecasts, all spanning through 2026. Information is also provided on sales dollars and market share within retail, service, and dealer segments, and factors that could influence growth in the aftermarket.

2.5 Million-plus Vehicles Under Recall Remain Unrepaired

According to data from Carfax, over 2.5 million vehicles that have been issued a "Do Not Drive" or "Park Outside" recall in the United States have not been repaired.

The top ten states containing these vehicles all have more than 70,000 of them currently on their roadways. California leads the group with 245,000, while Texas follows with 242,000, putting Florida in third place with 237,000.

Examples of "Do Not Drive" or "Park Outside" recalls being disregarded include Takata airbags, which have caused 23 deaths and over 400 people being injured, according to the NHTSA. Over 3,100 Hyundai and Kia vehicles that have been recalled due to catching fire have also killed one person and injured over 100.

"Despite efforts by state and federal governments–and the auto industry itself–too many consumers are driving in vehicles that have been deemed too dangerous to drive, or that shouldn't be parked in or near a home for fear of a fire," said Faisal Hasan, General Manager for Data at Carfax. "Officials and communities need to break through consumer recall notice fatigue and drive home the message: We can save lives today by getting these recalls fixed."

ARC Automotive Ordered to Answer for Exploding Airbag Inflators

The United States government has ordered ARC Automotive to answer questions under oath concerning their exploding airbag inflators that they refuse to recall, AP News reports.

The airbag inflators have been found to explode and release shrapnel and are used by at least a dozen automakers, affecting at least 33 million vehicles on the road.

ARC has regarded the NHTSA's findings as hypothetical and not based on "technical conclusions," and that the NHTSA is overstepping by targeting a parts manufacturer.

The NHTSA plans to question ARC on whether something more than an isolated error could cause the explosions. They will also ask if ARC expects more to explode in the future and will question them on the 2018 installation of a scope in their facility to detect welding debris that could block inflator vents.

"I think they're trying to get at what was ARC basing that decision on and does it suggest that there's a defect in the population of inflators that were produced before that date," said the Center for Auto Safety Executive Director Michael Brooks.

ARC must respond to the government by June 14 or it will face "a maximum fine of $131.6 million and potential criminal penalties."

Stellantis Recalls Over 354K Jeeps

Stellantis is recalling over 354,000 Jeeps across the globe due to issues with the rear coil springs, Detroit Free Press reports.

The recall applies to some 2022 and 2023 Jeep Grand Cherokees and 2021 through 2023 Grand Cherokee L SUVs.

According to documents filed with the U.S. National Highway Traffic Safety Administration, the rear coil springs may have been incorrectly installed during production and can fall off while the vehicle is in motion, creating the risk of a crash for the driver and others. This will not affect SUVs equipped with air suspensions.

Stellantis has received 17 warranty claims, two customer assistance reports, and two field reports possibly related to the issue. As of May 25, no crashes or injuries have been reported.

Owners of affected vehicles will receive letters notifying them starting July 28. Dealers will inspect the springs on recalled vehicles and replace them if needed.

Investing in ADAS

Advanced Driver Assistance Systems (ADAS) are increasingly common in modern cars, providing drivers with various safety features that enhance the driving experience. As the ADAS market continues to grow and more cars with ADAS systems show up to be serviced, shop owners and techs need to understand ADAS calibration, the problems shops are currently facing, and why it is crucial to invest in ADAS calibration systems.

ADAS and ADAS calibration go hand in hand. While ADAS is the base, ADAS calibration is the system's upkeep. As more customers bring cars with ADAS systems to auto shops, identifying the location of ADAS systems in a vehicle is necessary to avoid damage. Further, using ADAS scanners is essential to determine the location of ADAS systems within the car.

"If [technicians] are doing any brake work, tire repair, alignments or suspension, [or] if they're doing engine or transmission, actually any type of major repairs, many times they have to disassemble some of the body panels," Watson said. "Because of that, there's a very good chance they may have moved or bumped a camera or a radar sensor. Even the most basic daily tasks may require ADAS recalibration without them even realizing it."

Without ADAS scanners, auto shop technicians cannot correctly identify where ADAS systems are located. This problem exists because auto shop technicians need location information more readily available at a dealership.

The decision on how much to invest is significant because of how expensive ADAS equipment is.

"ADAS alignment equipment can vary in price anywhere from $25,000 to as much as $35,000, and that depends on if they currently have a scan tool that works with that equipment or not," Watson said. "If [the shop owner] currently owns the scan tool, they're going to be able to knock $5,000 to $10,000 off the price of the equipment. That's a big investment. Not every shop is going to want to make that kind of investment. I try to tell shops in larger potential market areas that they may want to be the shop that everyone knows has the equipment and they come to."

California Approves Mercedes-Benz's Automated Driving

California's Department of Motor Vehicles has approved Mercedes-Benz's Level 3 'DRIVE PILOT' system to be sold to the public, making it the first in the state to not require the driver's attention at all times, Reuters reports.

The 'DRIVE PILOT' system allows drivers to take their attention away from the steering wheel while being able to reclaim control if needed.

With the approval, Mercedes-Benz plans to implement the feature in 2024 S-Class and EQS Sedan vehicles. The first deliveries of these vehicles are slated to happen later this year.

The DMV said that it may only be used under certain conditions, however: it may only be used during daylight while driving at 40 MPH or slower. The feature will only be permitted on California highways in the Bay Area, Central Valley, Los Angeles, Sacramento, San Diego, and the interstate highway between Southern California and Nevada.

The announcement undercuts competitor Tesla in their home state of California, which made up 16% of the carmaker's global deliveries last year, Reuters estimates. Though Tesla has advertised "Full Self-Driving" in some of their vehicles, its Autopilot feature meets only SAE Level 2, requiring the driver's constant supervision.

Governor Abbott Eliminates Texas Safety Inspections

Texas Governor Greg Abbott has officially signed the elimination of annual vehicle safety inspections into law, Jalopnik reports.

The law was passed by the Texas state legislature a week prior to Abbott's signature being penned on Tuesday, according to reporting from KXAN. There was a shadow of doubt thrown on whether Abbott would go through with the bill, with law enforcement officials such as Travis County Constable Stacy Suits urging him to veto it.

Supporters of the bill have argued it will save Texas residents time and money, but criticism cites that with the $7.50 fee for inspections being replaced with an "inspection program replacement fee" of the same price, people may only save money by putting off repairs for things that they otherwise would have been required to maintain.

Though the bill has been signed, it won't be put into effect until 2025. Seventeen counties in the state will still require annual emissions inspections, which include Harris, Fort Bend, Brazoria, Montgomery, Galveston, Williamson, Travis, Dallas, Tarrant, Denton, Collin, Rockwall, Kaufman, Ellis, Johnson, Parker and El Paso.

Understanding the Dangers of Installing Customer Supplied Parts

Allowing customers to bring their own parts is never a good idea. You risk a customer supplying incorrect parts and the possibility of a part failing after its installation, putting your shop in danger.

"It impacts everybody involved in a bad way because quite often, they buy the wrong part for that vehicle, or they don't buy everything you do need to have the repair completed correctly," said Ellsworth. "In the long term, it doesn't save them money, and the repair won't meet their expectations."

If these parts fail, customer-supplied parts can no longer be covered under warranty to help cover the repair. If you bought it and then had some third party install it; warranties are non-transferrable.

Eight Suspects Arrested, Another Eight at Large for Alleged Diesel Theft

Eight people were arrested and police are searching for another eight in connection with what Texas authorities said was a "large-scale" theft ring that allegedly stole more than 100,000 gal of diesel fuel from Houston-area gas stations.

The Texas Financial Crimes Intelligence Center last week said the ring was involved in more than 60 instances of diesel theft between February and October 2022.

"That's just what we were able to pin on them. We tracked more than 100 incidents linked to that crew," Senior Investigator Jeff Headley told OPIS on Wednesday.

Authorities allege ring members broke into fuel pumps and manipulated the meter so they paid for only a small fraction of the fuel dispensed. The suspects allegedly took stolen diesel fuel to truck yards that illegally stored the product and sold it to truck drivers at a discount.

Headley said the thieves used a new type of pulser manipulation device that's a micro electric motor. It fits underneath the digital pulser and is operated with a remote switch.

"It's a new twist on an old method [of pulser manipulation]," he said. The thieves "paid for about 5% of the fuel they pumped. They were doing this daily at multiple locations."

The suspects were charged with engaging in organized crime and evading the motor fuel tax, which are first-degree felony charges in Texas, the announcement said. If convicted, they each face sentences of up to 99 years in prison. Each of the suspects' bonds were set at $500,000.

"These crimes drive up prices at the pump, undercut legitimate carriers in the trucking industry by providing an unfair price advantage to people purchasing stolen fuel and circumvent taxes that should be paid to the state of Texas," the center said in a release.

The multi-agency investigation involved the Manvel Police Department, the Texas Financial Crimes Intelligence Center, the Houston Police Department, the Pearland Police Department, the Brazoria County Sheriff's Office, the Baytown Police Department, the Harris County Sheriff's Office, Rosenberg Police Department, Brenham Police Department, Friendswood Police Department and the Brazoria County District Attorney's Office.

--Reporting by Donna Harris

Payment Card Data Theft Rises at Retail Sites: Verizon

Though the theft of payment card data had declined in recent years, it went up over the past year, according to the 2023 Verizon Data Breach Investigations Report that was released last week.

Payment card data represented 37% of breaches for retail businesses in the study, and 17% of those breaches originated from gas station point-of-sale terminals, Verizon found.

"Payment card data has been trending downward since its high-water mark in 2018," the report said. "However, we are seeing a relatively large increase in payment card data stolen as compared to last year [in the 2022 report]. Although stealing card data is a tried-and-true method of monetizing data, sometimes the threat actor simply wants a quicker payday."

Verizon said payment card data remains "extremely valuable" and will continue to be a "popular" target.

In addition to gas station POS (point of sale) terminals, some 70% of the breaches originated from web applications and 8% from point-of-sale servers.

"E-commerce has made it way too easy to get what you want, including stolen credit cards," the report said.

--Reporting by Donna Harris

FDA Cracks Down on Illegal Sales of Disposable E-Cigarettes

The Food and Drug Administration (FDA) issued warning letters to 30 retailers, including one distributor, for illegally selling unauthorized tobacco products.

All of the cited products were various types of Puff and Hyde brand disposable e-cigarettes, which are two of the most commonly reported brands used by youth e-cigarette users, according to last year's "National Youth Tobacco Survey." Among those users, about 20 percent reported using Puff Bar or Hyde brand products in 2022.

The warning letters came amidst a nationwide blitz to crack down on the sale of unauthorized e-cigarettes that are popular with youth, which included investigations of hundreds of retailers and distributors across the country.

When e-cigarettes lack a marketing authorization order from the FDA, selling or distributing them to consumers in the U.S. is prohibited under the Federal Food, Drug and Cosmetic Act. The FDA generally sends warning letters the first time an inspection or investigation reveals a violation of the law, and recipients are given 15 working days to respond with the steps they'll take to correct the violation, as well as how they'll prevent future violations. A majority of recipients of warning letters voluntarily correct the stated violation. However, failure to promptly address the issue can result in additional FDA actions such as an injunction, seizure and/or civil money penalties.

The latest FDA actions are happening concurrently with c-store industry stakeholders calling for better regulation of illegal tobacco product sales. In February, RAI Services Co. sent a petition to the agency, requesting the closing of a loophole which allowed illegal disposable e-cigarettes to flourish. In April, New York state convenience stores urged government action at the state level to crack down on tobacco smuggling.

To date, the FDA has filed civil money penalty complaints against 10 e-cigarette manufacturers, while in October 2022, the first complaints for permanent injunctions were filed against six manufacturers.

Altria Completes $2.75B NJOY Acquisition

Altria Group Inc.'s acquisition of NJOY Holdings Inc. is officially closed. Just one week ago, Altria said it would move forward with the deal to acquire NJOY after the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 expired, which left no requirements for further regulatory review by federal antitrust authorities.

The manufacturer entered into a definitive agreement to acquire NJOY Holdings Inc. for approximately $2.75 billion in cash on March 6.

NJOY e-vapor products will be marketed by NJOY LLC, a wholly owned subsidiary of Altria, and NJOY products will be distributed by Altria Group Distribution Co.

The Altria and NJOY teams will immediately focus on optimizing the NJOY ACE brand proposition, including enhancing ACE's brand equity to increase awareness and appeal among adult smokers and adult vapers, and identifying and addressing opportunities in existing stores, such as distribution gaps and merchandising improvements.

The company is currently working to strengthen NJOY's global supply chain to provide sustainable support for the anticipated volume increase associated with the long-term ACE expansion plans. Altria identified a total of approximately 70,000 U.S. retail stores, including existing stores, for the initial ACE expansion phase. The stores in the initial phase represent approximately 70 percent of e-vapor volume and 55 percent of cigarette volume sold in the U.S. multioutlet and convenience channel.

Your Inspection License May be Worth Money

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

DMV Record Retrieval

DMV record retrieval is available to association members and affiliates at a cost of $12 per record. Additionally, you may order DMV certified paper abstracts of driver's license, vehicle registration, and vehicle title records for an additional fee of $2 per abstract. Please call 518-452-4367

NYVIP **MESSAGE No. 284**

DATE: **May 30, 2023**

TO: **ALL EMISSIONS INSPECTION STATIONS**

FROM: **NYS DEPT. OF MOTOR VEHICLES**

SUBJECT: **UPDATE NYVIP3 IMPLEMENTATION**

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

This is an update regarding the New York Vehicle Inspection Program (NYVIP3).

FOR STATIONS WHO HAVE NOT ORDERED NYVIP3 EQUIPMENT:

NYVIP2 units will **NO** longer be serviced after December 1, 2023.

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

If you wish to continue participating in NYVIP, you must order NYVIP3 equipment as soon as possible. Please visit www.NYVIP3.com to register, complete the Station Participation Agreement, and place an order to ensure compliance and to avoid interruption with the current NYVIP2 unit.

FOR STATIONS WHO HAVE ORDERED OR RECEIVED THEIR NYVIP3 EQUIPMENT:

Opus will begin shipping NYVIP3 print on demand sticker stock on Tuesday, May 30th.

Once you receive your new NYVIP3 unit, assemble it as soon as possible. You can visit www.NYVIP3.com to find instructional videos and or the installation manual for assembling and using the new system.

Do **NOT** disassemble your NYVIP2 unit until you have successfully completed an inspection on your NYVIP3 unit. Continue using your current NYVIP2 inspection unit and pre-printed stickers for official inspections until you receive print-on-demand sticker stock from Opus. (You do NOT need to contact Opus to request sticker stock; Opus will send you the appropriate sticker stock based on your station license and historical inspection volume.)

Prior to beginning official inspections on your new unit, do the following:

- Set up your draw-down account. Please refer to the section titled Draw-Down Account on pages 54-55 of the Installation Manual included with your unit for proper set-up procedures.
- When you receive your new sticker stock, you must load the sticker serial numbers into

your NYVIP3 unit inventory IMMEDIATELY pursuant to DMV regulations (see page 51 of the Installation Manual).

- Once the serial numbers are in the unit inventory, physically load the new sticker stock into the thermal printer (see instructions beginning on page 52 of the Installation Manual.

Once you have successfully set-up your new NYVIP3 unit, funded your draw-down account and loaded sticker stock into the unit and printer, you are ready to begin and must use your NYIVP3 system.

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

NYVIP3 MESSAGE No.285

DATE: 06/05/2023

TO: ALL NYVIP3 INSPECTION STATIONS

FROM: OPUS INSPECTION

SUBJECT: NYVIP3 SOFTWARE UPDATE 06/05/2023 – VERSION 23.01.06

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

A NYVIP3 software update to version **23.01.06** will be rolled out to all NYVIP3 Inspection Stations starting 06/05/23. **You must accept and load the new software update when you are prompted to do so by your NYVIP3 Computerized Vehicle Inspection System (CVIS) analyzer.**

This software version includes important updates to the operation of the inspection equipment and overall system enhancements.

Software Update Includes:

- The ability to use either interior or exterior sticker stock (whichever is loaded in your printer) for light-duty trailers (no need to switch stock type anymore)
- Capture of Vehicle License Plate Condition during inspection process.
- OBD Scantool - Gen4 Firmware/driver update.
- Opacity software enhancements.
- Reduced waste of sticker stock during the loading/switching process.

If your CVIS has a successful broadband connection, you will receive the update anytime the CVIS is powered on. Once the update is received, a message will display on your system stating: "A software update has been downloaded and is ready to install on this unit. Estimated time to complete the update process is less than 5 minutes. Proceed with update?" You must select **YES** to install the update on your analyzer.

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