



# SSDA News

*Service Station Dealers of America and Allied Trades*

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## An Active Winter for SSDA-AT Government Affairs

By Roy Littlefield

The first two months of 2021 have kept SSDA-AT busy on the legislative affairs front. As many state legislatures opened in January, the association has been reviewing bills that have been introduced that may impact the industry. Further, SSDA-AT has been continuously managing the covid-19 pandemic response through actions on both the state and federal levels.

January's legislative affairs efforts included:

Taking part in a Save LIFO coalition meeting.

Meeting with ASTM International (formerly the American Society for Testing and Materials) to discuss policy priorities and agendas for 2021 and ways in which the two organizations can collaborate; and

Participating in a Family Business Estate Tax Coalition meeting. SSDA-AT continues to be active members of the coalition, which works to eliminate estate taxes.

We also took part in a roundtable with Congressional staff to discuss highway bill proposals.

We also met with Rep. Steve Scalise (R-LA-1) and Sen. Mitch McConnell (R-KY) to discuss the associa-

tion's opposition to the federal minimum wage increase.

So far in 2021, SSDA-AT has met with the following members of Congress on webcam:

Sen. Tim Kaine (D-Va.); Rep. Jason Smith (R-Mo-8); Rep. Sanford Bishop (D-Ga.-2); Sen. Ben Cardin (D-Md.); Sen. Chris Van Hollen (D-Md.); Rep. Jamie Raskin (D-Md.-8); Rep. David Trone (D-Md.-6); Rep. Andy Harris (R-Md.-1); Rep. John Sarbanes (D-Md.-3); Rep. Kweisi Mfume (D-Md.-7); Rep. Steny Hoyer (D-Md.-5); Rep. Anthony Brown (D-Md.-4); Rep. Dutch Ruppersberger (D-Md.-2); Sen. John Thune (R-S.D.); Rep. Van Drew (R-N.J.-2); Rep. Sam Graves (R-Mo.-6); Sen. Tom Carper (D-Del.); Rep. Peter DeFazio (D-Ore.-4); Rep. Tim Burchett (R-Tenn.-2); Rep. Nicole Malliotakis (R-N.Y.-11); Rep. Steve Scalise (R-La.-1); and Sen. Mitch McConnell (R-Ky.).

SSDA-AT also looks forward to the opportunity to collaborate with the newly appointed Department of Transportation Secretary Pete Buttigieg on important highway transportation initiatives to ensure roadway investment is a top priority, make roads safer and less congested and advance the interests of the industry.

## The Online Edge – What Your Business Needs to Thrive

Does your business have an online presence? If so, are you doing all you can to ensure its virtual success? If not, what are you waiting for? Let's take a sneak peek at some statistical findings from the Pew Research Center. According to their most recent studies on the use of internet and technology it was found that:

- Roughly three-quarters of Americans, or 77%, now own a smartphone, which nearly doubles the former findings since the Center began its research in 2011.
- As of November 2016, nearly three-quarters, or 73% of Americans indicate that they have broadband service at home.
- Nearly seven-in-ten Americans now use social media. When the Center started tracking social media adoption in 2005, just 5% of Americans said they used these platforms. Today, 69% of U.S. adults are social media users.
- Half the public now owns a tablet computer. When the Center first began tracking tablet ownership in 2010, just 3% of Americans owned a tablet of some kind.

As you can see, now more than ever before, an online presence for your business is significant. And not just any online presence, but a quality one that provides a sense of credibility and legitimacy, turning its visitors into leads and sales, and contributing to the success of your business.

First impressions matter. If your business has a website, rest assured that internet users are navigating to it to formulate their opinion, to see what other people have to say about you, and to “screen” shop your services and products, which is much like window shopping, but with the ease of never having to actually visit your business's location.

Your business can now be accessible to the masses thanks to technology. Therefore, it's vital to have a way for potential clients to find you with the swipe of their fingertip and also to ensure you have a website that makes a good impression.

So, how do you go about trying to meet your customers' needs online?

### Let's Talk Internet Marketing Best Practices

There are several factors that play into the creation of a well-made website that will help your business's online presence generate traffic and rank effectively:

#### Design & Layout

Visual presentation plays an important role in the functionality of a website. A high-performing website will provide a positive user experience. It helps to have a responsive web design. What makes a website responsive? Responsive design helps to generate leads and sales without any limitations based on user devices. So, customers can find your automotive service site on their tablet, smartphone, smart watch, etc., viewing your website efficiently from any screen size.

#### Content

Content is the reason why visitors come to a site. They are seeking information about your business and its services. The key is to provide relevant content that is easy for visitors to digest. Too much or too little and your visitors might go elsewhere to find what they're looking for. Check out what Moz has to say about content regarding search engine ranking. By providing unique content that moves beyond self-promotion and is easily digestible to the user, your website offers valuable information.

#### Calls to Action

Calls to action within a site's content and design come in the form of clickable links or custom buttons. It entices a visitor to take action beyond the page they are on, an action like submitting a form, requesting a quote, purchasing a product, or even just clicking a link that leads to another page with relevant information. Through a CTA, a user moves to take a specific action that will benefit your business. And action is what it's all about.

#### Credibility

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## NET DRIVEN

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A business with an online footprint is a business that can be found, recognized, and confided in. From building a solid and consistent brand across all channels, to maintaining an active social media presence, gaining positive reviews, managing your online reputation with products like Net Driven's Reputation Management.

### Mobile Viewability

More and more people are looking at your site from a mobile phone or web enabled device. It seems like anything with a screen and a microchip in it is capable of getting on the internet these days. Make sure your site is viewable on a mobile internet enabled device.

### Search Engine Optimization

At Net Driven, we drive the traffic that drives your business! It begins with a website that keeps local search in mind. A strong SEO foundation puts proven strategies to work and improves your ability to get found.

From understanding searcher behavior to using tested best practices, the SEO team at Net Driven works hard to ensure that your site has all of the key ingredients for SEO success. Look to us for:

- Keyword research performed for your business and target geographic
- Optimized meta tags for click through success
- Relevant industry content
- Local directory management
- SEO-friendly site architecture
- and more!

Don't have a website yet? What are you waiting for?! Talk to a representative from Net Driven today and ask about how we can help you create a website that not only generates traffic, but turns your traffic into leads and sales! Net Driven should be your choice for all your automotive internet marketing needs. [Contact us today!](#)

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In today's age, customers have both an offline and online presence. They use search engines instead of phone books, and recommend businesses through their social media pages. Capture potential customers by making sure you're present where they're spending their time online. Facebook and Google lead the way as two of the most popular online destinations - why wouldn't you want to be where your customers are?

Take a look at your current marketing efforts and add paid search and/or social media to that strategy as a way to take your business to the next level.

This article was created by the team at Net Driven. Learn more about Net Driven digital marketing solutions by visiting [www.netdriven.com](http://www.netdriven.com).



## EIA Revises US Oil, Gas Output Forecasts for 2021, 2022

The Energy Information Administration expects US oil production to fall by 290,000 barrels per day this year to 11.10 million bpd, a steeper decline than previously forecast, followed by a 510,000-bpd jump in 2022 to 11.53 million bpd.

Meanwhile, natural gas production is projected to slide to 90.50 billion cubic feet per day in 2021, which would mark the second consecutive year of declines, and recover to 90.96 Bcf/d in 2022.



## 2020 a Record Year for US Crude Exports

The US exported roughly 3.2 million barrels per day of crude oil on average in 2020, breaking the 2019 record of 2.98 million bpd, according to data from the US Census Bureau and Energy Information Administration. Crude export volumes jumped about 23% from November to an

average 3.35 million bpd in December, with China accounting for roughly 719,000 bpd of that figure.



## U.S. Crude Output to Keep Rising, but Gasoline Demand is Past its Peak -EIA

The Biden administration appears U.S. crude oil production is expected to rebound to a new record in 2023 after being hit by the coronavirus pandemic, the Energy Information Administration said in its 2021 annual energy outlook.

However, the EIA projects that U.S. gasoline demand is already past a peak reached in 2018.

The United States and other major world economies, are trying to engineer a massive shift in consumption and production habits away from fossil fuels to head off rising temperatures around the globe.

The coronavirus pandemic's travel restrictions that crushed oil demand and prices, have accelerated plans of oil companies and others as they try to get a foothold in renewable energy production.

The EIA projects U.S. crude output to top the 2019 record of 12.25 million barrels per day in 2023. Production in 2020 tumbled 6.4% to 11.47 million bpd.

It is forecast to peak at 13.88 million bpd in 2034 before it starts to decline, the statistical arm of the U.S. Department of Energy said in its outlook.

Gasoline demand will rise 9.1% to 8.97 million bpd this year before it steadily declines through 2050. It hit 9.33 million bpd in 2018, a figure that the EIA says is likely the high-water mark for consumption.

“The pace of economic recovery, advances in technology, changes in trade flows, and energy incentives will determine how the United States produces and consumes energy in the future,” said EIA Acting Administrator Stephen Nalley.

Natural gas demand will also continue to rise, albeit slowly. The EIA said gas consumption should increase by an average of 0.5% per year to a record 35.4 trillion cubic feet (tcf) in 2050.

Production will outpace that, hitting a record 43.0 tcf by that period. That means the rest of the gas produced will be exported or stored.

EIA also projects that U.S. liquefied natural gas (LNG) exports would rise by an average of 2.6% per year to a record 5.0 tcf in 2032 and hold near that level through 2050.

The department also said gas should account for about 36% of U.S. electric generation by 2050, while the share of coal, currently 20% and nuclear (21%) will fall by about half. Renewables are expected to double from its current 20% by 2050.



## Biden EPA Nominee Vows 'Sense of Urgency' on Climate Change

President Joe Biden's nominee to run the Environmental Protection Agency pledged to "move with a sense of urgency on climate change" and other priorities, while working with lawmakers from both parties to protect the environment.

Michael Regan told a Senate committee that under Biden the EPA "will stand up for environmental justice and equity" and will collaborate with business and community groups, state and local governments and others "who know their own communities better than the federal government ever could."

Under questioning from Republican senators, Regan vowed to "follow the law, not exceed my statutory authority" to complete major new regulations on power plants, automobile tailpipes, mercury emissions and waterways — all of which will likely face strong GOP opposition.

"We will work transparently with responsible industries eager to establish clear, consistent rules of the road," Regan said, and "work in partnership with Congress, leveraging your expertise ... as we strive to build healthier communities."

Regan, who has served as top environmental regulator in North Carolina since 2017, would be the first African American man to run the EPA. He made a name for himself in his home state by pursuing cleanups of industrial toxins and helping low-income and minority communities significantly affected by pollution.

If confirmed by the Senate, Regan would take over the EPA after four years in which former President Donald Trump sought to weaken or eliminate dozens of key public health and environmental protections for clean air, water and climate-changing carbon pollution.

Regan, 44, spent nearly 10 years working at EPA under presidents of both parties. He called it "the honor of a lifetime to be asked to return" to lead the agency.

Known as a consensus builder, Regan said that throughout his career, "I've learned that if you want to address complex challenges, you must first be able to see them from all sides and you must be willing to put yourself in other people's shoes."

That commitment to bipartisanship was evident, as Regan was enthusiastically introduced by North Carolina's two Republican senators, Richard Burr and Thom Tillis. Burr called Regan "extremely qualified," while Tillis said Regan was someone lawmakers "can rely on to be fair."

In North Carolina, Regan led negotiations that resulted in the cleanup of the Cape Fear River, which has been dangerously contaminated by industrial chemicals known as PFAS. They sometimes are referred to as "forever chemicals" because of their longevity in the environment and have been associated with increased risk of cancer and other health problems. With Duke Energy, Regan negotiated what North Carolina says was the largest cleanup agreement for toxic coal ash, a by-product of coal-fired power plants.

Regan told senators he learned the importance of preserving the outdoors while hunting and fishing with his father and grandfather in rural North Carolina. "Those beautiful waters and land are a legacy they were proud to share with me, but also taught me that protecting them was my responsibility as well," he said.

Biden has vowed to focus on environmental justice as a core part of his climate and en-

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## Biden EPA Nominee Vows 'Sense of Urgency' on Climate Change

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vironmental strategy, and Regan said he was eager to do his part. And there's a personal element: Growing up, Regan had a respiratory condition that required him to use an inhaler, a consequence of heavily polluting factories and power plants in Eastern North Carolina.

"I will never forget looking into the eyes of Amy Brown, the mother of two boys, as she told me she could not let her sons play in the bathtub or the pool in the backyard for years because they were required to live on bottled water after the Dan River coal ash spill," he said. As he gave his son Matthew a bath with fresh tap water, "I vowed this story would have a happier ending for Amy and her two sons."

Sen. Tom Carper, D-Del., the incoming chairman of the Senate Environment and Public Works Committee, called Regan "the right person to lead EPA during this critical time in our nation's history."

Carper said it was "no secret that the next EPA administrator has his work cut out for him." In addition to addressing serious environmental issues — especially climate change — Regan will be tasked with rebuilding an agency "badly damaged in recent years by flawed leadership" under Trump and "suffering from organizational drift and low morale," Carper said. "One of the keys to accomplishing this will be restoring scientific integrity as the foundation of policymaking at EPA. Michael Regan understands this well."

While vowing to "look forward," Regan said under questioning from Sen. Sheldon Whitehouse, D-R.I., that he would do a "damage assessment" of the EPA under Trump. Hundreds of scientists left the agency as Trump's administration rolled back regulations and undercut climate work.

West Virginia Sen. Shelley Moore Capito, the top Republican on the environment panel, questioned whether Regan can be effective, saying he and other Cabinet officials tasked with addressing climate change "are going to be tripping over each other," while facing likely interference from two high-profile White House climate advisers, former EPA administrator Gina McCarthy and former Secretary of State John Kerry. McCarthy serves as domestic climate adviser while Kerry is a special climate envoy. The pair led a White House news briefing last week outlining Biden's priorities on climate change.

"Who is really going to be making decisions?" Capito asked. She complained that "unelected and unaccountable" climate "czars" such as Kerry and McCarthy would wield real power while avoiding public and congressional scrutiny. McCarthy in particular clashed with GOP lawmakers during her tenure at EPA.

Regan told Capito he anticipates "healthy debates" on a variety of issues, adding that he reports to the president, not White House advisers.

In a related development, Jennifer Granholm, Biden's nominee to be energy secretary, won approval from the Senate energy panel.



## Buttigieg Confirmed as DOT Secretary as Infrastructure Plan Looms, ENR

After easily winning Senate confirmation, new U.S. Transportation Secretary Pete Buttigieg is expected to take on a prominent role in President Joe Biden's expected push for a massive economic recovery plan, including a sizable increase in federal infrastructure funding.

The critical hurdle now, as has been true over and over in the past, will be figuring out how to pay for the program—and convincing Congress to sign on to a revenue-raising plan.

Industry officials say Buttigieg's skills, popularity as a former presidential candidate and transportation knowledge gained as mayor of South Bend, Ind., make him a solid choice as point person for the administration's drive for a recovery/infrastructure program.

Steve Hall, American Council of Engineering Companies senior vice president for advocacy, says, "He's a very articulate leader, understands infrastructure at a very granular level [and] as mayor, understands what it really means in terms of local economies."

### Bipartisan Vote

Buttigieg, a Democratic presidential hopeful last year, won Senate confirmation on Feb. 2 on a strong 86-13 vote. That vote made him the first openly gay Cabinet nominee to gain Senate confirmation.

All 13 "no" votes were Republicans. But Buttigieg did receive votes from 36 GOP senators—more than 70% of their contingent. That may bode well for administration legislative initiatives in the transportation sector. "It's an encouraging start," says Hall.

Buttigieg will have to hit the ground racing. Biden has said he plans later in February to unveil his Build Back Better recovery plan, including what he has called "historic investments in infrastructure."

### Highway-transit Deadline

The largest component in the recovery plan's infrastructure sections is almost certain to be surface transportation—highways and transit. Increased spending will require additional revenue.

As Congress and the administration eye the prospect of the Building Back Better proposal, they face a ticking clock for surface transportation. The current authorization measure expires on Sept. 30.

There's a further complication. As Sean O'Neill, Portland Cement Association (PCA) senior vice president for government affairs, notes, the Highway Trust Fund—a prime source of highway and transit funding—"is facing an all-too-familiar dilemma, which is insolvency."

Michael Johnson, the National Stone, Sand & Gravel Association's president and chief executive officer, sees a two-part challenge ahead. Johnson said in a statement that highways and bridges are "the economic circulatory system for our nation." He added, "Therefore it is key to have a long-term Highway Trust fund plan in future infrastructure proposals and solve the [near-term] financial issues of the ... trust fund."

### Search for Revenue



## Buttigieg Confirmed as DOT Secretary as Infrastructure Plan Looms, ENR

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O'Neill says, "How we end up paying for [the next surface transportation] bill is, I think, lingering over all of us— but in particular it's lingering over the administration and the Congress."

O'Neill adds that, based on Buttigieg's comments at his Jan. 21 confirmation hearing, "We're encouraged by his acknowledgement of the need to find revenue, and I think, the willingness to work with Congress to do that."

### DOT Team

Buttigieg lacks experience on Capitol Hill or at U.S. DOT. But Ray LaHood, U.S. Transportation Secretary for the opening years of the Obama administration, said, "The team that [Buttigieg] is assembling to serve with him at the department brings deep knowledge of both policy and process that will pay dividends in crafting a visionary and robust infrastructure plan."

For example, Biden's nominee for DOT deputy secretary is Polly Trottenberg, who formerly had been Commissioner of the New York City DOT for seven years. Earlier, Trottenberg was the U.S. DOT Under Secretary for Policy in the Obama administration. Before that, she was an aide to Sens. Chuck Schumer (D-N.Y.)— now the incoming majority leader—former Sen. Barbara Boxer (D-Calif.), and the late Sen Daniel Patrick Moynihan (D-N.Y.).

The administration has named many others to sub-Cabinet DOT posts who have experience at the department or state and regional agencies, private industry and on Capitol Hill.

### Media-savvy

Buttigieg may be able to bring infrastructure to a wider audience. For example, the night before his Senate hearing, Buttigieg appeared on NBC's "Late Show Starring Jimmy Fallon," not the usual venue for DOT nominees. He also has 3.3 million Twitter followers.

Jeff Urbanchuk, ACEC vice president for communications and marketing says, "There are few Cabinet members as telegenic and savvy about the media as Buttigieg is." He says, "If you're trying to sell Build Back Better to an outside-D.C. audience, he's a great person to have."

But PCA's O'Neill says that before the administration tackles the recovery/infrastructure proposal, it is focusing on passing a coronavirus relief package. Biden has proposed a \$1.9-trillion plan. A group of 10 GOP Senators have released a \$618-billion counterproposal.

Biden invited the 10 lawmakers to the White House for a Feb. 1 meeting. But Democratic leaders, whose party narrowly controls the House and Senate, have moved toward a possible legislative vehicle for the \$1.9-trillion plan that would require simple majorities in each chamber.

Neither the Biden nor the Republican senators' proposals has much, if any, direct construction funding.

O'Neill says that whatever the final COVID-19 relief bill's shape is "will determine the next steps." He adds, "And that will be what is likely an infrastructure and climate package."



## Oil and Gas Workers Say They Feel 'Betrayed' by Biden admin: Keystone Pipeline 'Ripped Out from Under Us'

Longtime oil and gas industry workers David and Kristina Dickerson are criticizing President Joe Biden's executive order canceling the Keystone XL Pipeline. They say the order, which displaced them from the project, is threatening their economic stability.

"I feel pretty betrayed," David, who has worked in the oil and gas industry for 31 years, said Wednesday morning on "Fox & Friends."

The president signed an executive order in January revoking the March 2019 permit for the Keystone XL Pipeline. The project was expected to create approximately 13,000 high-paying union jobs in the U.S. and Canada, according to an October 2020 report.

David told Steve Doocy the cancellation of the project has compounded the financial struggles his family had already been facing.

"We've had to actually dip into our retirement and our 401k, just trying to survive until something like this come up," David said. "We've been depending on this to happen and it just all of a sudden got ripped out from under us and we're not going to be able to do it now."

Three of the couple's four children also work in the oil and gas industry, Kristina said.

Kristina said the jobs created by the pipeline would have been an economic boost for individuals, communities and the government.

"It could put money in our pockets," Kristina said. "The communities that we work in on the pipelines, it would be a big boost to their economy. And the taxes from these lines would go back into the government pockets. So it would be a win-win."

David said the industry should evolve in order to address environmental concerns, but that doing so requires a more gradual approach.

"It's a good thought, but it's not a well-thought-out plan. They haven't got it perfect," David said. "And we're still dependent on fossil fuel. We're going to use this crude oil no matter what."

Kristina said no one has reached out to her or her husband about alternative jobs in the energy industry. Even if an alternative job is proposed, David said he would have difficulty transitioning this late in his career.

"This is about all I know how to do besides farming," David said.

"I'm fifty three years old, and it's too late for me to start over again," he added later. "But it's way too early for me to retire."



## Reuters: U.S. Refiners Talk Up Renewable Projects After a Year of Lousy Fuel Demand

Following a year of grim losses amid pandemic lockdowns that dented demand for fuel as people stuck close to home, the largest U.S. independent refiners are promoting plans to boost production of renewable fuels.

Renewable fuels represent a silver lining for refiners under threat of being left behind by the shift to electric vehicles and away from fossil fuel processing. As the big refining companies in recent days reported year-end results, executives devoted plenty of time to discussing how they will create fuels that emit fewer emissions that contribute to global warming.

“Renewables is the hot topic, and I think we’re in a real good position to put ourselves in a good spot there,” Marathon Petroleum Chief Executive Mike Hennigan said on an earnings call Tuesday.

Marathon reported losses of \$12.2 billion for 2020. Hennigan said the company isn’t clear what gasoline and diesel demand will be post-pandemic.

The company is currently converting its Martinez, California, refinery to renewable fuels, with plans to spend nearly all of its \$350 million 2021 renewables budget on that refinery, which was idled last year.

Marathon’s Dickinson, North Dakota, refinery, started producing renewable fuels sold in California late last year.

Currently, refiners make the most money selling into California as the state’s low carbon fuel standard encourages the production

of renewable diesel, which is subsidized by federal and state policies.

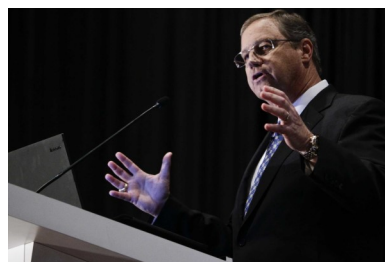
Notably, renewable diesel was the only segment that turned a profit for Valero Energy in 2020. The company, the second largest independent U.S. refiner, lost \$1.4 billion for the year, but its renewable diesel segment posted a \$638 million profit.

“The reality is that cleaner fuels are going to be part of the future. ... The internal combustion engine is far from being extinct,” Valero’s chairman and CEO, Joe Gorder, said on an earnings call last week.

Valero and partner Darling Ingredients are planning a \$1.45 billion facility in Port Arthur, Texas, that will be able to process 1.2 billion gallons of renewable diesel per year from sites in Texas and Louisiana.

Phillips 66 reported results on Friday, posting a \$4 billion loss for 2020. It, too, talked up its plans to produce renewable fuels at its former Rodeo refining plant in San Francisco, and a joint venture with Ryze Renewables in Nevada to produce renewable diesel.

“We want to participate in energy transition. We want to do it where we can invest and earn returns that are above our weighted average cost of capital,” said Greg Garland, Phillips 66 chairman and CEO.



## CFO; OPINION: Moving Beyond ‘Survive-at-All-Costs’ Mode

If 2020 taught us one thing, it's that agility is not as hard as everyone thought it was. When pressed, many major companies with complex supply chains, global geographic footprints, and entrenched systems and processes were able to pivot, retool, and reinvent themselves in a matter of weeks. The challenge has not been quickly adjusting course; it's been finding a way to maintain some semblance of profitability in the process.

We see this hard truth reflected now, as we enter the tenth month of operations in the “new normal” business environment with corporate earnings for the S&P 500 projected to decline 1.6% in the fourth quarter. Peel back the layers of those financial filings and you'll see a familiar refrain: large corporations have been wildly successful in transitioning employees to work-from-home models; touchless, digital-first customer channels have been resonating with consumers; and strategic pivots into new models have shown promise. But these efforts have also been very expensive.

The dirty little secret of many businesses' pandemic strategies has been to implement stopgap solutions and survive-at-all-costs operational tweaks. Those helped them retain clients in the short-term but are not sustainable enough to maintain over a prolonged period of heightened volatility. They were agile, but they weren't resilient.

What we're learning as the crisis drags on is that businesses must be prepared not just for a second, third, or even fourth wave of COVID-19 but rather for a future of fast-paced, unpredictable change that will continue in a post-COVID-19 world. And that's going to require more than just agility alone.

Agile strategies need to be buttressed by an approach to sustainability that supports the company's ability to stay nimble without starting over from scratch every time the economic tides change. Based on my firm's work with dozens of multinational businesses the past several months, I've found three key ingredients common in companies that are striking that balance: data-enabled decisioning, a robust, cloud-based infrastructure, and cultural adaptability.

### Cultural Adaptability

The crucial final piece of the puzzle is something you cannot buy. It's the ability to accept that everything is fluid and things will likely stay that way for the foreseeable future. Companies that rigidly cling to the old ways of doing things and place their bets for tomorrow based on what is true today will be left behind.

New research suggests that companies with strong, strategically aligned cultures that have the capacity to adapt quickly to dynamic environments earn 15% more in annual revenue than less adaptable peers. Maintaining that culture can be tough in a world where large swaths of workforces are operating out of their spare bedrooms. But we are already seeing examples where companies are leaning into this new reality, adopting more flexible work models that workers have wanted for some time. Accordingly, they see higher levels of productivity and increased diversity in their workforces, strengthening their cultures along the way.



## Texas Fights Biden Policies



Texas Governor Greg Abbott announced that he has issued an executive order relating to the protection of Texas' energy industry from federal overreach.

Under the order, Abbott directed every state agency to use all lawful powers and tools to challenge any federal action “that threatens the continued strength, vitality, and independence of the energy industry”.

“Each state agency should work to identify potential litigation, notice-and-comment opportunities, and any other means of preventing federal overreach within the law,” Abbott stated in the order.

“This executive order supersedes all previous orders in conflict or inconsistent with its terms and shall remain in effect and in full force unless it is modified, amended, rescinded, or superseded by the governor,” he added.

In the order, Abbott noted that regulators can act sensibly to ensure safe and efficient operation by the energy sector in Texas and elsewhere but warned that regulatory overreach can damage the stability of the Texas economy and the livelihoods of countless Texans.

Abbott outlined that the energy industry is vital to economic growth in the state of Texas, employs hundreds of thousands of Texans and produces billions of dollars in taxes and royalties to the state. The governor went on to note that the continued success of Texas' energy industry will aid a smooth recovery from the Covid-19 disaster, both in Texas and across the country, because Texas is the economic engine of America and the source of her energy security.

U.S. President Joe Biden signaled “extreme hostility” toward the energy industry by rejoining the “job-killing” Paris Agreement and signing Executive Order 13990, which revoked the permit for the Keystone XL pipeline, Abbott highlighted in his order. He also outlined that order 13990 directed the U.S. Environmental Protection Agency to rescind its 2020 methane rule “as an apparent prelude to burdensome new regulation of the energy industry’s emissions in Texas and in sister states” and warned that more and greater threats to the Texas energy sector seem imminent “as President Biden embraces Green New Deal policies”.

A fact sheet released by the White House last week noted that Biden has set ambitious goals that will ensure America and the world can meet the urgent demands of the climate crisis, while empowering American workers and businesses to lead a clean energy revolution that achieves a carbon pollution-free power sector by 2035 and puts the United States on an irreversible path to a net-zero economy by 2050. In remarks made before signing executive actions on tackling climate change, U.S. President Biden said, “it’s not time for small measures”, adding that “we need to be bold”.

Prior to Abbott’s executive order announcement, he held a roundtable discussion in Odessa, Texas, with energy workers, leaders, and advocates on how the state can continue to support the energy industry and its workers and ensure a more prosperous future for Texas. Abbott was elected in 2014 as the 48th Governor of Texas. Prior to his election, he was the 50th and longest-serving Attorney General of the state. He has also previously served as a Justice on the Texas Supreme Court and as a State District Judge in Harris County.

## Exxon, Chevron CEOs Discussed Merger

The chief executives of Exxon Mobil Corp. and Chevron Corp. spoke about combining the oil giants after the pandemic shook the world last year, according to people familiar with the talks, testing the waters for what could be one of the largest corporate mergers ever.



Chevron Chief Executive Mike Wirth and Exxon CEO Darren Woods discussed a merger following the outbreak of the new coronavirus, which decimated oil and gas demand and put enormous financial strain on both companies, the people said. The discussions were described as preliminary and aren't ongoing but could come back in the future, the people said.

Such a deal would reunite the two largest descendants of John D. Rockefeller's Standard Oil monopo-

ly, which was broken up by U.S. regulators in 1911, and reshape the oil industry.

A combined company's market value could top \$350 billion. Exxon has a market value of \$190 billion, while Chevron's is \$164 billion.

Together, they would likely form the world's second largest oil company by market capitalization and production, producing about 7 million barrels of oil and gas a day, based on pre-pandemic levels, second only in both measures to Saudi Aramco.

But a merger of the two largest American oil companies could encounter regulatory and antitrust challenges under the Biden administration. President Biden has said climate change is one of the biggest crises the country faces.

In October, he said he would push the country to "transition away from the oil industry."

He hasn't been as vocal about anti-trust matters, and the administration has yet to nominate the Justice Department's head of that division.

## Buoyed by Keystone XL, Pipeline Opponents want Biden to Act, AP

After President Joe Biden revoked Keystone XL's presidential permit and shut down construction of the long-disputed pipeline that was to carry oil from Canada to Texas, opponents of other pipelines hoped the projects they've been fighting would be next.

The Biden administration hasn't specified what action it might take on other pipelines, but industry experts doubt there will be swift changes like the one that stopped Keystone. They say the Keystone XL move on Biden's first day fulfilled a campaign promise and was symbolic for a president who has made climate change a national security priority and has called for a dramatic increase in cost-competitive renewable and clean-burning energy.

"I think generally we can expect more rigorous environmental reviews, more scrutiny and so forth. But I would be very surprised if Biden were to take any action of the executive order type," said Ben Cowan, an environmental law attorney who advises clients on permitting for pipelines and other energy projects.

A look at some other high-profile pipeline projects and what actions Biden might take:

### DAKOTA ACCESS

Opponents of the Dakota Access pipeline, which carries oil from North Dakota to a shipping point in Illinois, want Biden's U.S. Army Corps of Engineers to shut it down.

A federal appeals court ruled last week that the project must undergo a more thorough environmental review, known as an environmental impact statement, but it declined to shut the line down while the review is completed.

Texas-based pipeline owner Energy Transfer maintains the line is safe. But pipeline opponents say the ruling means it is operating with an invalid permit.

The Army Corps faces a Feb. 10 hearing where it must tell a federal judge how it expects to proceed without a permit granting easement for the

1,172-mile (1,886 kilometer) pipeline to cross beneath Lake Oahe, along the Missouri River. The Standing Rock Sioux, who draw water from the river, have said they fear the line will someday fail and pollute the water and land.

"This pipeline doesn't have a permit and it's operating in violation of law and the court expects the Corps to do something about it," said Jan Hasselman, an attorney for the tribe. He said the Corps could halt the pipeline's operations until the environmental impact statement is completed.

The White House said in a statement it was re-viewing the Dakota Access decision and is committed to complying with all legal obligations, including consulting with tribal nations before making any decision that would affect tribes or their land.

The Army Corps didn't respond to a message.

### ENBRIDGE LINE 3

Opponents of the Line 3 replacement pipeline in Minnesota are stepping up pressure on Biden. More than 100,000 people have signed a petition — promoted by Democratic U.S. Rep. Alexandria Ocasio-Cortez of New York — calling on Biden to revoke a water permit. Opponents also marched Friday to the Corps' St. Paul office. Andy Pearson, the Midwest tar sands coordinator for the climate advocacy group MN350, said Line 3 is similar to Keystone XL in its makeup — it carries tar sands oil from Canada — but the federal permitting issues are similar to what Dakota Access faces.

Line 3 starts in Alberta and clips a corner of North Dakota before crossing northern Minnesota en route to Enbridge's terminal in Superior, Wisconsin. The 337-mile (542.35-kilometer) line in Minnesota is the last step in replacing a deteriorating pipeline built in the 1960s. The replacement will follow a different route in some places and carry more oil.

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Pearson and others said revocation of Line 3's presidential permit at the U.S.-Canada border is unlikely because the line is already in place there. Instead, opponents are targeting the line's federal water permit, saying in a lawsuit that the Corps failed to address environmental issues or conduct a federal environmental impact statement when the permit was granted.

Pearson said Biden should put the pipeline on hold and make sure a thorough environmental review is done.

Enbridge Energy said Biden's decision on Keystone will have no impact on Line 3 or a similar Line 5 project in Michigan. Unlike the Keystone project, lines 3 and 5 are currently operating, the company said, and the Line 3 replacement was ordered by a consent decree during Obama's administration.

### LINE 5

Line 5 is part of Enbridge's Lakehead network, which carries oil and liquids used in propane from western Canada to refineries in the U.S. and Ontario. Line 5 moves about 23 million gallons (87 million liters) daily from Superior, Wisconsin, to Sarnia, Ontario, traversing parts of northern Michigan and Wisconsin.

Enbridge wants to replace the section beneath the Straits of Mackinac, which connect Lake Huron and Lake Michigan, with a new pipe housed in a tunnel that would be drilled beneath the straits.

Pipeline opponents want Biden to publicly support Michigan Democratic Gov. Gretchen Whitmer's order to shut down the existing pipeline in May. Whitmer says the company violated the terms of a 1953 easement that allowed the line on the lake's bottom. Enbridge is fighting her order in court.

Opponents also want the Corps to reject Enbridge's application for a permit to build the proposed tunnel, and they are seeking a full environmental review. Corps officials previously

said they were studying how Whitmer's order might affect their review of Enbridge's application.

### MOUNTAIN VALLEY

The Mountain Valley Pipeline is a natural gas pipeline that would run about 300 miles (483 kilometers) from northwestern West Virginia to southern Virginia. Some sections of it are under construction but others are blocked because of court disputes over federal permits.

David Sligh, conservation director for Wild Virginia, said leaders of the Bureau of Land Management, Forest Service and Fish and Wildlife Service have to decide how they will handle legal challenges to permits approved during Trump's administration. Meanwhile, Mountain Valley Pipeline is seeking individual Corps permits to cross numerous bodies of water — after one broad permit was stalled in court. Sligh's group is hopeful that the Corps will reject the new applications.

Agency leaders, he said, work "directly for the president and they have a responsibility to show they are doing what is in the broader public interest rather than the fossil fuel interest."

Mountain Valley spokeswoman Natalie Cox said regulators and courts have thoroughly scrutinized the pipeline and that natural gas "is needed as part of the transition to a lower-carbon economy."

Cowan said Mountain Valley could come under even more scrutiny because the man Biden picked to lead the Environmental Protection Agency, Michael Regan, expressed opposition to the project when he led the North Carolina Department of Environmental Quality.

"It just faces a lot of headwinds in its permitting process generally," Cowan said. "And the regulatory climate is certainly not going to be any kinder to it now than it was."







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