SSDA
SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

SSDA News

Service Station Dealers of America and Allied Trades

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Unprecedented Times in Washington

By Roy Littlefield

As we head into a unique fall legislative season and a paramount November election cycle, to say that there is a lot going on in Washington these days would clearly be a woeful understatement.

As the COVID-19 pandemic unfortunately continues on, SSDA-AT continues to respond to member requests on a daily basis.

Our vast membership is facing different issues in different parts of the country and we continue to adhere to those concerns. SSDA-AT remains active in a variety of coalitions dealing with recovery and response and we have signed onto and lead over two dozen industry letters over the past three months as we seek solutions and help for the industry.

As we adapt to this new reality, we continue to update members on federal legislation and new regulations in our weekly legislative updates.

There are a number of pieces of legislation that are must pass and have looming deadlines in the fall, including the National Defense Authorization Act, a surface transportation package, the Water Resources Development Act, and spending bills to keep the government open past September 30th.

In addition to coronavirus relief, Congress is also attempting to take on the not-so-small task of trying to pass an infrastructure funding bill in advance of September 30th when federal highway, rail and transit programs are set to expire.

House Democrats have recently passed a large infrastructure package to reauthorize surface transportation program and fund a number of infrastructure projects which proponents say will create jobs.

Although the House passed the package, it was largely along party lines and given the overall cost of the bill, as well as certain provisions related to the application of state wage rates to federal contractors and clean energy incentives, sets the bill's chance of passage in the Senate to slim to none.

The only thing that seems certain these days is that the few months remaining before the elections will be a busy and tumultuous time made no less complex by the increased partisanship that inevitably precedes the national elections.

Having said that, it is becoming clear to even the most partisan members of the Congress that only bills with bipartisan support will make it to the President's desk.

In a legislative victory for SSDA-AT, both the House and Senate unanimously passed S. 4116, which the President signed into law. SSDA-AT strongly supported the bill.

The sole purpose of this short but important piece of legislation is to extend the deadline for eligible businesses to apply for a Paycheck Protection Program (PPP) loan. Despite the initially high demand for PPP loans, which prompted Congress to pass increased funding for the program just weeks after it was established, the SBA has reported that there is still approximately $130 billion left in available PPP loan funds.

The CARES Act, which established the PPP loan program, set June 30, 2020 as the end date for businesses to request a PPP loan. At the time Congress passed the CARES Act, the members certainly did not anticipate the continued level of impact that the coronavirus would have through the summer.

This legislation extends the PPP loan application deadline through August 3, 2020 giving businesses more time to access the PPP loan funds if they have not done so already.

As a reminder to our members – SSDA-AT is seeking your input on which top priorities we should be advocating in the latest round of negotiations for COVID-19 relief, infrastructure funding, and other important issues facing the industry.

SSDA-AT plans to remain involved in the fury of action expected from Congress in the coming months and we will continue to update you.

Four Best Practices for Marketing in The Pandemic

The arrival of COVID-19 has changed the entire landscape for tire dealers, from traditional selling venues to the way leads are generated and deals are closed. In the space of two weeks this past March, more than 155-million Americans went into lockdown and began practicing social distancing. Although the national lockdown of this past spring has ended, staged restriction levels, an emphasis on social distancing, and other containment measures aimed at slowing the spread of the virus have radically altered people's daily routines.

One of the responses we've seen is how consumers are approaching this period of isolation and uncertainty and the huge changes in their shopping behaviors. With some studies showing a surge of up to 50% in Internet usage, the result has been a massive migration to online engagement that has happened almost overnight.

Thriving in The New Normal

Although we are in the early phases of re—opening the economy, most experts are predicting a bumpy ride for the foreseeable future. If infections or crowd sizes spike, new lockdowns will be imposed, and many buyers will lean more heavily on internet research to narrow their choices of dealers and models. As online shopping becomes the "new normal" in terms of consumer behavior, optimizing your ability to engage prospective buyers through virtual channels will be critical to your continued success.

This creates a unique opportunity to upgrade your virtual marketing and sales operations because every lead matters and dealers need to convert as many prospects as possible. Here are four ways in which you can respond and thrive in the new normal:

Responsive Website Design

Your website is the heart of your e-commerce operation, but much of today's browsing happens on mobile devices such as phones and tablets with different screen sizes. For example, Apple and Samsung alone are currently selling products with more than 30 different screen sizes! Mobile-based web traffic has accounted for 50% of all online browsing since 2017 and 57% of shoppers say they won't recommend a dealer if their website isn't mobile friendly. Responsive design is an approach to web page creation that allows you to have web pages that automatically detect the visitor's screen size and orientation and change the layout accordingly to provide a seamless browsing experience. This allows you to connect with prospective buyers no matter where they are or what device they are on.

Right now, Michelin is leading the way in offering dealers extra marketing funds if they start investing in their ecommerce operations and many manufacturers are moving towards including extra online support in their dealer programs.

To drive more qualified leads both in-store and online, your website should have the following features:

Mobile Device Optimization: Responsive content adjusts to a prospect's screen size, allowing them to shop anywhere, anytime, from any mobile device

Optimized Lead Forms: Make it as easy as possible for interested buyers to get in touch and submit their information so you don't lose any leads. Optimized tools like Lead Manager allows you to identify customers who haven't visited recently or didn't convert to enable targeting with a service promotion to get them back in the door

Automated Drop-Off Forms: Allow customers to quickly check-in prior to their appointments as an initial point of online contact to make your "No Touch Retail" program easy and accessible while delivering social distancing as a safety measure

Optimized Online Security: Responsive designs always have a safe, encrypted connection for the security of your dealership and your customers alike

ADA Accessibility: Ensures that your web content will meet all legal requirements to be accessible to the blind, deaf, and those who must navigate by voice, screen readers or other assistive technologies.

Messaging Optimization

It's critical to let prospects know how you are coping with COVID-19 and ensuring their safety. A banner on your homepage can let folks know when you are open and what precautions you have in place to protect them and your employees. Many dealers are emphasizing a new "No Touch" or "Contactless" sales capability that lets shoppers purchase online. This can take the form of after-hours drop off services, curbside pick-up or a vehicle pick-up and drop off service that stresses adherence to CDC safety guidelines. Offering a coupon or discount is a great way to drive online traffic and remind customers how safely they can do business with you.

Also be sure to review your current campaign planning and discard any efforts that do not align with the current regulations or restrictions in your area. Then update all online ad/promo copy to reflect any new OEM offers and make sure all product data, images, and marketing text are accurate.

Beyond the messaging, it's critical to let shoppers know that they can reach you through multiple channels and get a quick response. A great way to do this is to offer the option to chat with sales staff via Facebook Messenger, WhatsApp, or any other instant messaging platform. You can also offer shoppers video conferencing through Skype or FaceTime to deliver that "face-to-face" experience without having to leave the safety of their home. Naturally, features like these should be emphasized on both your site and across your social media platforms.

Social Media and Online Reviews

The importance of social has exploded in the last few years and you can be sure all your customers are already on the major platforms like Facebook and Twitter.

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But given how quickly the coronavirus has expanded internet usage, there's a new level of usage frequency as people check for updates in their city and state. This creates an opportunity to gain added exposure for your dealership, so be sure to simultaneously post the same COVID-19 messaging outlined above on all your social channels and Facebook business page when you update any messaging on your website. Since people always remember those who stood by them in difficult times, you can also use social to be a resource to the community by reposting the latest updates from Federal, State, and City officials.

Also, be sure to monitor all online reviews on other social sites like Yelp or Google and engage users wherever possible. User reviews are one of your most effective online marketing tools and recent research indicates that 70% of consumers seeking to buy tires begin with evaluating the market and models through search engines to evaluate models, performance, and dealer experiences through user reviews. If you respond to a negative review, be sure to keep your tone professional, positive, make all response short and to the point, and always remember to thank the reviewer for their business and feedback. This is a great way to build a brand voice for your dealership and, once the issue has been resolved, don't be shy about asking the reviewer to update their initial posting.

SEO and SEM

Search Engine Optimization (SEO) increases your platform visibility on search engines such as Google and drives more traffic to your dealership's website. It's critical because 90% of searchers don't go past page one of search engine results for any query they've made, and 60% of organic traffic goes to the top three listings.

When it comes to finding a dealership, 97% of online users perform a search to find local businesses. To compete in an ever-changing digital market, it's crucial to build SEO into your marketing strategy with features such as:

High-Value, Targeted Keywords: Unique, keyword-rich content increases site rankings in relevant searches

Streamlined Business Listings: Consistency across business listings helps customers find your dealership

Create a YouTube Channel: YouTube is the second largest search engine outside of Google and 72% of consumers would rather watch a video to learn about it than read text.

While SEO is the foundation of your online marketing, Search Engine Marketing (SEM) is what can turbocharge it through paid search ads. Since paid search ads drive traffic to your website and directs visitors straight to your service and inventory pages, SEM dramatically improves visibility of your business online while boosting your lead conversion rate.

SEM not only helps with your organic SEO on all the key search engines but allows you to extend your messaging and visibility across a variety of online platforms to create a 360-degree. Key SEM best practices include:

Pay-Per-Click Ads

Pay per click (PPC) has become one of the most popular and effective marketing channels. It offers a level playing field for all companies, regardless of their size to advertise to the world.

If you have the budget, you can create a PPC marketing campaign to do anything from promoting specials, highlighting your COVID-readiness, to lead generation to drive more sales. PPC ads appear in the top search engine slots with paid ads and you pay for the space only when a user clicks thru to your site

Video Ads

If you haven't invested in video, now is the time to begin experimenting with and build video assets. As the customer journey for car buyers moves deeper in virtual channels, video will play an increasingly bigger role in your marketing mix. According to data from Facebook, 79% of all users claim they would rather watch a video to learn about a product than reading text on a page and product videos have proven to increase tire sales by nearly 15%.

Plus, video clips can also supercharge your social marketing efforts! A great way to start is to launch compelling ads on traffic-heavy video platforms through pre-, mid-, or post roll placements in popular video or streaming clips.

Dynamic Remarketing Ads

Re-engage previous visitors as they browse across the web and bring them back to your site with ads that reflect past searches and areas of interest. Since there is so much comparison shopping going and it's such a key component of the buying process it is important to not lose new leads in the early stages of a prospect's search. Sending out reminders who have already engaged through intriguing display ads is a great way to ensure no leads fall out of the funnel. Try showing them a deal or a specific offer to get them to connect with your sales team.

As online shopping becomes the "new normal" in terms of consumer behavior, optimizing your ability to engage prospective buyers through your virtual channels will be critical to your continued success.

This article was created by the team at Net Driven. Learn more about Net Driven digital marketing solutions by visiting www.netdriven.com.

U.S. Crude Output to Decline Less Than Previously Forecast in 2020: EIA

U.S. crude oil production is expected to fall by 600,000 barrels per day (bpd) in 2020 to 11.63 million bpd, the U.S. Energy Information Administration (EIA) said, a smaller decline than the 670,000 bpd it forecast previously.

The agency now expects U.S. petroleum and other liquid fuel consumption to drop 2.1 million bpd to 18.34 million bpd in 2020, a smaller decline than its previous forecast for a drop of 2.4 million bpd.

Oil prices collapsed this year as the coronavirus pandemic slammed global demand and restricted travel across the world. Demand worldwide has started to recover as some countries ease lockdowns and stay-at-home orders.

The EIA said it expects 2020 world oil consumption to drop by 8.15 million bpd to 92.89 million bpd, a smaller decline than the 8.34 million bpd previously forecast.

Drilling Down: Cowboys Owner Jerry Jones Goes Drilling for Natural Gas in East Texas

Comstock made a power play in the Haynesville last year after buying rival Covey Park Energy in a $2.2 billion deal that closed in July 2019.

Permian Basin

Dutch oil major Shell continues plans to drill four new horizontal wells in an area of West Texas known as the Delaware Basin. Located in Loving County, the four wells target the Phantom field of the Wolfcamp geological formation to a depth of 12,000 feet.

Leaders Say USMCA Aiding Border Industries' Recovery From Pandemic

The new United States-Mexico-Canada Agreement (USMCA) is already proving that keeping trade flowing through North America benefits all three nations, according to Ruth Hughs, Texas secretary of state.

"[Texas] would not be the economic powerhouse that we currently are without our trading partners in Mexico and in Canada," Hughes said during a panel discussion, "USMCA implementation and the importance of regionalism," on Thursday.

The panel was hosted by the El Paso, Texas-based Borderplex Alliance, a nonprofit focused on promoting business and economic development in El Paso, New Mexico and Ciudad Juárez, Mexico.

Along with Hughs, the panel included Rachel McCormick, Canadian consul general, and Roberto Velasco Álvarez, director-general for North America at the secretariat of foreign affairs in Mexico.

Texas' relationship with Mexico and Canada accounts for almost a million trade-dependent jobs in the Lone Star State and totaled more than $270 billion in 2019 alone, added Hughs.

"Regionalization was originally bolstered by the development of the North American Free Trade Agreement [NAFTA]. Those strong cultural and economic ties really continue to bring about a lot of mutual benefit," Hughes said.

Trade between the U.S. and Mexico totaled $615 billion during 2019, and $612 billion between the U.S. and Canada, according to census data analyzed by WorldCity. Two-way trade between Canada and Mexico totaled $44 billion in 2019.

McCormick said "reducing red tape" will be one of the keys to the USMCA's success.

"We need to be making sure we're preparing for the economy of the future," McCormick said.

McCormick added that the energy sector is a "great example" of how integration and regionalism among the U.S., Mexico and Canada can work if red tape is reduced.

"The amount of trade between our three countries in the energy sector is really demonstrative of how regionalization has brought security and prosperity," McCormick said. "The last five years, we've done some really concrete work in terms of integrating our information systems. Before, all of our data didn't match up, or our mapping and pipeline transmission lines and things like that didn't match up."

McCormick cited U.S. crude peaking at 2.1 million barrels per day in 2005 as an example of how systems and implementation have improved.

"Forty-eight percent of that oil was coming from OPEC and 16% from Canada. Just last year, 56% came from Canada and 22% came from OPEC. I think that's a really concrete example of how we have worked together to build the infrastructure, the prosperity and the trade that really powers our economies together," McCormick said.

For Álvarez, the USMCA means "new chapters" on the facilitation of trade, better customs practices, corruption reforms, new digital commerce laws, and new rules for small and medium-size enterprises with cross-border operations.

"Now we have new tools in the USMCA, we can work on modernizing border infrastructure between our countries to accelerate border crossings, which are very important," Álvarez said.

John Barela, CEO of the Borderplex Alliance, said the USMCA came at the right time, as it will help create a faster economic rebound from job losses created by the coronavirus pandemic.

"I really believe our region and our three countries will lead the global recovery post-COVID-19," Barela said.

Secretary of Energy: COVID-19 Brought Oil and Gas Down, but Trump is Powering a Comeback

The coronavirus pandemic dealt a heavy blow to the oil and gas industry in Texas and around the nation. The sudden decline in demand and collapse in prices, followed by job losses and company bankruptcies, has been unlike anything we have seen in decades, perhaps in the industry's history.

Since 1901, when oil was struck at Sour Spring Mound, Texas, the industry has seen its share of oil booms and busts. Around 1930, prices plummeted when Woodbine sands production soared. In the 1970s, prices soared and supplies collapsed when OPEC clamped down on global oil exports. After the 1980s bust, a boom came in the following decades as U.S. production ramped up, which led to fears of reaching "peak oil." Then came hydraulic fracturing and the shale revolution. And on it goes. History proves Texas can weather the storm.

The Texas oil and gas industry is never far from our minds at the U.S. Department of Energy. And it is never far from my mind as secretary of energy, having lived in San Antonio for 13 years and working in the energy arena for most of my career. We at DOE understand how important the industry is to the state, to local communities and to our nation. In Texas alone, the industry provides billions of dollars' worth of taxes and royalty payments — funding schools, roads and emergency services.

The Lone Star State accounted for 41 percent of America's crude oil production in 2019, along with 25 percent of natural gas production and 31 percent of oil refining capacity. That means much more than energy — it means jobs, prosperity and opportunity. We know what a source of pride it is for Texas to be America's standout energy producing state and to play such a critical role in our national security.

These are difficult times, and it's no secret to Texans: There are some who think oil and gas has little to no place in America's economic and energy future. They plan to exploit the impact COVID-19 had on the market to bury the industry once and for all, caring little for what that means for quality of life in Texas or for our nation's energy future.

The Trump administration is not among their number. We are committed to and actively investing in technologies that will benefit Texas's oil and gas industry, for we know how much it gives back to our nation.

At DOE, we are supporting this recovery through fundamental research and development that will advance our technological progress and support private sector innovation. Today, several im-

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portant projects are underway that demonstrate our dedication to the oil and gas industry in Texas.

The first is our suite of field projects around the state. Aimed at addressing the key technical and scientific challenges to more efficient production, these basin-specific research projects search for ways to increase the recovery of unconventional oil and gas resources.

Current field lab research in the Midland and Delaware basins includes drilling, hydraulic fracturing and monitoring multiple horizontal wells to optimize well spacing and completion design. Meanwhile, the Eagle Ford Shale Lab is studying stimulated reservoir volume to optimize production from fewer new wells with less material and energy use. More efficient oil and gas recovery means increased production and more competitive prices for consumers.

The oil and gas industry will likewise benefit from DOE's work on improving capabilities in carbon capture, utilization and storage — CCUS. It will play a key role in the future of our energy economy and the global energy economy. And make no mistake: This research and development race has allowed the United States to lead the world in making energy production cleaner and more efficient and will ensure that we maintain global technological supremacy.

DOE is investing in CCUS projects in Texas and elsewhere to promote economic growth, protect the environment and enhance our energy security. A recent study showed that as America accelerates CCUS deployment here at home, we open opportunities to export our technology and expertise abroad to countries that have the resources to produce energy and their own goals for reducing emissions.

Finally, DOE has advanced a policy proposal to extend liquefied natural gas authorizations through the year 2050. This proposal would provide further regulatory certainty to LNG exporters as they compete in the global market. The proposed extension would also boost investment in energy infrastructure in Texas, spur job creation and advance America's energy security goals.

Our oil and gas industry may be down, but it is never out of the fight. The president's plan to unleash innovation-driven American energy dominance will power the post-COVID-19 economic comeback, and we are already seeing signs of better days.

Texas has long fueled our nation with its abundant oil and gas supplies, and with the support of DOE investment, it will continue to do so.

House Democrats Back EPR, Other Recycling Mandates in New Climate Plan

An action plan from the House Select Committee on the Climate Crisis highlights a number of federal recycling bills and endorses extended producer responsibility (EPR) policies, among others.

Experts see the 500-plus page document, released on June 30, as an indicator of where Democrats stand on waste and recycling policy, even though they view significant legislation as unlikely to pass under President Donald Trump. The select committee has no lawmaking power and the action plan serves as a blueprint rather than legislation.

Many existing recycling bills are referenced in the plan, and a major focus is "circularity" and upgrading recycling infrastructure while overhauling processes for materials like plastics. Reducing food waste, further regulating methane emissions and upgrading wastewater treatment facilities are also stated priorities.

Jim Riley, chief counsel and senior vice president of government affairs for the National Waste and Recycling Association (NWRA), told Waste Dive his organization has been in touch over the last year and a half with several members of the select committee. He praised some components of the final proposal, but said other parts were "counterproductive," including support for the Break Free From Plastic Pollution Act, which NWRA has opposed in its current form.

David Biderman, CEO of the Solid Waste Association of North America (SWANA), said his organization is still reviewing the action plan and evaluating its potential impact on the industry. He told Waste Dive that SWANA does not think the blueprint will get much traction this year, given economic realities and the pandemic, but said that could change next year.

"It is possible that elements of the plan may get turned into legislative proposals for consideration in 2021, particularly if the Democrats win the White House and get a majority in the Senate," said Biderman.

The action plan aims for zeroing out utility greenhouse gas emissions by 2040 and reaching net zero emissions economy-wide no later than 2050. Environmental justice and labor rights are prominently emphasized, echoing the Green New Deal introduced by Rep. Alexandria Ocasio-Cortez, D-N.Y., and Sen. Ed Markey, D-Mass. in 2019.

Several of the recycling bills under consideration in Congress are singled out in the new plan, including the Save Our Seas 2.0 Act and the Zero Waste Act, along with the Break Free From Plastic Pollution Act. Lawmakers recommend Congress pass those bills and "facilitate the development of infrastructure for materials recovery and recycling." They also suggest Congress broadly throw its weight behind EPR policies, recycled content minimums, and general recycling and organics requirements, in addition to electrifying collection fleets and processing facilities.

"Congress should consider placing fees or bans on certain materials and products, prohibiting certain waste exports, and requiring holistic consideration of future material needs and associated emissions before permitting of new material production facilities," the document says, going on to recommend that standards "should aim to shift the burden of waste management and pollution from the public to producers."

The action plan says such policies should apply to "all major industrial materials" including "plastics and chemicals, iron and steel, cement and concrete, aluminum, glass, and pulp and paper."

A staffer for the select committee told Waste Dive that circular economy principles are "key strategies" for emissions reduction and cited findings by the Energy Transitions Commission showing that implementation across several subsectors, including plastics, could reduce global carbon dioxide emissions by 40% in 2050.

"Select Committee staff heard from several stakeholders in meetings and through responses to our request for information that recycling and circular economy strategies should be included in our recom-

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mendations," the staffer said via email, adding the Save Our Seas 2.0 Act and Break Free From Plastic Pollution Act played a key role in shaping the committee's recommendations.

Food waste is also prominent in the blueprint, with an emphasis on agriculture and encouraging composting, as is improving wastewater treatment infrastructure. As part of a focus on decarbonizing, Democrats back "qualified hydropower and landfill gas" as potential solutions. Others include improving community and farm access to small-scale anaerobic digestion, along with expanding waste heat-to-power technology.

Policy recommendations for the disposal of radioactive waste are also included, as well as for hazardous waste from the oil and gas industry. Singling out Superfund sites, brownfields and other toxic waste areas as being vulnerable to climate impacts, the document recommends Congress "establish financial assurance requirements" under CERCLA and increase U.S. EPA cleanup funding.

Along with legislation like the recycling bills, Democrats suggest achieving many of the goals outlined through mechanisms like carbon pricing, tax incentives and backing worker's unions. Support for hazardous waste workers and environmental justice communities is also outlined, including prioritizing the mitigation of air and water pollution.

Republicans on the select committee released a separate statement on the document voicing objections and saying "the nation is in a far different place than when the committee was formed last year" due to the pandemic. That changed reality, they say, means lawmakers should focus more on the economy and less on efforts like zeroing out emissions.

A diverse group of stakeholders have praised the plan, ranging from environmental groups like U.S. PIRG and the Environmental Defense Fund to Zurich North America, part of the Zurich Insurance Group, which called the document a "positive and significant step" in a statement. But Riley of NWRA criticized components of the proposal, including support for a national bottle bill.

"NWRA will support those sections of the action plan that make both environmental and economic sense while working to change the detrimental policies into ones that can garner broad consensus," he said.

Congressional attention has been building around recycling to an extent not seen in years, and the action plan comes as that momentum endures despite a lull due to the pandemic. A Senate hearing last month appeared to revive the upper chamber's interest in federal recycling legislation, with input from Closed Loop Partners (CLP), More Recycling, and the Consumer Brands Association.

During that hearing, CLP Managing Director Bridget Croke said her organization is supportive of efforts to spur market demand for recyclables, including tax incentives. Regarding the new action plan, Croke told Waste Dive CLP is not proactively advocating for any bills, but that engagement with lawmakers has been a priority. "What we try to do is act as experts, to help policymakers understand what type of policy could help drive more investment from the private market," she said.

The proposal has support from some powerful house members including Majority Leader Nancy Pelosi, D-Calif. House Energy and Commerce Committee Chair Frank Pallone, D-N.J., co-chair of the House recycling caucus, praised it as "hugely helpful" and said it validated the work his own committee is undertaking.

"We all agree we must enact thoughtful, ambitious policy changes to get the country to net-zero climate pollution by 2050 and build a clean economy that invests in workers and advances environmental justice," he said in a statement.

EPA Administrator Andrew Wheeler, however, panned the plan as unrealistic. In an appearance on Fox Business, Wheeler said the blueprint will "turn around the economic growth that President Trump has delivered."

ITC Votes Unanimously to Continue Tariff Investigation

The tariff investigation of passenger and light truck tires from South Korea, Taiwan, Thailand and Vietnam will continue, as the International Trade Commission has voted unanimously and said there are signs the products are being sold in the U.S. at less than fair value.

The commissioners also agreed the tires from Vietnam are being subsidized by that country's government.

The 5-0 vote by the ITC commissioners is a vote that continues the preliminary process. The U.S. Department of Commerce will continue with its investigation of anti-dumping and countervailing duties concerning the imported tires from these four countries. The Department of Commerce had valued those imports at more than $3.9 billion in 2019. The International Trade Commission estimated their collective worth at $4.4 billion.

On the day of the vote, the ITC doesn't provide details or substantiation of why commissioners voted the way they did. That will come later in a lengthy, detailed report. It's scheduled to be released on Aug. 14, the ITC says.

The investigation began in May when the United Steelworkers union filed a petition saying its domestic workers and the domestic tire industry is being harmed by the tires imported from Korea, Taiwan, Thailand and Vietnam.

The alleged dumping rates range from 5.48% to 217.50% Here's a breakdown of those rates by country. (The rates can differ from one tiremaker or importer to another within the same country.)

Korea: 42.95-195.20%

Taiwan: 20.57-116.14%

Thailand: 106.36-217.50%

Vietnam: 5.48-22.30%

Oil Industry, Accustomed To Booms And Busts, Is Rocked By Pandemic

Oil prices are low, and likely to stay that way for a while. And while low prices can be brutal for oil producers, they're also an opportunity: When the going gets tough, Big Oil often gets even bigger.

But will the pandemic-induced price collapse lead to dramatic deal-making and companies scaling up? Some analysts aren't holding their breath.

"I do believe that the golden age of the mega deals in oil and gas may be gone," says Muqsit Ashraf, who leads the energy practice for the consulting firm Accenture.

Between the short-term uncertainty of the pandemic, and the long-term uncertainty of climate change, he doesn't expect most companies to leap at the chance to expand their oil reserves.

"The new normal is going to be very different," Ashraf predicts.

A roller coaster, then the doldrums

Oil prices took an extraordinary dive this spring, at one point dropping below zero for the first time in history. That meant traders were actually paying people to take oil off their hands.

Now things have stabilized, with crude prices hovering around $40 a barrel — down from about $60 at the start of the year.

"Obviously compared to a negative number, anything would be better than that," says Jennifer Rowland, an analyst with Edward Jones. "Certainly we've come a long way."

But $40 is still too low for many U.S. producers to make a profit. And prices could stay here for a while, as a huge oil glut persists and demand remains low.

"Air travel is definitely not recovered," says Bernadette Johnson, the vice president of market intelligence at Enverus. "Even people moving in vehicles ... how many folks are driving to work again? There's some, but not the majority."

Opportunity and urgency ...

The low price of crude oil has already caused bankruptcies in the U.S. oil and gas industry, which employs about 350,000 people — down from about 500,000 five years ago.

And it should be creating an opportunity for consolidation, too. When prices are low, merging helps companies survive by allowing them to cut costs by scaling up. Mergers also become cheaper, as strong companies can suddenly buy up rivals at fire-sale prices.

Think back to 1998. If you were driving then, you might remember that gasoline suddenly got much cheaper. That was because the price of oil had collapsed — a price crash that led to a wave of mega-deals that created oil giants. BP merged with Amoco; Chevron with Texaco; Exxon and Mobil became ExxonMobil.

Some analysts say another wave of mergers is coming.

"Every time the pendulum swings this this direction and you have a dramatic market shock ... it has set the stage for consolidation," says Gianna Bern, a professor of finance at the University of Notre Dame.

Consolidation of U.S. shale producers, in particular, "seems inevitable," says Daniel Yergin, vice chairman of IHS Markit and author of the forthcoming The New Map: Energy, Climate, and the Clash of Nations. "The wild ride and lower prices in the oil market since the coronavirus pandemic began in March has made this even more urgent," he says.

... but a sea of uncertainty

But so far, companies aren't striking deals.

Andrew Dittmar, an analyst at Enverus, says mergers and acquisitions activity in the most recent quarter was remarkably low.

"There's not a lot of potential buyers out there," he says. "Management's being extremely cautious" about making acquisitions, thanks to high debt and skeptical investors.

Rowland, with Edward Jones, expects that pandemic mergers will continue to be the exception, not the rule.

"I don't expect just a kind of rampant consolidation, although it probably would be healthy for the industry," she says. Instead, she expects more bankruptcies.

There's a much larger uncertainty about the oil industry's future: Successfully fighting climate change would mean a shift away from fossil fuels. Carmakers are going electric and renewable energy is on the rise.

Now, the pandemic is raising huge questions on an even shorter time frame. How long will the pandemic last? And how might it permanently transform our energy consumption?

None of this changes the fundamental logic of combining operations. David Dell'Osso is the chief operating officer of Parsley Energy, an Austin-based shale producer that recently finished acquiring rival Jagged Peak before the coronavirus crisis struck.

Dell'Osso says scaling up has helped the company make money — even at $40 oil. The timing worked out too, he says: "I could not be happier about the fact that we're not having to try to absorb a company in the middle of a global health pandemic."

Dell'Osso says there are opportunities in this crash, and an oil bust like this typically separates viable companies from ones that can't cut it. But he's also quick to note that the crisis caused by the pandemic is hardly a typical price crash.

"This is something that literally affects everybody in every country on the globe," he says. "There's a lot that we don't know yet but ... I think this time it really is different."

The oil industry has seen many downturns before, and companies that survive a bust often go on to thrive in the next boom. But a pandemic?

"We're in uncharted waters," says Dittmar, the Enverus analyst.

U.S. Henry Hub Natural Gas Spot Prices Reached Record Lows in the First Half of 2020

In the first half of 2020, natural gas prices at the U.S. Henry Hub benchmark reached record lows. The average monthly Henry Hub spot price in the first six months of the year was $1.81 per million British thermal units (MMBtu). Monthly prices reached a low of $1.63/ MMBtu in June, the lowest monthly inflation-adjusted (real) price since at least 1989. Prices started the year low because of mild winter weather, which resulted in less natural gas demand for space heating. Beginning in March, spring weather and the economic slowdown induced by mitigation efforts for the coronavirus disease 2019 (COVID-19) contributed to lower demand, further lowering prices.

Warmer-than-normal temperatures in January through March resulted in more natural gas than average in underground storage at the end of the heating season. The traditional heating season runs between November 1 and March 31. Injections into underground storage so far during the 2020 refill season (April 1 to October 31) have also been relatively high, lagging behind only 2019 and 2015 for total net injections for the Lower 48 states through May. High storage levels indicate high natural gas production relative to consumer demand.

Contributing to high U.S. storage levels and lower prices has been a decline in liquefied natural gas (LNG) exports. Demand for U.S. liquefied natural gas exports has fallen by half in the first half of 2020, from 9.8 billion cubic feet per day (Bcf/d) in late March to less than 4.0 Bcf/d in June. U.S. industrial demand is down by 0.6 Bcf/d, or 2.7%, compared with the first half of 2019.

The monthly average Henry Hub price was less than $2/ MMBtu in each month from February through June. Before 2020, the real Henry Hub price averaged less than $2/MMBtu in one month: March 2016. The daily Henry Hub price reached its lowest level in more than 20 years on June 16, 2020, settling at $1.38/MMBtu, according to Natural Gas Intelligence.

Prices at key trading hubs across the country have generally traded close to the Henry Hub basis, and they are largely driven by regional temperatures. Except for California, prices at all major trading hubs in population centers averaged less than $2/MMBtu in the first half of 2020. Prices at PG& Citygate in Northern California and SoCal Citygate in Southern California averaged $2.57/ MMBtu and $2.35/MMBtu, respectively.

The mild winter this year helped keep the natural gas price at the Algonquin Citygate in New England relatively low, averaging $1.88/MMBtu in the first half of the year. Algonquin natural gas prices are often significantly higher than Henry Hub in the winter because of pipeline constraints.

The U.S. Energy Information Administration (EIA) expects natural gas prices to stay low in the coming months before eventually increasing by the end of 2020. In its July 2020 Short-Term Energy Outlook (STEO), EIA forecasts the Henry Hub natural gas spot price for the second half of this year will average $2.05/MMBtu. By the fall, EIA expects low prices to lead to further declines in natural gas production as a result of lags between natural gas price changes and adjustments to production levels. EIA expects U.S. dry natural gas production to decrease by 3% to average 89.2 Bcf/d in 2020, down from 92.2 Bcf/d in 2019.

EIA expects that the low price of natural gas will encourage more natural gas consumption in the electric power sector in 2020, which is already 7% higher in the first half of 2020 compared with last year. EIA expects consumption in all other sectors to decline and that overall 2020 natural gas consumption will decline by 3 Bcf/d. EIA expects natural gas spot prices to rise by the fourth quarter of 2020 as production falls and the winter heating season begins.

Virginia Issues Workplace Safety Mandates

Virginia became the first state to enact mandated COVID-19 workplace safety measures.
Virginia's "Emergency Temporary Standard" (16 VAC 25-220) will apply to all Virginia businesses regardless of size and is anticipated to go into effect July 27 (under state procedure it will go into effect when it is published in a Richmond newspaper). Unless further modified, the requirements will remain in effect until six months after the end of the Governor's declared state of emergency.

Many parts of the Temporary Standard reflect and incorporate the advice and best practices being promoted by the Centers for Disease Control (CDC) and other public health agencies and experts - however, in Virginia employers will now face potential penalties for non-compliance.

These provisions include requiring employers to have a system in place to identify and exclude symptomatic employees and to provide for their safe return after a COVID infection, requiring employers to notify certain groups of people after an employee has tested positive for COVID, and requiring employers to enforce specific physical distancing, PPE use and cleaning procedures.

Virginia employers that are operating what are classified as a medium or high risk work environments will also need to develop an infectious disease preparedness and response plan within 60 days of the Standard going into effect. Finally, the Standard prohibits employers from discriminating or taking action against an employee who raises a "reasonable concern" regarding the spread of COVID-19 - whether the concern is raised to the employer or a third party (such as a state or federal agency or the media).

While Virginia is the first state to make this move, it is not anticipated to be the last. Oregon has announced that it has a similar plan is in the works which will be reviewed later this month and other states are likely to follow suit. These efforts are largely seen as a response to the fact that, while OSHA has issued discretionary guidance, it has not answered calls by employee groups to issue any COVID-19 specific mandatory rules.

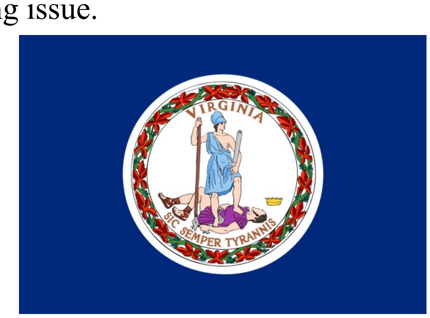
In the face of state workplace safety mandates, many employers may be concerned about penalties and multi-state compliance issues. However, beyond a general interest in protecting public health and preventing further shutdowns, detailed safety requirements like Virginia's may have a bright side for businesses when it comes to protecting against liability.

An enormous concern for businesses as they reopen has been the potential for COVID-19-related claims by employees and third parties. It is difficult to predict exactly what form these claims may take. However, for a claim like negligence, it easy to imagine how difficult it would be for a claimant to argue that a business failed to take necessary and appropriate measures to reduce the risks of COVID-19 where the business was in full compliance with detailed government requirements intended to do just that.

Further, on the issue of business liability, Senate Majority Leader McConnell said this week that the Senate's next COVID-19 related legislation will include some form of liability shield for COVID-19 claims. This is a priority that SSDA-AT has supported and advocated for.

However, it remains to be seen what such shield would look like, whether it would be able to pass both the House and Senate and what role federal guidance or state mandates would play in qualifying businesses for the shield.

SSDA-AT will, of course, continue to actively monitor and update our members on this developing issue.



OPINION: How Businesses Have Successfully Pivoted During the Pandemic

The nearly instantaneous economic recession triggered by the Covid-19 shutdown has wreaked havoc on businesses large and small. Our very way of life is also said to be threatened. On the basis of sweeping proclamations about "the end of commuting," "the demise of retail," and "the collapse of globalization," many executives have come to assume that everything will change. Accordingly, the recipe for survival is supposed to be a thorough transformation of the entire company — or else a bankruptcy filing.

The reality of how companies are dealing with the crisis and preparing for the recovery tells a very different story, one of pivoting to business models conducive to short-term survival along with long-term resilience and growth. Pivoting is a lateral move that creates enough value for the customer and the firm to share.

Consider Spotify, the global leader in music streaming. In principle, this type of platform has all the ingredients for success in the lockdown economy: customers trapped in their homes who would like to escape from a depressing reality by listening to songs seamlessly streamed to a playback device without any need for physical distribution.

And yet the Swedish company struggled to find a pivot that would enable it to overcome a basic issue: Unlike Apple Music, Spotify disproportionately relies on free users who must listen to advertisements. Before the pandemic, the company figured that advertising revenue would grow even faster than the free user base, thus making a key contribution to the bottom line. Although the model was already showing some signs of maturity, its limitations did not become readily apparent until the pandemic hit and advertisers cut their budgets. One pivot Spotify made in response was to offer original content, in the form of podcasts. The platform saw artists and users upload more than 150,000 podcasts in just one month, and it has signed exclusive podcast deals with celebrities and started to curate playlists. The shift in strategy means that Spotify could become more of a tastemaker. At long last, the company is doubling down on Netflix's not-so-secret recipe for success in a business in which copyright owners enjoy healthy margins while pure-play streamers struggle to become profitable.

Pivoting definitely works for digital platforms, but does it help traditional businesses? Let's examine the world of restaurants. They have been battered by the lockdown, with many owners pondering whether to close for good. The usual way to think about restaurants includes envisioning a seating area next to a kitchen. However, restaurants are kitchens whose output can be delivered to customers in a number of ways and using various kinds of business models. Eat-in, take-out, delivery, and catering are just the tip of the iceberg.

One pivot would be to offer a flat rate for a set number of meals per week or per month, with limited menu choices. Restaurants could increase their margins as they learned how to manage captive demand. Another pivot would be to offer a combination of precooked dishes with sides or additions that could be prepared at home using ingredients supplied by the restaurant. The restaurant could send a link to a video that walks the customer through preparation, thus incorporating an experiential and learning element. Deliveries could be in amounts large enough for several meals in a given week. Both pivots would lead to a greater variety of business models, which could become a permanent feature of the restaurant landscape, especially if the trend toward remote work from home consolidates over the long run.

The crisis has also led to broken supply chains, as reflected in the ominous images of empty supermarket shelves — a void that presented small farmers with a unique opening. After seeing their sales to restaurants and specialty stores plummet during the lockdown, many small-scale farms have set their sights on the needs of the homebound consumer. This pivot requires investments in information technology, marketing, and logistics that

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could prove profitable over the long run if the trend toward shorter supply chains gains momentum. Alternatively, some farmers and local stores are flocking to Shopify, the Canadian e-commerce platform, which has seen a boom in e-commerce activity at distances of less than 15 miles between sellers and buyers — a segment of the online market that behemoths like Amazon have traditionally neglected. Shopify's key pivot has been to offer a comprehensive cloud-based bundle of services that help vendors manage expenses, pay bills, anticipate cash-flow problems, and optimize deliveries.

We've also seen large incumbent companies pivot during the crisis. As demand has soared for essential products, consumer-goods powerhouse Unilever has pivoted to prioritize its packaged food, surface cleaners, and personal hygiene product brands over other products, such as skin care, where demand has fallen. The company does not yet know which changes might become permanent. If the upswing in remote work endures, Unilever might find that some of its pivots will remain in place. In fact, the move toward in-home consumption might require a repositioning of not only food brands but also personal care offerings.

An even bigger threat to established brands is consumers' increased willingness to experiment with different offerings during the crisis. Consumers are holding brands and companies to a higher standard than previously, favoring those perceived as doing more for society. Companies like Unilever and Procter & Gamble, whose portfolios include hundreds of brands, have no choice but to pivot in response. Brand loyalty can no longer be taken for granted, and brand repositioning may be necessary in many cases. But brand purpose and messaging will need to be laterally tweaked, not overhauled, because consumers are becoming more interested in safety, experience, and comfort as a result of the pandemic.

Not all pivots result in good business performance. Three conditions are necessary for such lateral moves to work. First, a pivot must align the firm with one or more of the long-term trends created or intensified by the pandemic, including remote work, shorter supply chains, social distancing, consumer introspection, and enhanced use of technology. For instance, if social distancing remains the rule for the near future, the casual dating platform Tinder will need to follow competitors Bumble and Facebook Dating in offering video dating.

Second, a pivot must be a lateral extension of the firm's existing capabilities, cementing — not undermining — its strategic intent. Faced by the sudden collapse in travel, Airbnb moved swiftly to help hosts financially and connect them with potential guests. Hosts can now offer online events focused on cooking, meditation, art therapy, magic, songwriting, virtual tours, and many other activities, with users joining for a modest fee. This pivot represents one more step in Airbnb's evolving approach from its traditional business model of facilitating matches between hosts and guests to its move to become a full-range lifestyle platform. In the future, online experiences could help travelers discover new destinations and on-site activities and help hosts offer better service. Airbnb could become a platform that people use not just to arrange their next vacation but to develop a cosmopolitan mindset throughout the year, learning about other cultures from a distance and celebrating the diversity of the world on a daily basis.

Third, pivots must offer a sustainable path to profitability, one that preserves and enhances brand value in the minds of consumers. The economic crisis triggered by the pandemic does not necessarily spell the end of entire industries or companies. It does weed out business models that fail to pivot toward the new reality characterized by shorter value chains, remote work, social distancing, consumer introspection, and enhanced technology use.

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