SSDA News

Service Station Dealers of America and Allied Trades

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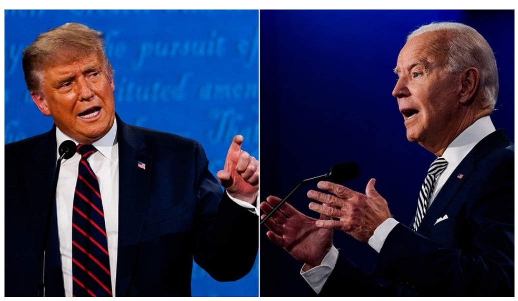
INSIDE THIS ISSUE:

Biden and Trump Spar over Oil

By Roy Littlefield

Biden: 'I Would Transition from the Oil Industry'



Democratic presidential nominee Joe Biden pledged to transition away from fossil fuels during the last debate while defending a climate plan that does not ban fracking.

Biden has faced repeated attacks on fracking from President Trump as focus increasingly shifts to Pennsylvania, a crucial battleground state where the drilling method is used.

Biden's climate plan does not call for a ban on fracking, but other features would hit the oil industry. He calls for no new drilling on public lands and would transition to net-zero emissions by 2050, which would limit the oil industry.

"I do rule out banning fracking because we need other industries to transition to only net-zero emissions," Biden said. "What I will do with fracking over time is make sure we can capture the emissions from fracking, capture the emissions from gas."

"I would transition from the oil industry, yes," Biden said later. "It's a big statement because the oil industry pollutes significantly. ... It has to be replaced by renewable energy over time."

Trump was eager to draw attention to Biden's statement.

"Will you remember that Texas? Will you remember that, Pennsylvania, Oklahoma?" Trump said.

Biden's comments got pushback from one Oklahoma Democrat.

"Here's one of the places Biden and I disagree. We must stand up for our oil and gas industry. We need an all-of-the-above energy approach that's consumer friendly, values energy independence, and protects OK jobs. I'll keep fighting for that in Congress," tweeted Rep. Kendra Horn (D-Okla.), who faces a challenging reelection race on Nov. 3.

OPTIMIZING YOUR BUSINESS THROUGH RESPONSIVE DESIGN

Since the arrival of the COVID-19 pandemic, searching online has become the cornerstone of the economy's "new normal" and you need to be ready to connect with your customers on their own terms, no matter where they are. Everyone in the automotive industry has seen how the COVID-19 pandemic has already dramatically accelerated this trend over the past few months and, with 53% of users abandoning any website that takes more than 3-seconds to load, the need for every business to have an optimized, easy-to-navigate website has only increased.

Here's a few facts that underscore exactly how important a well-designed website is for your business:

57% of internet users say they won't recommend a business with a poorly designed website

94% of first impressions of a website are design-related

75% of consumers admit to making judgments on a company's credibility based on the company's website design.

While your website is still the heart of your digital presence, much of today's browsing happens on a wide range of devices with different screen sizes. For example, Apple and Samsung alone are currently selling products with more than 30 different screen sizes! Add the number of tablets, laptops, and desktops on the market from other companies and you've got 100+ screen formats. That's why your website has to be based on what is known as a responsive design.

Responsive design is an approach to web page creation that allows you to have pages that automatically detect the visitor's screen size and orientation and change the layout automatically to provide a seamless browsing experience. Responsive websites adapt to all screen sizes and resolutions, not only on desktop but also on mobile, tablet, and sometimes even a smart TV.

MOBILE MATTERS MOST

But the big driver behind updating your site to a responsive format can be summed up in one word: Mobile. In 2020, the number of global smartphone users is projected to reach 3.5 billion and 96% of Americans now own a cell phone, 81% of which are smartphones. Mobile technology has enabled consumers to shop anywhere they are at any time, so having a site with a responsive design is critical. Mobile traffic was responsible for nearly 79% of all global traffic last year, meaning that a website not well optimized for mobile devices is losing out on more than three-quarters of its traffic.

Businesses without a mobile-friendly website are falling behind at an alarming rate, because 8 in 10 visitors will stop engaging with a website that doesn't display well on their device. We all know that first impressions matter and, with such a significant percentage of all digital searches completed from a mobile device, mobile-first design is crucial because it's way too easy for users to hit the back button and try a rival instead. What's more, Google prioritizes responsive websites in ranking responses to searches. In other words, responsive web design is also likely to increase a shop's visibility on search engines without changing a single piece of your SEO strategy.

Want to see how your current site stacks up to the competition? Then go ahead and take Google's mobile-friendly test here.

But with the majority of your customers owning – and searching – on more than one device, 83% of mobile users say that they should be able to continue the experience on desktop if they wish. That's why you need a comprehensive responsive design to display your products and services.

RESPONSIVE DESIGN: BEST PRACTICES

When starting a responsive design project, its best to begin with the mobile version. Mobile websites have more usability concerns (mostly due to the lack of real estate on a smaller screen), so it's practical and more efficient for the primary focus to be on mobile design. It's also easier to scale up the mobile version than it is to scale down the desktop version (mostly because of the lack of space on mobile websites). Mobile-first web design helps you to reevaluate what's visually and functionally necessary.

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But responsive web design is not just a matter of squeezing things to fit different screens - it's about delivering one website countless ways depending on the width of the screen. But what to add? What to remove? How do you prioritize what's most important? What are the implications for search rankings? And how do you do all of that with just one code base?

It really takes an expert to code a responsive website, but here are five best practices to keep in mind when upgrading your site:

Hidden Navigation Menus

On smaller screens hiding the main navigation menu is a good way of keeping layouts simple. An icon, text, or combination of both indicates to the user where the menu is. Your options include a simple drop-down menu where the menu slides down and covers the main content below or the overlay method where the menu expands and covers the whole screen.

Larger Clickable Areas

It sounds counter-intuitive, but rather than making buttons smaller on mobile you make them larger so that they are easier to tap. In fact, this doesn't just apply to small screens, it's good for them to be large whatever the device – from touch screen tablets to desktop PCs. Large buttons improve usability. In addition to making buttons larger, text links also benefit from being larger.

For example, if you have a grid of headlines that promote a product or service special, you may want to use a text link that says "Read More" under each of them. To make it even easier to use, be sure to make the whole content block a link so that the user can click anywhere.

Design for Thumbs

Responsive web design is tricky in the sense that users will interact with the desktop website via clicks, but the mobile version will be accessed via taps and swipes. There are physical differences as well. Desktop users typically have their computers on a surface, whereas mobile users hold their devices in their hands. These differences significantly change the way mobile user interface (UI) designers design "tap" targets and other important elements because thumbs can easily reach the center of the screen when held in one hand.

Important Information Goes Up Top

Show telephone numbers, contact info, "buy now" prompts, and other critical messages at the top on mobile. Mobile users want information quickly, but this also works well on any device. For example, on any of your eCommerce product details page it's good to have the "Add to Basket" button visible to the majority of users without them having to scroll.

Link Phone Numbers and Addresses

Optimizing for mobile is all about streamlining a customer's experience and any action should take them as few steps as possible. This means taking advantage of interactions on mobile that will help make visiting your website (or buying your product, scheduling service, or contacting your business) an easy and pleasant experience. One simple way to add value to your "contact us" page is to make your phone number a clickable link. Everybody knows the pain of frantically swapping back and forth between your phone and browser apps to type in a phone number or trying to copy it and accidentally copying all of the other content on the page, too. You can do the same with your address by making it launch in Google Maps to highlight the location of your shop and make getting directions as easy as a single tap or two.

In 2020, all of this – and more - is essential if you want to have a well-optimized website for your business. Since it's possible that half of your website traffic is coming from mobile, it is not an option to alienate them by giving them a sub-par experience. By reviewing your site with these responsive design best practices in mind, you'll be able to determine if your site is truly fit for the mobile-first times we live in or if you need to make some changes.

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

Senate Passes One-Year Extension of Highway Bill

On September 30th, the U.S. Senate passed a continuing resolution (CR) funding the federal government through December 11, 2020 with a bipartisan 84 to 10 vote. The CR included a one-year extension of the current surface transportation authorization with flat funding. The House passed the continuing resolution prior to Senate consideration allowing the bill to head to the President for his signature and averting a government shutdown.

The continuing resolution authorizes the transfer of $10.4 billion to the Highway Trust Fund (HTF) from the general fund for highways and another $3.2 billion for transit to keep the HTF solvent.

California to Ban Sales of New Gas-Powered Cars Starting in 2035

California Gov. Gavin Newsom signed an executive order requiring all passenger cars sold in the state to be zero-emission vehicles by 2035.

Harris Defends Biden's Climate Plan, Says His Administration Would Not Ban Fracking

Democratic vice presidential candidate Kamala Harris said at the vice presidential debate that Joe Biden would not ban fracking if elected president despite Vice President Mike Pence's repeated claims that he would ban the drilling method. She argued that a Biden administration would focus on creating new jobs, and that "part of those jobs that will be created by Joe Biden are going to be about clean energy and renewable energy."

"I will repeat, and the American people know, that Joe Biden will not ban fracking. That is a fact," Harris said. Hydraulic fracturing is a drilling method for extracting natural gas from shale formations underground by injecting liquid at high pressure.

Although Harris called for banning fracking as a presidential candidate, the Biden climate plan does not take that stance. Pence also argued that Biden would want to implement the Green New Deal, a progressive plan to address climate change. However, Biden said during the first presidential debate last month point-blank that he does not support the Green New Deal.

Harris emphasized that Biden "believes" in science.

"Because you see, Joe understands that the West Coast of our country is burning, including my home state of California," Harris said. "Joe sees what is happening on the Gulf states, which are being battered by storms.

Joe has seen and talked with the farmers in Iowa, whose entire crops have been destroyed because of floods, and so Joe believes, again, in science."

While Harris portrayed climate change as an existential threat, Pence deflected when asked about the seriousness of the issue.

Goldman Says a Biden Win Could be a 'Positive Catalyst' for Oil Prices

Despite a grim demand outlook for energy as the coronavirus pandemic continues to weigh down the global economy, Goldman Sachs remains bullish on both oil and gas prices — regardless of the U.S. presidential election outcome in November.

"We do not expect the upcoming U.S. elections to derail our bullish forecasts for oil and gas prices, with a Blue Wave likely to be in fact a positive catalyst," the bank's commodities team wrote in a research note Sunday.

"Headwinds to U.S. oil and gas production would rise further under a Joe Biden administration, even if the candidate has struck a centrist tone," the note said.

Goldman sees improved demand in 2021 and tighter supply for both gas and shale oil superseding election results, though a Biden administration could provide a further boost to oil prices by making production — especially for shale — more expensive and more regulated.

If elected, Biden seeks to achieve a carbon pollution-free energy sector by 2035, and analysts expect his administration to impose regulations that would increase shale production costs with things like taxes and methane restrictions, which the Donald Trump administration had eased. Goldman estimates such taxes could increase costs by as much as $5 per barrel. And expected dollar weakness under Biden also provides upside risk to prices.

While Biden has said that fracking would not be "on the chopping block," a Democratic administration could also move to reduce the scope for shale exploration with restrictions on federal land drilling and approvals for pipelines. The former vice president is currently leading incumbent Trump by double digits in major national polls.

If Trump is re-elected, while pro-oil and gas policies would remain in place, "its impact would likely remain modest at best," Goldman's analysts wrote, "given the more powerful shift in investor focus to incorporate ESG metrics and the associated corporate capex re-allocation away from fossil fuels."

A return of the Iranian nuclear deal?

Even in the event of a Biden administration reinstating the Iran nuclear

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Goldman Says a Biden Win Could be a 'Positive Catalyst' for Oil Prices

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deal and removing sanctions allowing OPEC's second-largest oil producer to return to global markets, "shale supply headwinds" would offset increased Iranian exports, the note argued. If an Iran deal helps bring oil prices further down, Goldman says, shale and associated gas production won't be profitable, putting a squeeze on their supply.

The U.S. Energy Information Administration forecasts that U.S. natural gas production will continue to decline through 2020.

Still, a return to the deal faces numerous obstacles — not least acquiescence from Iran — and may not be an immediate priority for a Biden administration.

Shale production costs in the spotlight

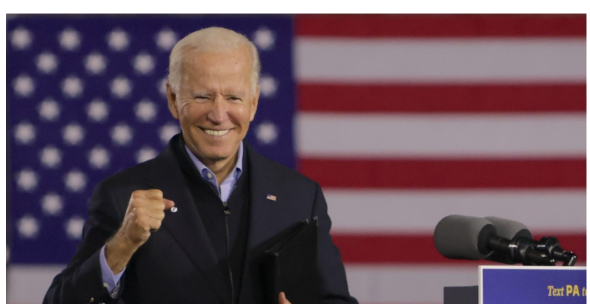
The bank expects tightness in U.S. oil and gas supply even as rig count in the shale-rich Permian Basin starts to creep upward for the first time since waves of closures began in March when the oil price crashed amid the virus shutdowns and a price war between Saudi Arabia and Russia.

In late September, the U.S. oil and gas rig count clocked its highest weekly increase since the downturn with 15 new rigs, according to S&P Global Platts, bringing the nationwide rig count above 300 for the first time in nearly four months. But it remains severely depressed, with the nationwide rig count down by more than half compared to pre-pandemic numbers, as the high cost of shale in particular hinders its recovery amid forecasts of West Texas Intermediate continuing to hover around an average of $40 a barrel in 2021.

Goldman's bullish demand outlook takes into account a potential $2 trillion stimulus under Biden with more renewable energy investment along with an infrastructure push, which it forecasts could boost U.S. demand by around 200,000 barrels per day.

The bank's outlook is optimistic compared to several other forecasts; the International Energy Agency in September cut its forecast for 2020 oil demand growth to 91.7 million barrels per day, a contraction of 8.4 million bpd year-on-year.

The agency citing a "treacherous" path ahead amid weakening market sentiment and an upsurge in the number of coronavirus cases globally.



Opinion:
Collaborative Leadership: An Antidote for a Turbulent World

For several years now, many management authors have been discussing how the volatile, uncertain, complex and ambiguous world in which we live requires a new set of leadership skills. The health and financial crisis brought on by covid-19 has greatly amplified this. On the current global stage, it is largely women who are standing out as effective leaders, praised by Forbes and other media publications for their handling of the pandemic. As Nicholas Kristof noted in The New York Times, "It's not that the leaders who best managed the virus were all women. But those who bungled the response were all men, and mostly a particular type: authoritarian, vainglorious and blustering."

It is not so much gender that is a differentiator in leadership success during these VUCA times; what is really at play is a fundamental difference in style. Men are demonstrating traditional command-and-control leadership while women are demonstrating collaborative leadership.
What is it about these two very different leadership styles that cause failure or success in turbulent times? Based on our research and more than 25 years as leadership development practitioners, we think it boils down to how power and information are shared.

For many years, the "hero" leaders in industry tended to be strong, forceful, charismatic and authoritarian. This traditional leadership model is often associated with what Carol Dweck labeled a fixed mindset. The fixed mindset believes that we have a certain amount of ability that is fixed and unchangeable, and that people rise to the top because they have the greatest abilities and are the "smartest person in the room." As a result, the traditional CEO approach is to gather information, analyze the situation or problem using their superior ability, and then direct everyone to carry out their plans.

Yet, with the coronavirus, we are dealing with a novel disease for which no one has clear answers. The pandemic has presented us with both a health crisis and a business/economic crisis that include a large amount of uncertainty, complexity and ambiguity. No one person has the necessary knowledge and experience to solve these problems alone — it requires multiple people with different kinds of expertise and the ability to work together to create novel solutions.

1. Assemble a group with diverse expertise and experience.

The collaborative CEO approach is to evaluate a variety of different sources of information and expertise and incorporate other people into the decision-making process. It's an approach that draws from diverse perspectives, thereby stimulating collective problem-solving. The collaborative CEO can do this because they don't feel a need to be "the smartest person in the room" who knows all the answers.

In our research with collaborative male leaders, a key characteristic that emerged was their ability to temper their ego. In side-stepping ego, they focus outside of themselves and beyond their self-interests. Because they are not striving to prove themselves and bolster their position of authority, they are able to be vulnerable. By admitting they do not have all the answers, they become more approachable, attracting a network of support.

2. Share power and information liberally.

In a traditional organizational structure, role responsibilities and levels of authority are clearly spelled out. When issues or problems occur, the information is pulled together and referred to the person who has the appropriate authority to make a decision. In crisis conditions, decision-making is often pushed higher up in the organization. But as

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we have seen during this pandemic, leaders using this model were too slow to act.

Collaborative leaders organize differently. They share power and information with their teams. Information flows easily and doesn't get hung up in the bottlenecks created by "need-to-know" hierarchies. This information flow breaks away from the paradigm of a linearly controlled process to a matrixed connective process so that things can happen fast and everyone can quickly get on the same page to take action.

With continual dialogue up, down and across the organization, there is a level of coordination in how people's thinking evolves because they are hearing the same thing at the same time. There is no staccato transmission of information where some people are more in-the-know and have had more time to digest and process what they've heard. In addition to accelerating action, the perpetual conversation allows for a constant infusion of new information and ideas from a broad, diverse circle of people and for changing direction when necessary.

This efficiency of information flow and speed to take action is often a challenge in a traditional authoritarian-led structure. People at the ground level who observe a problem can hesitate to raise the issue for fear of telling their senior leaders something they don't want to hear. As Amy Edmonson points out, employees are often afraid to speak up or ask a question in this kind of culture because they might be punished for their comments or look stupid. If a person makes a mistake, the tendency is to be unwilling to admit it or to look for someone else to blame to avoid the criticism or punishment. This environment generally leads to inaction as subordinates will sit back and wait for instruction rather than take a risk and jump to action.

Further reinforcing this culture of inaction is that leaders in these organizations are often viewed as infallible. When they project an image of being in total command, not showing any mistakes or vulnerability, it sends a message that subordinates should behave the same way. Making a mistake is viewed as an indicator of a person not being smart enough.

3. Empathize, listen and relate.

Collaborative leaders create a culture of trust where people will speak up, share ideas and not be muted by fear. They build connections with and among people at a personal level by tapping into our shared humanity. They create common ground that diminishes hierarchical differences and values inclusiveness and empathy, which helps people feel more secure during crisis and change. Collaborative leaders ask questions, listen and respect all. And in doing so, they communicate "I care, I'm interested and I understand." They establish a sense of community and belonging.

Key takeaways

During times of change and turbulence, in stark view during the pandemic, it is collaborative leaders who are the most effective. Foundationally, they leave ego out of the proceedings and thereby can reach out for help. They utilize and involve people who have relevant expertise in analyzing the issues and making a decision. They connect with people on a personal level, they connect others and they are inclusive, offsetting the isolating feelings associated with losing our familiar world and venturing into the great unknown future. Their openness engenders trust and a sense of security in those they lead. As a result, collaborative leaders are successfully navigating the turbulence of the pandemic by quickly assessing the situation, acting promptly and decisively, adapting as circumstances continue to develop, and gaining the respect and cooperation of their people.

Remembering Ralph

A letter about Ralph Bombardiere from his son, Wayne:

It is with profound sadness that we mist report to you the passing of Ralph Bombardiere suddenly on August 25, 2020.

He was out founder and our friend; our advocate and champion of the extended family and our industry.

Few, if any, have accomplished more for our industry.

Few, if any, have fought for our interests with greater dedication.

Few, if any, have battled against the burdens of the bureaucracy with more passion and success.

As recently as a week before his passing, he participated in a COVID remote meeting of the Petroleum Bulk Storage Advisory Council as our representative.

Ralph started out as an operator of service stations and went on to dedicate more than half a century of his life's work and energy to fight for the fair treatment for his colleagues who toil daily in the service of our essential industry.

In honor of his love and devotion, we express our gratitude and compassion to him, his friends, and family.

He will be sorely missed but long remembered.

RALPH BOMBARDIERE

Elaine Chao: Long-Term Plan Needed for US Infrastructure

Transportation Secretary Elaine Chao said the nation's lawmakers must take a long-range view of addressing the country's pressing infrastructure needs, and do the work needed to craft a funding measure more far-reaching and comprehensive than the one-year highway bill extension that recently advanced.

"We should be thinking strategically and long-term to address the infrastructure needs of our country, to address our economic competitiveness and productivity," Chao said Oct. 8 during the Future of Freight and Supply Chain Management Symposium, a virtual event co-hosted by Transport Topics and CQ Roll Call. "We stand ready to work with Congress on a long-term measure to address our nation's infrastructure needs. Certainly, for the states, the long-term transportation future is very important," Chao said.

The newly extended FAST Act will shore up the ailing Highway Trust Fund with a $13.6 billion infusion of cash from the general fund, with $10.4 billion allocated to the roads and bridges account, and another $3.2 billion earmarked for mass transit. It's money that Chao said is desperately needed, but she noted that infrastructure planning demands more than one year. "A road or a bridge doesn't take a year to be built, it takes several years," Chao said.

The one-year extension of the transportation measure was tucked into legislation passed by Congress and signed by President Donald Trump that keeps the government funded through Dec. 11. Transportation leaders on Capitol Hill said they ran out of time to write a longer, five-year reauthorization bill.

Chao said the extension gives lawmakers time to produce a significant new highway policy bill and address the country's infrastructure needs.

Against the backdrop of the COVID-19 pandemic, the importance of these needed upgrades has never been more clear, she added, noting that trucking has performed a valuable service to the nation in transporting groceries, personal protective equipment and other items to battle the coronavirus. "I think we're going through a very difficult time in our country, and I wish we could thank the first responders, more and not less," she said. "I know these have been very challenging times for truck drivers."

Chao discussed the steps DOT took to assist the trucking industry during the early months of the pandemic.

"Going into New York City, the truckers were facing a 14-day quarantine period. That made no sense. We negotiated, on their behalf, with the city and state of New York, to enable truckers to come in and out of New York to have truckers deliver the essential items that New Yorkers want," she said. "We worked with local and state governments."

Chao is now serving in her second presidential administration; she spent eight years as Secretary of Labor in the George W. Bush administration, and has been Trump's DOT chief since the beginning of his term.

Should Trump win in November, she is optimistic infrastructure will move to the forefront of a second-term agenda. "While we have not been able to have an infrastructure bill, the department has distributed well over $200 billion to enhance, repair and rebuild America's infrastructure," she said. "I suspect that this will continue to be a huge topic for the next Trump administration.

Remembering Ronald Milburn

Ronald LeRoy Milburn, born November 21, 1938 to John and Rose Milburn in Columbus, Ohio died October 23, 2020. Ron passed from this life Friday to join his wife of 62 years Linda C (Hatfield) Milburn. Ron was preceded in death by his wife Linda (Hatfield Milburn), father John William Milburn III, mother Rose Marie (DiGioia) Milburn, brother James L, sister Cynthia, son Ronald L Milburn Jr and granddaughter Cynthia Voit. Ron graduated from the old Jackson High School in Pickaway County in 1957. He was a 3 sport Letterman in football, basketball and baseball. After graduating high school Ron joined the Ohio Army National Guard serving 13 years where he attained the rank of Chief Warrant Officer 2. Ron and Linda were married April 18, 1958 and are survived by their children, Lisa (Mike) Voit, Chris (Anita) , Michael, Michelle Shull and Jeri Lynn. He is survived by 14 grandchildren and 9 great-grandchildren. Ron was very active in his children's lives from his time at S.I.L.L (Southern Independent Little League) to his time with the Walnut Heights Youth Athletic Association serving as a baseball coach and board member. **Ron spent many years in the service station industry as a consultant to the many central Ohio independent owners before purchasing his own station, Northland Car Wash (Shell) on Morse Rd. Ron was all about customer service and he instilled that in his kids and employees over the years. Ron served as a board member of the Central Ohio Gasoline Dealers Association as well as the Vice President and President during some turbulent times in the gasoline industry. He was instrumental in putting together the Ohio Gasoline Dealers Association bringing together small owner operator dealers from around Ohio in the 1980's. Ron retired in 2001 but stayed active in the politics of the service station industry on the local, state and national levels and counted many local politicians among his friends. In his later years Ron was the Regional Vice President of the Associated Food and Petroleum Dealers helping to bring together those dealers in Michigan, Ohio and West Virginia.**

ConocoPhillips Sees Global Oil Demand Returning, Executive Says

U.S. oil producer ConocoPhillips COP.N sees global demand returning to 100 million barrels per day and growing from there, with oil an "important part of the energy mix in any scenario" going forward, a senior executive said on Thursday.

The view stands in contrast to that of rival BP Plc BP.L, which sees the coronavirus pandemic leaving a lasting effect on global energy demand, though ConocoPhillips still expects "quite a bit of uncertainty next year," Senior Vice President Dominic Macklon said during a Q&A with Raymond James.

The company's capital spending in 2021 will be "somewhat below" its original planned 2020 level of $6.6 billion, Macklon said.

The hardest-hit area of the oil industry in 2020 has been U.S. shale, where producers cut production and sidelined equipment as oil prices crashed. While shale output was about 8.2 million bpd at the start of the year, at current prices the industry will likely struggle to produce 7 million bpd by 2022, Macklon said.

ConocoPhillips left seven drilling rigs at work in shale fields, but cut all fracking crews earlier this year as oil prices CLc1LCOc1 crashed. It is returning two fracking crews to work, Macklon said.

Some shale producers are stockpiling federal drilling permits ahead of the Nov. 3 U.S. presidential election as a hedge against possible rule changes under a Democratic administration.. Just 20% of ConocoPhillips' Permian Basin acreage is on federal land in New Mexico, while the company expects to receive permits within a month for its Willow project along Alaska's North Slope, "in which case we wouldn't be exposed" to changes, Macklon said.

In July it agreed to buy land from Kelt Exploration Ltd in Canada's Montney shale oil play, in a $375 million deal. The 140,000 acres in British Columbia are adjacent to ConocoPhillips' own Montney lands.

Asked whether it would consider a purchase in an area where it does not already operate, Macklon said yes, but the preference is for assets "we know and understand well."

Most U.S. Oil Jobs Lost in Pandemic Won't Return at These Prices

Almost three-quarters of the pandemic-driven jobs losses in the U.S. petroleum and chemical sectors may not come back before the end of next year, according to Deloitte LLP.

The collapse in oil demand and prices spurred the fastest rate of oil- and chemical-industry layoffs in history, with about 107,000 jobs eliminated between March and August, Deloitte said in a study scheduled to be released Monday. The number is probably even higher when furloughs and other headcount measures are taken into account, according to Duane Dickson, vice chairman and U.S. oil, gas and chemicals leader for Deloitte.

Oil explorers, gas drillers, frackers, refiners and equipment makers have shrunk their workforces to cope with the plunge in demand for the products they sell.

Schlumberger, Halliburton Co. and Marathon Petroleum Corp. -- some of the biggest operators in their fields -- are among the companies casting thousands of people out of work in response to the crash.

Oilfield services has been hit particularly hard, as capital expenditure on things like the drilling of new wells has been slashed. The sector lost 2,600 jobs in August, according to estimates from the Petroleum Equipment & Services Association.

Texas is the state most affected, with 59,200 oilfield services jobs lost since the pandemic began.

Deloitte is forecasting a 30% recovery of lost jobs by the end of 2021, assuming oil averages about $45 a barrel and natural gas hovers around $2.50 per million British thermal units. But if crude instead lingers around $35 and gas is more like $2, the jobs-recovery rate probably will only reach 3%, according to the report.

Oil, gas and chemical jobs have become more sensitive to changes in commodity prices as the North American shale revolution turned world energy markets topsy-turvy. A $1 change in oil prices affects about 3,000 oil and gas jobs, double the impact it would have had during the 1990s, according to the report.

"The upstream companies -- when they're not drilling, they're not using those services. And that's where the job loss comes in," Dickson said in an interview.

Newsom Aims to Phase Out New Hydraulic Fracking Permits in California by 2024

California Gov. Gavin Newsom on Wednesday vowed to work with the state legislature to phase out new permits for hydraulic fracking by 2024, but left untouched a more widely used oil extraction technique in the state that has been linked to hundreds of oil spills.
Hydraulic fracking — a technique in which water, sand or chemicals are injected into the earth to fracture formations and loosen up oil — accounts for about 2% of the state's oil production, Newsom said.
The governor said he does not have the power to halt fracking, but that beginning Jan. 1, 2021, he would work with the legislature in its next session to push to legally phase out new fracking permits in less than four years.
California Natural Resources Secretary Wade Crowfoot said when state legislators passed stringent requirements on hydraulic fracking in 2013, they also specifically made it legal, and the law would need to be changed.
The proposed phase-out of hydraulic fracturing would not cover a similar technique known as steam fracking or high-pressure cyclic steaming, which has been linked to worker and wildlife injuries and deaths. Steam fracking involves the injection of scalding steam, without chemicals, below ground to fracture formations.
Over the past two decades, Chevron and other oil companies have earned millions harvesting oil from spills linked to high-pressure cyclic steaming, according to a recent investigation by The Desert Sun and ProPublica.
Newsom and Crowfoot insisted on Wednesday that the state has made clear it has zero tolerance for the spills. They said a moratorium had been placed on steam fracking while studies are completed about whether it can be done safely and about how to transition the state in a fair way off of oil extraction.
In fact, the moratorium only covers new permits for high-pressure cyclic steaming. That leaves oil companies with existing permits free to continue using the technique.
The governor said a draft of the first study on steam fracking would be complete soon.
"We've been very aggressive in terms of our enforcement," said Newsom when asked about the spills at a press conference. "We put a moratorium on cyclic steam fracking a number of months ago, and we have strategies in place being advanced specifically" by the California Energy Management Division, or CalGEM, the main state agency regulating the oil industry.
He said the state had also invested substantially in CalGEM, with stepped-up enforcement, more staffing and new leadership.
Crowfoot echoed the governor, saying: "We have a zero-tolerance policy moving forward for these inland oil spills, also known as surface expressions. CalGEM is implementing right now a strengthened rule that passed in April 2019. ... Our experts are very focused on this."
He said the number of spills has gone down, but if more needed to be done to fully implement the new ban and ensure no more spills, it would be.
Some environmental attorneys said they believed Newsom did have the power to act without the legislature.
"Newsom should use his power to end these ultra-hazardous (hydraulic fracking and steam fracking) practices today," said Kassie Seigel, head of the Climate Law Center at the Center for Biological Diversity. "Just passing the buck to the legislature makes no sense."
Stanford environmental law professor Deborah Sivas said the governor and state oil regulators already have "pretty sweeping power to oversee new wells" under existing state public resource codes,

Newsom Aims to Phase Out New Hydraulic Fracking Permits in California by 2024

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and that as she reads it, that authority was expanded a few years ago with regard to fracking. Sivas said while she understood Newsom might be hoping to avoid a lawsuit, litigation was likely inevitable, so he could save time by acting now.

"Sure, it would be safer from the governor's perspective to get a new law on the books," said Silva. "But even then, the state won't avoid a lawsuit from industry arguing that the exercise of such authority is a taking of property rights. So if the governor wants to take a bold step now on climate policy, CalGEM could exercise its existing authority and defend the inevitable lawsuit now, rather than spend the next few year or two getting legislation adopted and then still have to defend the inevitable lawsuit."

Rock Zierman, CEO of the California Independent Petroleum Association (CIPA), said Newsom's moves on Wednesday — which also included a phase-out of sales of new gasoline-powered cars by 2035 — would cost jobs.

"Let's be clear: today's announcement to curb in-state production of energy will put thousands of workers in the Central Valley, Los Angeles basin, and Central Coast on the state's overloaded unemployment program, drive up energy costs when consumers can least afford it, and hurt California's fight to lower global greenhouse gas emissions," he said.

Newsom and CalGEM's leaders have come under fire from environmental and public health groups frustrated by the number of new drilling and fracking permits issued since he took office. The Desert Sun and two consumer groups each tallied new hydraulic fracking permits last year, and found the pace at which they were being issued had doubled during Newsom's first six months in office compared to the previous year when Jerry Brown was governor. Newsom fired the then-head of the oil regulatory agency the next day.

The consumer groups, Consumer Watchdog and Fratracker, are concerned that after a nine-month moratorium on hydraulic fracking that began in July 2019, they say CalGEM issued 48 new fracking permits between April and July 2020. CalGEM says the fracking permits were issued after a rigorous review by federal scientists.

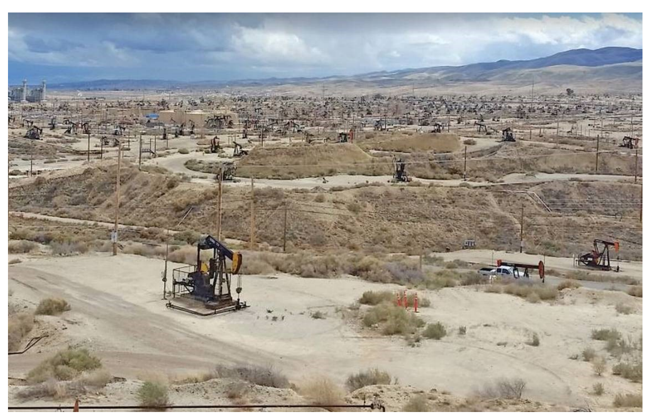
A broad coalition of groups is also pushing for a 2,500-foot buffer between residential neighborhoods and oil wells, refineries and related industries.

Newsom's order confirmed a process is underway to scientifically study and then possibly propose a "public and safety" regulation that could include a large buffer and set a firm deadline of Dec. 31 to release a draft of the proposal. Other rulemaking processes, including one that banned the inland spills, have taken years to complete.

Ingrid Brostrom, an environmental justice attorney and Assistant Director of the Center on Race, Poverty & the Environment, said: "Millions of Californians are suffering from the ill effects of living near oil and gas drilling. And, California remains one of the only oil-producing states without an oil/gas safety buffer zone," she said. "To be a climate justice leader, Newsom needs to adopt setbacks immediately."

Others offered measured praise for Newsom's announcement.

"We applaud Gov. Newsom's actions today, but we urge him to keep his foot on the accelerator on the road to comprehensive clean energy. More must be done to keep Californians safe from oil drilling," said Dan Jacobsen, state director with Environment California.



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