SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

SSDA News

Service Station Dealers of America and Allied Trades

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INSIDE THIS ISSUE:

SSDA-AT Supports the DRIVE Safe Act

By Roy Littlefield

SSDA-AT urges enactment of the Developing Responsible Individuals for a Vibrant Economy (DRIVE) Safe Act (H.R.1745, S.659), legislation that would establish an apprenticeship program to train 18–20-year-old qualified drivers who satisfy the common-sense safety, training, and technology requirements to operate in interstate commerce.

The bill would remove the single biggest regulatory barrier underlying the truck driver shortage while equipping young people with skills for jobs whose median pay is $54,585, plus health and retirement benefits.

Previously introduced in both the 115th and 116th Congresses with strong bipartisan support, the DRIVE Safe Act would enable 18–20-year-old apprentices—who have obtained their Commercial Driver's Licenses to drive trucks in intrastate commerce—to drive trucks safely in interstate commerce.

The bill would amend the current minimum age requirement for interstate drivers, which was promulgated decades ago, to allow these qualified drivers to operate in interstate commerce once they have completed the following apprenticeship program requirements:

1) Satisfy a minimum of 400 hours of training and 11 performance benchmarks;

2) Complete those hours of training under the supervision of an experienced driver; and

3) Train in trucks equipped with industry-leading safety technologies, such as Automatic Emergency Braking (AEB), event recorders/cameras, speed-limiters, and automatic transmissions.

Currently, forty-nine states and the District of Columbia allow individuals to obtain a commercial driver's license to operate commercial motor vehicles in intrastate commerce before they turn 21. However, federal regulations prohibit those same drivers from crossing state lines until they turn 21. Given that forty-nine states and the District of Columbia have already determined that these drivers do not inherently pose a significant safety risk to other intrastate motorists, it defies logic that these same 18–20-year-olds are legally unable to drive across state lines.

The DRIVE Safe Act would allow certified CDL holders already permitted to drive intrastate the opportunity to participate in a rigorous apprenticeship program designed to help them master interstate driving, while also promoting enhanced safety training for emerging members of the workforce.

However, these types of fulfilling careers are out of reach for many otherwise qualified 18-20 year-olds because the minimum age requirement is an insurmountable barrier to entry for new truck drivers. As a result, truck driver candidates under 21 are forced to choose different paths, including taking on tens of thousands of dollars in student loan debt to receive an advanced degree. If motor carriers could reach this pool of potential truck driver candidates earlier on in their careers, the trucking industry would be in a better position to help candidates develop the skills, habits, and attitudes necessary for a long and satisfying career in the trucking industry.

SSDA-AT urges co-sponsorship of the DRIVE Safe Act and support for the legislation's consideration for inclusion in an infrastructure package or surface transportation reauthorization.

SSDA-AT supports H.R.1745 and S.659.

Five Reasons Your Website Isn't on the First Page of Search Results

"WHY ISN'T MY WEBSITE ON THE FIRST PAGE OF GOOGLE'S SEARCH RESULTS?"

It can be incredibly frustrating to submit an online search for tire dealers or auto repair shops in your area and see your competitors' websites in the top slots of search results, and meanwhile your website is nowhere to be found.

Growing your organic web presence (ie, ranking high in online searches) is not a simple or straightforward process. It requires time, intent, and strategy. There are five common reasons why websites don't rank high online—and each can be solved with tangible actions.

REASON #1: GOOGLE DOESN'T KNOW YOUR WEBSITE/WEBPAGE EXISTS

If your website or freshly added webpage is very new, Google may not have indexed it yet. It can take up to four weeks for brand-new content to appear in search results. Give your website some time to build traction.

REASON #2: YOUR WEBSITE ISN'T OPTIMIZED FOR GOOGLE SEARCH

Every website submitted to a search engine is crawled for content. This allows the search engine to understand the website's content and apply it to future search results. The bots that crawl your website look at the content from a technical standpoint, scanning for factors such as keywords, relevancy, and meta content. If these factors are lacking, your website is not going to rank well.

Maybe your website used to rank in the third or fourth position—or even at the very top—of search results for dealerships in your area, and now you can't find it on the first page at all. What happened? Search engine algorithms are constantly evolving, and your website may have fallen out of compliance with changing requirements. In 2019 alone, Google reported 3,620 changes to its algorithm—an average of 10 per day! If your website isn't being continually optimized to meet the new search engine requirements, its search ranking will drop.

Search Engine Optimization (SEO) is the key to boosting your website's search ranking. SEO aligns your website with search engine algorithms, which focus on many different website metrics, including frequency of updates, proper backlinks, and number of social shares. Keep your website compliant with SEO best practices, which evolve over time to keep up with changes in search engine algorithms.

REASON #3: ONLINE PROMINENCE TAKES TIME

Once your website is infused with best practices for SEO, you still won't see an immediate change in your website ranking. Building your organic online prominence isn't a sprint—it's a marathon. Think of SEO like your retirement: You can't save for retirement all at once, but each bit of your paycheck that you set aside gets you closer to the big payoff. SEO operates the same way. You won't see immediate results, but the more effort you invest in SEO, the better your website will perform in search results over time.

REASON #4: NOT ALL KEYWORDS ARE EFFECTIVE OR RELEVANT

Keywords refer to the information that online users enter into search bars. Search engines then generate a list of websites that feature similar content. If your website is one of several thousand sites targeting the same keywords, your website may not stand out amongst the competition, since search engines are programmed to rule out websites with very similar content. To see the best results, target keywords and key phrases that have high search volume but low competition.

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REASON #5: YOUR WEBPAGE DOESN'T ALIGN WITH PROSPECTS' "SEARCH INTENT"

The term "search intent" pertains to the reason for performing an online search. By aligning your website content with your prospects' search intent, you are boosting your website's likelihood of appearing prominently in their search results.

But how do you know what your customers are looking for? Search intent can be broken down into four main categories:

Informational: Browsers are looking for a specific answer to a "what," "where," "why" or "how to" question. A great way to boost your website's presence in informational searches is to include helpful information about your dealership's story, your current inventory and your store's location. For even greater success, take your website copy a step further by maintaining a regular blog full of educational topics such as "how to choose the right winter tires" and "when to get an oil change."

Navigational: When someone is looking for a specific website or webpage but uses a search engine instead of typing in the URL, this is known as navigational search. These searches usually include branded keywords such as a business name or specific product. Prospects who are searching for your dealership but may not know the URL can find it by entering your dealership's name into Google.

Commercial: Online shoppers looking to make a purchase perform commercial searches, which generate lists of e-commerce websites, special offers and inventory listings. Make sure your inventory is listed on your website and third-party selling platforms, alongside any current specials you may be running.

Transactional: A transactional search can include commercial searches, but "transactional" doesn't automatically translate to "sale." Actions resulting from a transactional search are known as "conversions" and they can include submitting a lead form, calling or messaging the business, or visiting the store. To see a higher volume of transactional traffic, make sure you have the following:

Clear calls to action on your website, such as "Contact Us," "Receive a Quote," "Schedule an Appointment," or "Submit Form"

Accurate, consistent contact information (phone number, address, business hours, etc.) on both your website and third-party digital directories such as Google My Business

Whether your website is brand-new or you recently dropped several notches in local online search, don't sweat it. Consider the circumstances listed above. Do one or more apply to your situation? Determine the most likely cause for your website's subdued ranking and begin working toward a solution.

Need help increasing your website's ranking? Net Driven can perform an assessment of your website's online health and craft a strategy to boost your online presence. Contact us today to learn more!

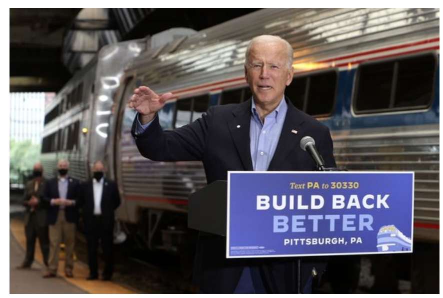
This article was written by the team at Net Driven. Learn more about Net Driven's digital marketing solutions by visiting www.netdriven.com.

Biden Floats Transportation Funding Proposal

As most of you have probably already heard, recently the White House announced the initial details of the first phase of President Biden's new infrastructure plan.

The proposal would be funded in part by increasing the corporate tax rate from 21% to 28%.

Of course, we will be reviewing and monitoring the proposal as more details become known.



SSDA-AT will be involved in transportation funding discussions and we encourage you to share with us your views.

New York Law Grants Employees Up To 4 Hours of Leave to Obtain COVID Vaccine

Governor Andrew M. Cuomo has signed legislation granting all employees paid time off to receive the COVID-19 vaccination. Under this new law, employees will be granted up to four hours of paid, excused leave per injection that will not be charged against any other leave the employee has earned or accrued. In addition, the law prohibits employers from discharging, threatening, penalizing or otherwise discriminating or retaliating against employees for exercising their rights under the law, including requesting or obtaining a leave of absence to be vaccinated for COVID-19. The law becomes effective immediately and expires on December 31, 2022.

Biden Gives Strong Defense of Infrastructure Investment, ENR

President Joe Biden gave a strong defense of the importance of increasing U.S. spending on highways, bridges, ports, schools and other facilities.

Speaking at the White House on March 25, in the first press conference of his presidency, he said he wants to “rebuild the nation’s infrastructure, both physical and technological infrastructure …. so that we can compete and create significant numbers of really good-paying jobs.”

Biden has scheduled an appearance on March 31 in Pittsburgh at which he is expected to unveil at least the framework of an economic stimulus proposal published reports say could total $3 trillion or more.

A large part of that amount is likely to be construction-related spending on infrastructure.

Biden didn’t put a price tag on his proposal or discuss how it would be financed.

He did, however, touch on nearly all of the major public works sectors.

He said, for instance, that “the future rests on whether or not we have the best airports that can accommodate air travel, ports that you can get in and out quickly.”

He noted that the quality of infrastructure is key to attracting new business. Biden observed that companies weighing where to locate a new facility ask: “What’s the closest access to an Interstate highway? How far am I from a freight rail? Is there enough water available for me to conduct my business? All of the things that relate to infrastructure.”

The president noted that the U.S. is behind other countries by the infrastructure yardstick, saying that “China is investing three times more in infrastructure than the United States is.”

He added, “I still think the majority of the American people don’t like the fact that we are now ranked, what, 85th in the world in infrastructure.”

Brian Turmail, a spokesman for the Associated General Contractors of America, said in an emailed statement to ENR, "We couldn't agree more with the President about the need to improve our aging and overburdened infrastructure." Turmail added, "He also clearly understands the significant economic benefits that come with those investments, including creating good, high-paying careers and making our broader economy significantly more efficient."

Biden listed some of the metrics that demonstrate the needs. “More than one-third of our bridges, 231,000 of them, need repairs. Some are physical safety risks or [need] preservation work.”

He also added that 20% of U.S. highway mileage is in poor condition and six to 10 million homes have lead pipes connecting to their water lines.

“There’s so much that we can do,” Biden said. “How many schools where the kids can’t drink the water out of the fountain? How many schools are still in the positions where there’s asbestos? How many schools in America we’re sending our kids to [that] don’t have adequate ventilation.”

Climate-Change Impacts

As Biden has said since his presidential campaign, his infrastructure plan will address the effects of climate change.

"We can’t build back [the structures] to what they used to be,” he said. “Global warming's already done significant damage.”

“The roads that used to be above the water level [that] you didn’t have to worry about where the drainage ditch was—now you have to build them three feet higher, because it’s not going to go back to what it was before," he said. "It’ll only get worse unless we stop it.”

“There’s so much we can do that’s good stuff that makes people healthier and creates good jobs," he added.

Turmail said AGC is "eager to work with the administration and Congress to see new infrastructure investments swiftly enacted." But he added the group will oppose adding to the expected bill "new regulatory burdens" and provisions of the House-passed Protecting the Right To Organize, or PRO bill—a top priority of organized labor.

Opinion: Stop Talking and Start Bottom-Lining Your Meetings, Laurie Cure

I timed it. In a one-hour meeting, one of the participants talked nonstop for nearly 15 minutes before pausing to take a breath. Nearly 25% of the meeting time was spent on a topic that may or may not have been relevant to the group and with no one listening or engaged.

Individuals often say things like "I am just processing out loud" or "let me do a brain dump and see what sticks." While these tactics may help leaders sort through their thinking, they can also be incredibly disruptive when used in a group discussion.

Whether in meetings, on phone calls or over e-mail, communication that drones on and on can be distracting. It also fails to effectively communicate the sender's thoughts. This can be a fatal trap for leaders when success is dependent on conveying a clear message and engaging in dialogue, listening and connecting.

One of the most critical skills leaders can learn is the art of bottom-lining, getting to the underlying or ultimate outcome quickly. Concise communication is important for a variety of reasons. In groups, it ensures more voices can come to the table with information that elevates the discussion.

Bottom-lining keeps everyone engaged in the issue or topic at hand, and it allows people to move from their stories into defined action. Bottom-lining can also help individuals deliver more powerful feedback and have meaningful discussions that get to the root of issues.

While bottom-lining is sometimes referred to as being brief in your communication, I prefer to think of it as zeroing in on your key points quickly. It emphasizes the essence of your message, as opposed to the extraneous details that might surround it. Employees want leaders who listen, share wisdom well and challenge them to arrive at solutions. Doing this requires a few simple steps.

1. Simply speak less

30 seconds. While not all situations require bottom-lining, many circumstances benefit from you not talking more than 30 seconds at a time. After 30 seconds, pause, ask a question and allow others an opportunity to contribute. Paying attention to how long you speak and limiting that overall time will make you more engaging and force you to deliver a more succinct message. Bottom line: listen twice as much as you talk.

2. Find appropriate ways to be heard

People spend 60% of their conversations talking about themselves. As confirmed by research, talking simply feels good. When we talk about

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ourselves, our bodies release dopamine (a pleasure reward hormone), and we feel a sense of built credibility when we share our knowledge.

For many, talking is a way to better understand themselves and their thoughts. The key is to find the right people and create the best situations for this type of conversation. You might pull a group together beforehand to "brainstorm" or build some time into your meetings for this purpose. Making it clear that the conversation is about sharing ideas is critical to ensure you keep everyone on track.

3. Use multiple facilitation tactics

We all have different thinking styles, and leaders benefit from using various facilitation tactics to ensure robust communication. Providing agendas and materials in advance, offering time in meetings for silent reflection/idea generation and pausing to ask questions are all effective ways to solicit contributions from others in the group. These approaches also support an individual's ability to bottom-line their statements by ensuring they can "get their thoughts together" before presenting them.

4. Stay on track

Lead out the conversation by sharing important information or making your point as opposed to waiting until the end. Know your objective from the conversation and recognize when you or others are deviating from that goal. Get back on track by redirecting the conversation to the topic at hand.

5. Get comfortable with silence

We talk to fill the silence. It can feel uncomfortable to allow the room to remain quiet, but I advise allowing at least seven seconds to pass between when you pause or ask a question and when you resume talking. Be patient and wait. When we embrace the silence, we allow the other person time to collect their thoughts and frame their perspective more clearly.

Resist the urge to talk in these moments. Instead of proceeding, call on someone to share their thoughts and then ask them to choose someone else next.

When we pause, listen deeply and bottom-line our thoughts, it elevates the quality of our decisions and builds trust. It will also support leadership strength as you elevate both your own ideas and your colleagues.

And that is how you bottom-line it.

Reuters: Big questions loom ahead of Biden's next spending push, like 'what is infrastructure?'

With a $1.9 trillion COVID relief package finally passed, U.S. President Joe Biden's next big spending push is already on the horizon - repairing the nation's ailing bridges, roads and airports and investing billions in new projects like broadband internet.

Biden may sketch the outline of the plan, promised on the campaign trail, in a joint address to Congress this month and provide details, giving lawmakers several months to work on the bill before an August recess, people familiar with the White House plans said.

The White House has added infrastructure experts to the administration in recent weeks, and called in lawmakers and companies to discuss the topic.

With a narrow majority in Congress, Biden and Democrats need to either move all or parts of the package through a budget process that would only require party-line votes known as reconciliation, or attract Republican votes and make it a bipartisan effort.

Either way, Reuters' interviews with lobbyists, lawmakers, administration officials and company executives show broad questions still need to be answered before any bill can be written.

HOW DO YOU DEFINE INFRASTRUCTURE?

Biden and his fellow Democrats hope to expand the definition of infrastructure beyond existing transportation architecture to include items aimed at tackling climate change and its effects, echoing the $2 trillion, 10-year "Build Back Better" proposal floated during his campaign.

That includes investments in electric vehicle charging stations, zero-emission buses and zero-carbon electricity generation by 2035, and directing dollars to minority neighborhoods and contractors, part of a pledge to increase racial equity.

Democrats have signaled they want to invest billions in creating and refurbishing affordable housing in any package and expand broadband internet access to all Americans, particularly in rural communities.

U.S. House of Representatives Speaker Nancy Pelosi said on Friday that she had directed senior Democrats to begin working with Republicans on a "big, bold and transformational infrastructure package."

Republicans and influential trade groups like the U.S. Chamber of Commerce support large-scale infrastructure spending, but have concerns about Democratic efforts to inject policy provisions on climate or equality into a spending bill.

Representative Peter DeFazio, who chairs the House Transportation and Infrastructure Committee, said in an interview his "tentative timeline" is for the committee to complete action on its portion of an infrastructure bill before the end of May.

He said a proposal could be divided between reconciliation to raise revenue and direct

Reuters: Big questions loom ahead of Biden's next spending push, like 'what is infrastructure?'

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funds and traditional legislative procedures to set policy.

HOW TO PAY FOR IT?

House Democrats passed a $1.5 trillion infrastructure package last year that died in the Senate, but could be a blueprint here. It was one-third funded from existing fuel taxes and budget transfers.

Leading Democrats suggest doing away with Trump's 2017 tax cuts or imposing new taxes on the super wealthy - ideas that are a non-starter for most Republicans and some Democrats.

Some economists and business groups have suggested lawmakers should forget about finding new funding for the whole package and instead borrow some of the money given the historically low cost of debt and economic growth projections.

Others, including the U.S. Chamber of Commerce, suggest using an existing federal infrastructure bank to lend money at cheap rates to private companies.

CAN THE HIGHWAY TRUST FUND BE FIXED?

The Highway Trust Fund, established in 1956, finances most federal government spending for highways and mass transit - but it has been in the red since 2008, according to the Tax Policy Center.

Federal taxes on gasoline and diesel fuel, a key source of revenue, have not increased from 18.3-cents-per-gallon for gasoline or 24.3 cents for diesel since 1993, requiring some $140 billion in transfers from general revenues.

The latest fund spending plan expires in September, and there's little political appetite to raise fuel taxes.

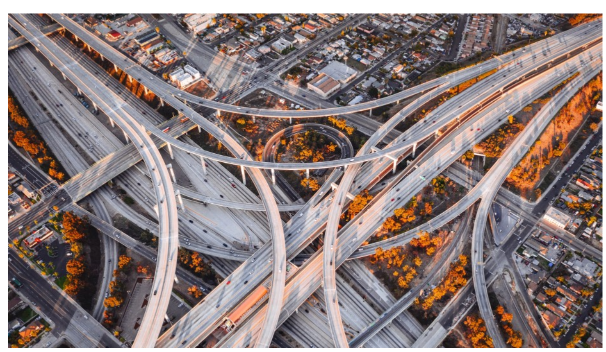
Some Democrats want to rethink how drivers are taxed, switching to a vehicle-miles traveled tax that would sweep in electric cars, but collecting the tax is difficult and raises many issues, including privacy concerns.

CAN EARMARKS HELP?

The American public doesn't particularly like "earmarks," federal funding stuffed into bills for a specific project in one lawmaker's district or state, but they may be a way to bring bipartisan policy back.

The practice, banned since 2011 because of abuses, has some support among both parties.

Democratic lawmakers hope earmarks can help keep their narrow majorities together on big votes, boost vulnerable members' reelection chances in 2022 and attract Republicans to support bills. Republicans are also weighing whether to embrace earmarks again.



Appeals Court Affirms Arctic, Atlantic Leasing Bans, Reuters

A federal appeals court confirmed bans on offshore oil leasing in most federal Arctic waters and in the Atlantic after the Trump Administration tried to open them up to development.

The 9th Circuit Court of Appeals said President Joe Biden's reinstatement of Obama-era protections makes moot the previous administration's attempts to allow oil development there.

The Trump Administration pressed for oil-and-gas development throughout the United States as the nation's crude production surged to a record 13 million barrels per day (bpd) by 2019. The court ruling ends a legal effort to resurrect a plan from early in Trump's administration for certain offshore areas that had been protected.

A federal judge in Alaska in 2019 struck down the 2017 Trump executive order that set to sell oil leases in the Chukchi Sea off northwestern Alaska, in protected areas of the Beaufort Sea off northern Alaska and in protected areas of the Atlantic.

The Trump administration, backed by the state of Alaska and oil industry groups, appealed. But the Biden administration's restoring no-lease protections removes the grounds for the appeal, the appeals court judges said in their decision.

With the executive order no longer in effect, the areas that had been subject to possible development "will be withdrawn from exploration and development activities regardless of the outcome of these appeals," the court said.

Biden resurrected the Obama withdrawals in an Inauguration Day executive order.

Oil development in federal Arctic waters has been limited by high costs, environmental and regulatory complications and forbidding conditions.

The last Arctic offshore lease sale held by the federal government occurred in 2008, and Royal Dutch Shell, which spent $2.1 billion to acquire leases, ended up abandoning its Arctic exploration program in 2015.

Workers in Nuclear Energy and Fossil Fuel Industries Earn Higher Wages than those in Renewable Energy Sectors

Workers in nuclear energy and fossil fuel industries earn higher wages than those in renewable energy sectors like wind and solar that are the focus of President Joe Biden's plan to stimulate the U.S. economy and combat climate change, according to an analysis published recently.

The report comes a week after Biden's administration rolled out a $2 trillion plan that includes billions to boost the market for clean energy technologies and create good-paying jobs while stripping away subsidies for fossil fuels. Its findings underscore the challenges here the United States will face replacing the quality of jobs lost in a move away from coal and oil.

Across the board, energy jobs pay about $25.60 an hour, 34 percent more than the median national hourly wage of $19.14, according to the report, a collaboration between workforce research firm BW Research Partnership, the National Association of State Energy Officials and the Energy Futures Initiative think tank, headed by Ernest Moniz, who was energy secretary in the Obama administration.

But there are wide discrepancies in hourly wages across various energy industries. Workers in nuclear, electric power transmission and distribution, natural gas and coal have the highest median hourly wages of the 10 energy industries analyzed in the report, ranging between $28.69 for coal jobs up to $39.19 for nuclear.

Wind and solar, meanwhile, boast median hourly wages of $25.95 and $24.48, respectively.

Sectors with more jobs in construction and manufacturing generally pay less than those in the utilities sector, the report said.

Utility jobs are more likely to be unionized, and union representation is correlated with higher wages and benefits, the report said. Data on unionization rates is inconsistent across federal agencies, however, and the report urged the government to gather more reliable data.

The report on wages in the energy sector relied on data from the U.S. Energy & Employment report series.

AP: States Sue Biden in Bid to Revive Keystone XL Pipeline

Attorneys general from 21 states sued to overturn President Joe Biden's cancellation of the contentious Keystone XL oil pipeline from Canada.

Led by Ken Paxton of Texas and Austin Knudsen of Montana, the states said Biden had overstepped his authority when he revoked the permit for the Keystone pipeline on his first day in office.

Because the line would run through multiple U.S. states, Congress should have the final say over whether it's built, according to the lawsuit filed in U.S. District Court in Texas.

Construction on the 1,200-mile (1,930-kilometer) pipeline began last year when former President Donald Trump revived the long-delayed project after it had stalled under the Obama administration.

It would move up to 830,000 barrels (35 million gallons) of crude daily from the oil sand fields of western Canada to Steele City, Nebraska, where it would connect to other pipelines that feed oil refineries on the U.S. Gulf Coast.

Biden cancelled its permit over longstanding concerns that burning oil sands crude would make climate change worse.

Some moderate Democratic lawmakers also have urged Biden to reverse his decision, including Sens. Joe Manchin of West Virginia and Jon Tester of Montana.

U.S. Steelmakers, Industry Users Tussle Over Future of Tariffs

(Bloomberg) -- Steel producers are sparring with industries that use the metal as both lobby the Biden administration over the future of Trump-era tariffs on billions of dollars in annual imports.

A broad group of U.S. business associations, composed of 37 groups ranging from the American Petroleum Institute to the U.S. Fashion Industry Association, asked President Joe Biden on Wednesday to remove the duties that his predecessor justified on national-security grounds "as soon as possible." Former President Donald Trump slapped the duties on trade partners from the European Union and Japan to Mexico and Canada in 2018.

Overall, the tariffs have hurt far more jobs and companies in industries that use steel -- as well as small businesses and consumers -- than they've protected in steel and aluminum production, the associations said.

At the same time, the Economic Policy Institute, a left-leaning think tank, called on the administration to continue the duties.

It hosted a call with representatives of United Steelworkers union and said that the duties helped boost output and create thousands of jobs. The industry is concentrated in politically sensitive swing states including Michigan, Ohio and Indiana.

The competing campaigns point to the pressure that the Biden administration will come under as it reviews tariffs on billions of dollars of imports inherited from Trump.

Commerce Secretary Gina Raimondo said earlier this month that data show the tariffs have "been effective" and left open the possibility that they would be maintained after the Biden administration completes a review process.

The duties "are causing serious damage to those already struggling" due to the pandemic, Rufus Yerxa, president of the National Foreign Trade Council, a business-lobbying group advocating for removal of the duties, said in a statement. "Eliminating unwarranted, ineffective and self-defeating import tariffs is key if we want to re-engage with our allies and build our economy back better."

Trump implemented a 25% duty on steel imports and 10% on inward-bound shipments of aluminum three years ago using section 232 of the 1962 Trade Expansion Act allows, which allows for the levies without a vote by Congress if imports are deemed a national-security threat. The former president said the tariffs were needed to protect the domestic industry from going under.

The benefits of the duties remain unclear. Most end-users -- from Caterpillar Inc. and Whirlpool Corp. to Harley Davidson Inc. and Molson Coors Beverage Co.-- have complained that the tariffs raise their raw-materials costs, cutting into profits.

The major American steel companies say the duties have protected them from foreign imports that tend to push down prices. Though, right now the industry is purposely throttling production to keep domestic steel prices at record levels, which may lead end users to buy foreign imports in order to satisfy their needs.

A bipartisan group of senators earlier this month introduced a bill to revamp the 1962 trade law by allowing Congress to annul a president's actions with a joint resolution of disapproval.

EIA: U.S. Energy Consumption Fell by a Record 7% in 2020

In 2020, total U.S. energy consumption fell to 93 quadrillion British thermal units (quads), down 7% from 2019, according to EIA's Monthly Energy Review. Last year marked the largest annual decrease in U.S. energy consumption in both percentage and absolute terms in our consumption data series that dates back to 1949. Much of the 2020 decrease in energy use is attributable to economic responses to the COVID-19 pandemic that began in the United States during the spring of 2020.

Before 2020, the largest recorded annual decrease in U.S. energy consumption occurred between 2008 and 2009, when consumption decreased by 5% during the economic recession. Other large annual decreases in U.S. energy consumption occurred during economic recessions in the early 1980s and in 2001.

Transportation: In 2020, energy consumption in the U.S. transportation sector fell by 15% to 24 quads, almost entirely because of decreased petroleum use for travel. Many travel restrictions were enacted in the United States during 2020, and even after some restrictions were eased, petroleum demand remained lower than previous levels. U.S. jet fuel use during Thanksgiving week of 2020 was about half of the 2019 volume. Overall, consumption of jet fuel by the transportation sector in the United States dropped by 38%, motor gasoline by 13%, and distillate fuel oil (diesel) by 7%.

Commercial: In 2020, energy consumption by the commercial sector of the U.S. economy fell by 7% to less than 17 quads. Closed offices and businesses, work-from-home orders, and relatively warmer winter weather contributed to less commercial energy consumption. U.S. commercial natural gas consumption dropped by 11%, and electricity retail sales to the commercial sector fell by 6%.

Industrial: In 2020, consumption of energy in the U.S. industrial sector fell 5% to 31 quads. With decreased U.S. demand for many products during 2020, the energy-intensive industrial sector produced less crude oil and natural gas and, therefore, consumed less energy to produce, refine, and process those products. Consumption by U.S. industry of every major source of energy declined: use of coal fell by 16%, of petroleum by 4%, and of natural gas by 2%. Retail sales of electricity to industry fell by 8%.

Residential: In 2020, consumption of energy in U.S. residences fell by only 1% to less than 21 quads. With people spending more time in their homes because of various stay-at-home orders during 2020, sales of electricity to the U.S. residential sector increased by 2%. However, 2020 was a relatively warm year, which led to less energy consumption for home heating. U.S. residential consumption of biomass (mostly wood), fell by 16%, petroleum by 11%, and natural gas by 7%.

U.S. E&Ps Reining in Capex, while International Operators Spending More, Shale Daily

U.S. oil and gas producers are likely to reduce their capital spending this year by around 8% as they remain "extremely disciplined, yes, really," based on a global survey by Raymond James & Associates Inc.

Analysts Pavel Molchanov, John Freeman and Graham Price compiled the 2021 projections in the firm's eighth annual capital expenditure (capex) survey. The 50 publicly traded global exploration and production (E&P) companies sampled provide context about the overall health of the industry and ultimately, the outlook for medium-term oil and gas supply.

Capex plans have been on a roller coaster for the past few years. This year appears to be no different, analysts said.

"Aggregate capital spending for our global 50-company survey peaked in 2013 at $600 billion," the Raymond James analysts noted. "This was followed by brutal austerity during 2014-2016, pushing spending down by more than half to $280 billion. Modest recovery during 2017-2019 brought spending back up to $341 billion. "And then, of course, came the nightmare of 2020."

Higher Spending Overall

The pandemic's initial crisis last spring came early enough to give E&Ps the ability to swiftly slash capex. Total spending in 2020 came in at $249 billion, down 27% year/year and 11% below the previous trough level of 2016. U.S. spending plunged 42%, while international capex dipped by one-quarter.

"Based on the initial 2021 budget figures, which are subject to future revision, of course, our survey indicates that 2021 global spending will tick up 5% to $262 billion," Molchanov and his colleagues said.

"This is still below the previous 2016 trough, and it equates to a cumulative drop of 56% from the peak level of 2013. To clarify, this 56% drop comprises a combination of lower activity levels, as well as lower industrywide costs. The relative proportions of these two variables naturally differ from region to region and from company to company."

For the U.S. portion of the survey, the Raymond James team historically had conducted a top-down analysis based on prices, production and cost metrics. The analysis created a proxy for aggregate cash flow generation. The top-down review was relevant because of the U.S. industry's fragmentation, which does not offer a clear way to track the budgets of hundreds of private E&Ps. Moreover, many multinationals have U.S. operations.

That said, the widespread production shut-ins in 2020 related to the pandemic made it impossible to conduct a top-down or year/year comparison. Using the bottom-up approach, data point to a U.S. capex decline of 8% from 2020, down for the third consecutive year.

"Here is what we find so fascinating," said analysts. "Most U.S. E&P companies aim for lower spending in 2021, even as international budgets are mostly up. Amazingly, this means that U.S. E&Ps are being more disciplined in 2021 than their international counterparts."

U.S. E&Ps for decades have routinely outspent their overseas counterparts. The domestic operators throughout history "had been the fastest to cut spending but also the fastest to ramp back up as the oil market recovers."

U.S. E&Ps Reining in Capex, while International Operators Spending More, Shale Daily

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How West Texas Intermediate (WTI) oil prices trend in the second half of this year could tell the tale on whether the U.S. E&Ps hold steady or go all in again. If WTI prices remain at or above current levels into the second half of the year, most E&Ps look to overspend their initial budgets.

"However, even then it would not be realistic for 2021 spending to get back to pre-Covid levels, given the heightened investor focus on free cash flow generation and capital discipline," the Raymond James analyst team said.
"The longer this industrywide austerity drags on, the more bullish it will ultimately be for oil prices."

It's Complicated

International E&Ps are set to increase capex by around 6% this year over 2020 spend, the survey indicated. Pulling together the capex plans for operators outside the United States is complicated by tax structures and financial terms, "some of them cloaked in contractual secrecy." The relationship between cash flow and capex also is not as clear cut as it is in the United States.

Raymond James separated the internationals into two groups. The domestic E&Ps excluded any U.S. operations, while the second group was multinationals. The domestic subset comprised E&Ps centered on one country, including, national oil companies. The multinationals include diversified operators that have their fingers around the world, including operations in the United States.

The variables differ from region to region and operator to operator. There is less clarity on capex in countries where the E&Ps are dominated by state enterprises, especially those without public listings.

The lack of clarity, especially true of members of the Organization of the Petroleum Exporting Countries, "means that any analysis of global spending carries a limited degree of precision," analysts noted.

Of the 50 large E&Ps that disclosed financials, 17 were generally U.S.-focused pure-plays that work in most of the major basins. Another 18 ply their skills in a single country outside the United States, while 15 are considered diversified multinationals.

"All in, we believe that our survey captures 45-50% of spending in the U.S. and 75-80% of spending outside the U.S., which brings the global weighted average to 65-70%."

Raymond James did not attempt to create pro forma estimates for companies involved in corporate buyouts that were announced in 2020. There was one notable omission from the survey. Saudi Arabia Oil Co., aka Aramco, is the world's largest oil producer. It began disclosing financials in 2016, but not enough historical data is available to include in the survey, which "relies on a full decade of data, going back to 2010," analysts noted.

"For what it's worth, though, Aramco's 2020 spending of $27 billion was down 19% year/year, and the 2021 budget of $35 billion is up 30%. This makes Aramco one of the few top-tier players to return to pre-Covid spending levels in 2021."

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