SSDA-AT POSITION PAPERS

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About SSDA-AT

Service Station Dealers of America and Allied Trades (SSDA-AT) is a national association composed of individual and state affiliate associations representing service station dealers, repair facilities, car washes, and convenience stores. For over 60 years, SSDA-AT has worked for the betterment of its members as a voice on Capitol Hill, with federal regulators, with the media, in the courts, and with suppliers.

INFRASTRUCTUE FUNDING

SSDA-AT POSITION PAPER

SSDA-AT supports long-term infrastructure funding. **SSDA-AT opposes** taxes that would have a negative impact on the tire industry.

In a major legislative victory for SSDA-AT, on November 5th, 2021, the House of Representatives passed the "Infrastructure Investment and Jobs Act (IIJA)," with a bipartisan vote of 228 to 206. The IIJA was then signed by President Biden. SSDA-AT is very thankful to the members of Congress who supported the legislation and engaged in dialog with our members on the impact of the legislation.

Also included within the IIJA is $550 billion in spending above budget baseline over five years which SSDA-AT strongly supported.

The law provides federal money for several categories of infrastructure including (a) roads, bridges and tunnels; (b) power infrastructure and clean energy transmission; (c) electric vehicle (EV) charging stations and electrification of vehicles; (d) rail, freight, ports, public transit, and airports; (e) expansion of broadband; (f) clean drinking water and wastewater facilities; and (g) other U.S. infrastructure and economic development programs. States are now better able to plan and implement much needed projects.

SSDA-AT was gratified with the passage of the $1.2 trillion dollar infrastructure bill in 2021.

Included in the infrastructure package were provisions of the RECYCLE Act, which will help provide grants via the U.S. Environmental Protection Agency (EPA) to help educate households and consumers about their residential and community recycling programs to improve participation and reduce contamination.

SSDA-AT remains concerned with how the bill will be funded. Paying for the recently passed infrastructure bill remains a top priority for SSDA-AT. There's funding available, but not enough for the 5 years intended in the bill. If spending levels from the infrastructure bill are maintained, we can expect to see a $215 billion-dollar cumulative shortfall through 2031 in the Highway Trust Fund.

SSDA-AT worked closely with Congressman Seth Moulton (D-MA) and Congressman John Katko (R-NY) in February of 2021, to draft a letter to Congress calling for full funding for 2022 infrastructure projects. **SSDA-AT supports** Congress funding the IIJA to the fullest extent of the intended legislation.

SSDA-AT strongly believes that all users of infrastructure must pay their fair share, not just the highway users. SSDA-AT believes there are a variety of other funding options available that would not be harmful to the tire industry including repatriation of overseas money.

SSDA-AT will take the following positions with infrastructure funding proposals:

1. Support a 5+ year bill
2. Oppose gas tax increases.
3. Oppose the privatization of highways
4. Oppose a weight distance tax
5. Oppose Vehicle Miles Traveled
6. Oppose FET on tread rubber
7. Oppose FET on passenger tires
8. Oppose an increase on FET on truck tires
9. Support the highway formula of 80% federal funding and 20% state funding
10. Oppose diversion of funds to non-highway purposes

SSDA-AT is actively contacting members of the House Ways and Means Committee, the House Committee on Appropriations, the Senate Finance Committee, and the Senate Committee on Appropriations urging them to tap other unused and available Federal funds to fill in the void rather than looking to the tire related industry to raise, reinstate past Federal excise taxes, or to impose new Federal Excise taxes. Since 2020, over 40 bills have been introduced to collect more from our industry through taxes.

SSDA-AT will remain actively involved in monitoring and considering all transportation proposals brought forth in the 117th Congress and beyond.

SSDA
SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

LAST-IN FIRST-OUT (LIFO) INVENTORY VALUATION

SSDA-AT POSITION PAPER

SSDA-AT opposes eliminating the Last In First Out (LIFO) accounting method for inventory valuation.

Repeal of LIFO would hurt SSDA-AT members and other American businesses. It would significantly hinder the competitiveness of U.S. businesses in the worldwide marketplace by placing a significantly increased tax liability on those companies that use LIFO by including a one-time significant tax on the inventory of those companies.

The majority of the businesses using the LIFO inventory method are organized in the form of pass- through entities, such as partnerships or S corporations. The real owners of these entities are taxed at individual tax rates. Any reduction in corporate income tax rates that might accompany a repeal of LIFO would not provide any offsetting relief for pass-through entities. Should this proposal be enacted, the consequences for LIFO taxpayers would be more devastating than most any other change to the tax rules.

The "new revenue" that is touted by supporters of LIFO repeal comes by means of retroactive taxes. Businesses using LIFO would have to pay retroactive income taxes on deferments they took while using LIFO in the past. Unlike ANY other tax expenditures that have been discussed for elimination, repealing LIFO is the only proposal that would require a business owner to pay taxes retroactively.

SSDA-AT members value that LIFO was preserved as a legitimate accounting method in the tax reform package passed in 2017 under President Trump and no changes were made to the accounting system. However, as budget discussions continue and infrastructure funding options continue to be examined, it is important to let our elected officials know how important this issue is for many businesses in the tire industry.

Any proposed tax rate reductions would not compensate LIFO taxpayers for the damaging effects to their businesses. Taking LIFO reserves and turning them into taxable income, even spaced out over time, would wreak havoc on cash flows, capital reserves, expansion opportunities and job creation for American businesses using this method of accounting.

SSDA-AT continues to actively lobby Congressional members to save LIFO. SSDA-AT is very active in the Save LIFO coalition and have been conducting visits on the Hill to express to members the importance of keeping this accounting system alive for tax purposes. **Saving LIFO remains a top priority for SSDA-AT.**

SSDA
SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

ESTATE TAX

SSDA-AT POSITION PAPER

SSDA-AT supports full repeal of the Estate Tax. If full repeal is not obtainable, **SSDA-AT also supports** extending the exemption levels of $11.2 million per individual, or $22.4 million for couples past 2025. **SSDA-AT opposes** recent legislative actions that propose substantial increases to the death and estate taxes on small businesses.

SSDA-AT is a member of the Family Business Estate Tax Coalition (FBETC). This Coalition is dedicated to the full and permanent repeal of the estate tax. In working with Rep. Kevin Brady and the Coalition SSDA-AT supported the passage of the Death Tax Repeal Act of 2015 (HR 1105) on a 240-179 vote.

In 2021, President Biden proposed an exponential increase to death and estate taxes on small businesses. This would be accomplished by reducing the federal estate tax exemption, in some cases increasing the estate tax rate and imposing a new capital gains tax at death. These proposals will prove detrimental to small and mid-sized businesses which are capital intensive, land rich, or successful. Worst of all, the new death capital gains tax would be the result of eliminating or limiting the step-up in basis for assets going through an estate and having death trigger the capital gains tax. It appears for the first time in our nation's history, at death the same asset could be taxed twice – once by a capital gains tax and again by an estate tax.

SSDA-AT opposes proposals that increase death and estate taxes on both equitable grounds and to promote the economic success of our nation's small businesses. Subjecting these businesses to double taxation at the owners' deaths will destroy many of these local businesses.

The elimination of the step-up in basis is generally ignored in the debate on the estate tax. It is sometimes erroneously referred to as a major "tax loophole for the rich" and mistakenly viewed as a significant revenue generator. This tax would be imposed at the death of the small business owner unless the business was going to be continued by the family. In that event, the triggering event for the capital gains tax would be at such later time as the heirs sold the business. Imposing this tax at the death of the owner may cause fire sales of these businesses because in many cases there will be no other sources of funds available to pay this unexpected tax.

At the end of 2017, Congress passed a tax reform package that doubles the estate tax exemption from now through the end of 2025. In 2026, the exemptions would revert back to their previous levels ($5.6 million individual and $11.2 per couple), indexed for inflation. The new tax affects estates of at least $11.2 million, or $22.4 million for couples.

In the 116th Congress, Senate Democrats proposed an infrastructure package partly funded by rolling back the TCJA doubling of the estate tax exemption and in 2019 House Democrats passed a disaster relief package partially funded by rolling back the TCJA estate tax improvements. In our estimation that makes this "tax the rich" pay-for easy for Democrats to take back off the shelf. SSDA-AT will be calling on both of these Senators and other moderate Democrats to reject any tax package that reverses the estate tax relief in the Tax Cuts and Jobs Act.

SSDA-AT supported efforts to fully repeal the Estate Tax in the 117th Congress by supporting the Death Tax Repeal Act (HR 1712 and S 617). **SSDA-AT will continue** to find co-sponsors for the Death Tax Repeal Act (HR 1712 and S 617) in the 117th Congress as we work towards advancing the legislation.

SSDA
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WORK OPPORTUNITY TAX CREDIT

SSDA-AT POSITION PAPER

SSDA-AT supports a permanent extension of the Work Opportunity Tax Credit (WOTC).

SSDA-AT is a member of the Work Opportunity Tax Credit Coalition. This coalition seeks legislative action to increase the effectiveness of the Work Opportunity Tax Credit. WOTC provides business owners with an opportunity to earn tax credit up to $9,600 per employee for hiring veterans and other qualified workers. Employers can earn a tax credit for each qualifying worker that ranges from $1,200 (for qualifying young people hired to work during the summer) to as much as $9,600 (for certain military veteran employees).

WOTC is adaptable to new labor market challenges, as demonstrated by the explosion of veterans' hires after enactment of the VOW to Hire Heroes Act jobs credits, and its use to spur recovery in disaster areas, high-poverty urban neighborhoods, and hundreds of rural counties with depressed economies. Any job seeker can verify that he or she must compete for a job, often against people with more education, a stable home, and money for getting to work, compared to coming from poor schools, living in subsidized housing, and needing bus money that leaves less for food. Without WOTC, hiring managers will choose the most promising worker, and those on public assistance or stigmatized will lose the competition and often stop looking for work. Most often, non-disadvantaged applicants outnumber the disadvantaged by 2:1 to 4:1; WOTC incentives the active consideration, outreach, and employment of applicants from traditionally disadvantaged and underrepresented areas.

Governors have designated thousands of low-income neighborhoods as Opportunity Zones, in both urban and rural areas, to deal with persistent poverty and decline through location-based solutions. By lowering the cost of a job to employers and boosting demand for labor, WOTC can complement investors' capital and catalyze area renewal. WOTC's ability to increase employment in the zone helps attract capital, and the synergy between capital and labor can boost productivity and purchasing power, helping to restore a community's economic vitality.

Every independent evaluation of the Work Opportunity Tax Credit and its predecessor, the Targeted Jobs Tax Credit, by the Department of Labor and Government

Accountability Office affirms that this tax incentive increases the employment of targeted workers, which is its goal.

In contrast to direct Federal spending, a targeted tax credit for employers can be a powerful policy instrument to improve labor market efficiency and outcomes in workforce training, mobility, and adjustment to economic change.

In a major legislative victory for SSDA-AT, included in the relief/spending bill at the end of 2020 was a five-year extension of WOTC. The Omnibus Spending bill signed by President Trump included a provision that extended the Work Opportunity Tax Credit (WOTC) for five more years. The new expiration date for the program is December 31, 2025. This bill made no other changes to the WOTC program.

SSDA-AT continues to work with Congressional members and staff to look for ways we can add a permanent WOTC extension to other legislation being considered.

SSDA
SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

LAWSUIT ABUSE

SSDA-AT POSITION PAPER

SSDA-AT supports legislative efforts to reduce abuse of legal process, including but not limited to the Lawsuit Abuse Reduction Act (LARA), and **SSDA-AT advocates** for renewed introduction and passage of LARA.

In recent congressional terms, SSDA-AT supported efforts led by Representative Lamar Smith (R-TX) for H.R. 720, Lawsuit Abuse Reduction Act (LARA) which in the last Congress passed the House on a 241-185 vote, and Senator Charles Grassley (R-IA) introduced the companion bill S. 237. A bill has not yet been introduced in the 117th Congress but SSDA-AT continues to talk with Congressional members about this topic and SSDA-AT will support legislation when it is formally introduced.

To understand LARA, it is important to be familiar with Rule 11 of the Federal Rules of Civil Procedure. From 1983 until 1993, Rule 11 said in part:

If a pleading, motion, or other paper is signed in violation of this rule, the court, upon motion or upon its own initiative, shall impose upon the person who signed it, a represented party, or both, an appropriate sanction, which may include an order to pay to the other party or parties the amount

of the reasonable expenses incurred because of the filing of the pleading, motion, or other paper, including a reasonable attorney's fee."

In 1993 some key changes were made, and Rule 11 currently says:

An attorney or unrepresented party certifies that to the best of the person's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances:

(1) it is not being presented for any improper purpose, such as to harass, cause unnecessary delay, or needlessly increase the cost of litigation;

(2) the claims, defenses, and other legal contentions are warranted by existing law or by a nonfrivolous argument for extending, modifying, or reversing existing law or for establishing new law;

(3) the factual contentions have evidentiary support or, if specifically, so identified, will likely have evidentiary support after a reasonable opportunity for further investigation or discovery; and

(4) the denials of factual contentions are warranted on the evidence or, if specifically, so identified, are reasonably based on belief or lack of information.

Sanctions. If, after notice and a reasonable opportunity to respond, the court determines that Rule 11

(b) has been violated, the court may impose an appropriate sanction on an attorney, law firm, or party that violated the rule or is responsible for the violation.

LARA is all about the difference between "shall" and "may."

Proponents of civil justice reform have contended the change from "shall" to "may", along with a couple of other aspects of Rule 11, helped lead to the explosion of frivolous lawsuits. Therefore, the purpose of LARA is to put some starch back into Rule 11.

LARA reverses the 1993 amendments to Rule 11 that made sanctions discretionary rather than mandatory.

In addition, LARA requires that judges impose monetary sanctions against lawyers who file frivolous lawsuits. Those monetary sanctions will include the attorney's fees and costs incurred by the victim of the frivolous lawsuit.

LARA reverses another 1993 amendment to Rule 11 that allow parties and their attorneys to avoid sanctions for making frivolous claims by withdrawing them within 21 days after a motion for sanctions has been served.

This version of LARA has one difference from its predecessors; this LARA would only amend Rule 11 of the Federal Rules of Civil Procedure. It does not attempt to force the states to use Rule 11. The hope is that states would amend their rules for governing frivolous lawsuits to reflect the changes implemented by LARA, just as they did when Rule 11 was last changed in 1993. Earlier versions of the bill included specific requirements for state use. Dropping the states provision should remove the states' rights opposition that surrounded the earlier debates.

The last general data generated by the U.S. Chamber' Institute for Legal Reform in a study of the tort liability costs of small businesses from NERA Economic Consulting (NERA) found that:

*the tort liability price tag for small businesses in America in 2008 was $105.4 billion.

*Small businesses bore 81% of business torn liability costs but took in only 22% of revenue.

*Small businesses paid $35.6 billion of their tort costs out of pocket as opposed to though insurance.

Lawsuit abuse remains a top concern for SSDA-AT. We continue to hear concern from SSDA-AT members. **SSDA-AT continues to engage** with Congressional members on this topic and SSDA-AT will support legislation when it is formally introduced in the 117th Congress. **SSDA-AT will renew efforts** in the 118th Congress when that is necessary.

MAGNUSON-MOSS WARRANTY ACT

SSDA-AT POSITION PAPER

SSDA-AT supports strong enforcement of the Magnuson-Moss Warranty Act.

SSDA-AT believes that the FTC must:

•Conduct greater oversight and enforcement on vehicle manufacturers who do not comply with the Magnuson-Moss Warranty Act and who seek to discredit aftermarket products;

•Aggressively enforce requirements that vehicle manufacturers must substantiate all claims that use of non-original equipment parts could jeopardize a vehicle warranty; and,

•Require better consumer disclosure by car companies regarding their rights under the warranty. This might entail compelling the car companies to include in their warranty booklets a prominently placed statement that, as a motor vehicle manufacturer, they are prohibited from conditioning the warranty on the use of any non-original equipment part or service; or inform consumers of their rights with a written statement of reasons when a warranty is denied due to the use of a non-original equipment service or part.

With new car sales waning, the car companies and their franchised dealers have been pursuing an increasingly aggressive strategy aimed at growing the sales of their original equipment replacement parts and repair services. Aftermarket parts are of a similar or even greater quality than the original equipment parts that they replace. In fact, many of these parts are made by the same company but may come in different packaging. Furthermore, aftermarket companies have the benefit of observing a part's performance and can then correct problems that are discovered only after the part has been in-use for some time.

Despite calls by SSDA-AT and other aftermarket trade groups, the Federal Trade Commission has taken little action to ensure consumers receive accurate information regarding their rights under new car warranties.

The Magnuson-Moss Warranty Act, which was enacted by Congress in 1975, prohibits the conditioning of consumer warranties by product manufacturers on the use of any

original equipment part or service. Under the statute, a manufacturer can only deny warranty coverage if the manufacturer, not the consumer, can demonstrate that it was the use of a non-original equipment part or service that created the warranty related defect.

While the FTC has failed to take formal action against car manufacturers, the Commission in 2019 issued a "Consumer Alert" informing consumers of their right to have their vehicle serviced or maintained at a repair shop of their own choosing or perform the service themselves without any concern that their warranty would be voided by their vehicle manufacturer. That alert can be viewed at the FTC web site at: http://ftc.gov/bcp/edu/pubs/consumer/alerts/alt192.shtm

SSDA-AT urges legislators to call on the FTC to protect consumers and the aftermarket providers by aggressively enforcing its rules governing unfair marketing practices and new car warranties as specified in the Magnuson-Moss Warranty Act.

SSDA
SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

UNIONIZATION OF BUSINESSES OVERREACH

SSDA-AT POSITION PAPER

SSDA-AT will advocate against efforts by some members in Congress and at the National Labor Relations Board that push through hasty and ill-conceived changes to well-established labor. **SSDA-AT does not oppose** unions, but efforts must be made to ensure attempts to unionize are fair.

On March 9, 2021, the House of Representatives passed the Protecting the Right to Organize (PRO) Act (H.R. 842, S. 420). SSDA-AT was opposed to the legislation. The legislation provides policy proposals that would boost unions at the expense of workers, employers, and the economy. Many of the policies in the PRO Act are reiterations of the countless rules and decisions pursued and implemented by the Obama administration's National Labor Relations Board, which overturned 4,559 years of precedent during its tenure and upended labor relations. Five of the Obama Board's actions were particularly destructive:

•Limiting employees' access to information on the possible downsides of unionization generally or the specific union trying to organize that workplace;

•Allowing unions to access workers' personal information without their consent;

•Attacking franchisees, vendors, and subcontractors, because these businesses do not provide the same economies of scale for union organizing as larger corporations;

•Attempting to erase "independent contractor" status and force entrepreneurs into "employee" status; and

•Disenfranchising employees who oppose unionization by allowing union organizers to gerrymander bargaining units into "micro-unions."

These actions and the PRO Act represent an all-out effort to increase the number of dues-paying union members regardless of the potential consequences. The policies supporters of the PRO Act are pursuing were rejected by the judicial system, opposed on a bipartisan basis in Congress, and/or withdrawn by the agencies that the prior administration tried to use to implement the policies unilaterally. All of these entities realized the policies

violated the law, exceeded the authority granted to the implementing agencies, or would cause serious damage to the American workplace.

SSDA-AT is an active member of the Coalition for a Democratic Workplace (CDW), which is coordinating responses to the NLRB's efforts.

Although a bill has not yet been introduced in the 117th Congress, SSDA-AT anticipates introduction is imminent and talks continue with Congressional members on this topic.

SSDA-AT urges legislators to oppose the actions of the NLRB because they would:

•Deny employees the time and information necessary to make fair and informed decisions;

•Make it more difficult for businesses to get advice on critical aspects of labor relations; and,

•Severely limit the ability of companies to make business decisions that could create needed jobs in communities around the country.

SSDA-AT continues to oppose "card check" legislation that would have made it far easier for workers belonging to any business to unionize. When this was defeated in the past, SSDA-AT turned its focus to regulatory overreach by the NLRB, which tried to enact its goals through its decisions and regulations. The Board repeatedly tried to upend labor relations to increase the number of dues-paying union members without regard to the negative consequences of doing so for employees, employers, and the economy. SSDA-AT is now advocating to check the NLRB's expansive overreach and ensure federal labor laws remain balanced and protect the rights of employees and employers alike.

Likely due to the failure of the card check legislation, a series of initiatives are being considered by both the NLRB and the Department of Labor (DOL). These initiatives could include the following:

•A Final Rule that requires all employers subject to the National Labor Relations Act (NLRA), which is almost every private employer, to post a notice in the workplace about the right to organize a union under the National Labor Relations Act.

•The NLRB published a Rulemaking setting forth new procedures for "conducting a secret ballot election to determine if employees wish to be represented for purposes of collective bargaining." According to most interpretations, these new procedures could result in union representation elections held within 10-21 days of a union petition.

•The Department of Labor's (DOL) Office of Labor-Management Standards (OLMS) supports an NPRM to reinterpret what constitutes "persuader" activity under the Labor- Management Reporting and Disclosure Act (LMRDA), by greatly expanding what exactly employers and consultants would need to report about communications with employees about unions.

SSDA-AT will remain active in the Coalition for a Democratic Workplace. SSDA-AT in the 117th Congress has sent letters to members of Congress outlining our concerns and discussing possible legislation that would address the NLRB's radical campaign to use executive action to implement key portions of its agenda.

SSDA-AT will continue to educate members of Congress on this issue and support policies that protect the rights of employees and strengthen the economy.

SSDA
SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

RIGHT TO REPAIR

SSDA-AT POSITION PAPER

SSDA-AT supports the Right to Equitable and Professional Auto Industry Repair (REPAIR) Act (H.R. 6570) to protect the right to repair nationwide.

Modern cars and trucks contain advanced technology that monitors or controls virtually every function of the vehicle including: brakes, steering, air bags, fuel delivery, ignition, lubrication, theft prevention, emission controls and soon, tire pressure. Car and truck owners, as well as the facilities that repair these vehicles need full access to the information, parts and tools necessary to accurately diagnose, repair or re-program these systems.

On February 3rd, 2021, U.S. Representative Bobby L. Rush (D-Ill.), a senior member of the House Committee on Energy and Commerce, introduced the REPAIR Act.

This legislation would preserve consumer access to high quality, affordable vehicle repair by ensuring that vehicle owners and independent repair shops have equal access to repair and maintenance tools and data as car companies and licensed dealerships.

The REPAIR Act will update existing laws to reflect the modernization of automobiles and the importance of consumer choice in auto repair. The legislation is written to foster a competitive environment for vehicle repair while prioritizing cybersecurity and safety for vehicle systems.

Specifically, the REPAIR Act will:

•Preserve consumer access to high quality and affordable vehicle repair by ensuring that vehicle owners and their repairers of choice have access to necessary repair and maintenance tools and data as vehicles continue to become more advanced;

•Ensure access to critical repair tools and information. All tools and equipment, wireless transmission of repair and diagnostic data, and access to on-board diagnostic and telematic systems needed to repair a vehicle must be made available to the independent repair industry;

•Ensure cybersecurity by allowing vehicle manufacturers to secure vehicle-generated data and requiring the National Highway Traffic Safety Administration (NHTSA) to develop standards for how vehicle generated data necessary for repair can be accessed securely;

•Provide transparency for consumers by requiring vehicle owners be informed that they can choose where and how to get their vehicle repaired;

•Create a stakeholder advisory committee and provide them with the statutory authority to provide recommendations to the Federal Trade Commission (FTC) on how to address emerging barriers to vehicle repair and maintenance; and,

•Provide ongoing enforcement by establishing a process for consumers and independent repair facilities to file complaints with the FTC regarding alleged violations of the requirements in the bill and a requirement that the FTC act within five months of a claim.

Recent SSDA-AT Efforts

SSDA-AT is part of a diverse coalition of stakeholders in the motor vehicle repair and maintenance sector who share a common interest in right to repair. This coalition shares similar beliefs on efforts to pass the REPAIR act, addressing telematics, and enacting the Right to Repair law in Massachusetts.

SSDA-AT welcomes the opportunity to work with NHTSA and other agencies to demonstrate to the FTC, Congress, and other parties that the independent aftermarket can access vehicle data safely and securely. Technology that ensures the cybersecure access to data for owners and their authorized repair shops already exists, and the independent aftermarket continues to lead and innovate on this front.

In May 2021, the FTC released a report highlighting the barriers auto manufacturers have instituted to block consumers' Right to Repair. In the report, the FTC supported expanding consumer repair options and found "scant evidence" for the repair restrictions imposed by original equipment manufacturers. In a subsequent policy statement on the report, the FTC noted that these repair restrictions create hardships for families and businesses and that the Commission was "concerned that this this burden is borne more heavily by underserved communities, including communities of color and lower-income Americans."

In July, 2021 President Biden issued an executive order encouraging the FTC to address anti-competitive repair restrictions.

SSDA-AT urges the authorizing committees within Congress to consider the REPAIR Act.

SSDA-AT will support the REPAIR Act and continue to explore other options for federal legislation that would support the motor vehicle owner's right to repair.

Right to repair remains a top priority for SSDA-AT members and a national law would provide for much needed clarity and direction in vehicle repair.

DRIVE SAFE ACT

SSDA-AT POSITION PAPER

Addressing driver shortages remains a top priority for SSDA-AT.

SSDA-AT supported passage of the DRIVE Safe pilot program which was part of the $1.2 trillion infrastructure bill President Joe Biden signed into law in November of 2021.

The DRIVE Safe Act enables qualified 18 to 20-year-olds to become CDL holders with the proper training once certified through the DOL. SSDA-AT is currently assisting the DOL to enact the program.

SSDA-AT urges enactment of the DRIVE Safe pilot program and for Congress to make the program permanent.

The Drive SAFE Act allows 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. The DRIVE Safe pilot program allows the opportunity for companies and drivers to apply for a federal exemption to these laws.

The trucking industry is currently facing a shortage of more than 60,000 qualified drivers, coupled with a projected need to hire 1.1 million new drivers over the next decade to keep up with increasing freight demand and workforce retirements. Younger drivers in particular are needed; the median age of an over-the-road truck driver is 49-seven years older than the average U.S. worker. However, these types of fulfilling careers are out of

reach for many otherwise qualified 18 to 20-year-olds because the minimum age requirement is an insurmountable barrier to entry for new truck drivers.

Although this will not unilaterally solve the driver shortage, it is a step in the right direction and opens a new pool of qualified drivers. **SSDA-AT also supports** a multifaceted approach to anticipating and responding to the critical shortage of qualified drivers.

SSDA-AT will work with the DOL and members of Congress to ensure that the DRIVE Safe pilot program is enacted, expanded, and ultimately successful.

SSDA SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

RPM ACT

SSDA-AT POSITION PAPER

SSDA-AT supports every Americans' right to convert street vehicles into dedicated racecars for competition.

SSDA-AT is actively looking for Congressional support for the RPM Act in the 117th Congress. There are 47 original cosponsors (32-R) (15-D) on the legislation and SSDA-AT is looking for more members in the House of Representatives to join as a co-sponsor or support the bill.

The Recognizing the Protection of Motorsports Act (RPM Act) was reintroduced in the U.S. House of Representatives for the 117th Congress after previous attempts in the 116th Congress. The RPM Act's bill number is H.R. 3281.

The RPM Act is common-sense, bi-partisan legislation to protect Americans' right to convert street vehicles (cars, trucks and motorcycles) into dedicated racecars and the motorsports-parts industry's ability to sell products that enable racers to compete. The bill clarifies that it is legal to make emissions-related changes to a street vehicle for the purpose of converting it into a racecar used exclusively in competition. It also confirms that it is legal to produce, market and install racing equipment.

The RPM Act reverses the EPA's interpretation that the Clean Air Act does not allow a motor vehicle designed for street use—including a car, truck, or motorcycle—to be converted into a dedicated racecar. This American tradition was unquestioned for nearly 50 years until 2015 when the EPA took the position that converted vehicles must remain emissions-compliant, even though they are no longer driven on public streets or highways. Although the EPA did not finalize the proposed rule, the agency still maintains the practice of modifying the emission system of a motor vehicle for the purpose of converting it for racing is illegal. Manufacturing, selling and installing race parts for the converted vehicle would also be a violation. The EPA has also announced that enforcement against high performance parts—including superchargers, tuners, and exhaust systems—is a top EPA priority.

Converting street vehicles into dedicated race vehicles is an American tradition dating back decades and has negligible environmental impact. Motorsports competition involves tens of thousands of participants and vehicle owners each year, both amateur and

professional. Retail sales of racing products make up a nearly $2 billion market annually. Most of the vehicles raced on the estimated 1,300 racetracks operating across the U.S. are converted vehicles that the EPA considers to be illegal.

While California is generally regarded as having the strictest emissions laws in the nation, even California exempts racing vehicles from these emissions regulations.

The RPM Act, first introduced in 2016, reverses the U.S. Environmental Protection Agency's (EPA) interpretation that the Clean Air Act (CAA) does not allow a motor vehicle designed for street use—including a car, truck or motorcycle—to be converted into a dedicated racecar. A version of the RPM Act was included as part of the energy bill that passed the House in 2020, but the Senate never took it up.

SSDA-AT supports the RPM Act to provide the racing community with certainty and confidence in the face of an EPA interpretation of the Clean Air Act that threatens to devastate an American pastime and eliminate jobs in our communities.