NYS ASSOCIATION OF SERVICE STATIONS & REPAIR SHOPS, INC.

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INSIDE THIS ISSUE

COVID 19 Safety Planning

Each business or entity, including those that have been designated as essential under Empire State Development's Essential Business Guidance, must develop a written Safety Plan outlining how its workplace will prevent the spread of COVID-19. A business may fill out this template to fulfill the requirement, or may develop its own Safety Plan. This plan does not need to be submitted to a state agency for approval but must be retained on the premises of the business and must made available to the New York State Department of Health (DOH) or local health or safety authorities in the event of an inspection. For the necessary forms see https://www.governor.ny.gov/sites/governor.ny.gov/files/atoms/files/NYS_BusinessReopeningSafetyPlanTemplate.pdf

Large Share of Gas Stations Not Ready for Chip Cards: PMAA

As many as one in five petroleum marketers surveyed said none of the sites in their gas station network would be ready for the move to chip payment cards at the pump by Oct. 1, 2020, the deadline set by major card networks, according to a new survey from the Petroleum Marketers Association of America.

The survey suggests a large number of gas stations could be held liable for thousands of dollars in fraud chargebacks. Fuel retailers must meet the card networks' deadlines for installing equipment that complies with the Europay Mastercard Visa technology standards for chip cards to avoid liability for counterfeit card fraud.

Though two major payment card networks -- American Express and Visa – have postponed the move to chip cards until next April, Discover and Mastercard so far have let the Oct. 1 deadline stand. Several industry trade associations including PMAA asked those companies to delay the transition to chip cards due to complications resulting from the outbreak of coronavirus disease 2019 (COVID-19).

PMAA surveyed 253 petroleum distributorships of different sizes from around the country. The survey segregated results for branded and unbranded sites.

Asked the percentage of their branded sites that would be EMV-ready by Oct. 1: 36% of the respondents said more than 75%; 17% of the respondents said 50%-75%, 13% of the respondents said 25%-50%; 12% of the respondents said less than 25%; and 22% said none.

Asked the percentage of their unbranded sites that would be EMV-ready by Oct. 1: 19% of the respondents said more than 75%; 8% of the respondents said 50%-75%; 10% of the respondents said 25%-50%; 15% of the respondents said less than 25%; and 17% said none. A large number of the respondents said the question wasn't applicable.

Twenty-one percent of the marketers surveyed said that the pandemic was the primary reason they would not be completely EMV compliant by the Oct. 1 deadline, and 54% said COVID-19 made a "difficult situation worse." About 25% said that the pandemic was not a factor in their being EMV-compliant by the deadline.

--Reporting by Donna Harris, dharris@opisnet.com; Editing by Michael Kelly, michael.kelly3@ihsmarkit.com

Mastercard Agrees to EMV Delay

Mastercard said yesterday that it will postpone the EMV liability shift for automatic fuel dispensers (AFDs) to April

16, 2021, following the lead of Visa, American Express and Discover to give convenience retailers more time to complete needed upgrades.

At the same time, Mastercard announced a new customer protection program that it says will address fraud vulnerabilities at gas stations that haven't made the switch to chip-card systems at the pump.

"Many fuel companies have made the shift to a safer and more secure EMV environment, and we applaud them for doing so. However, we also recognize and respect the complexities to upgrade to safer and more secure EMV transactions at fuel dispensers over the next few months," said Kush Saxena, executive vice president, US Merchants and Acceptance, Mastercard. "The new program we are putting into the market provides a new and differentiated layer of protection, thus securing consumers and mitigating losses for all parties."

Mastercard said it will provide fuel merchants who experience high fraud at the pump additional details about the fraudulent transactions and a "more comprehensive view into the safety of the purchasing environment at their individual locations."

Discover last week said it would delay the EMV fraud liability shift deadline to April 16, 2021. Earlier in May, Visa and American Express announced separate delays. Visa's new deadline is April 17, 2021, and American Express' is April 16.

In addition to the major networks, U.S. Bank Voyager Fleet Services, an issuer of fleet cards, announced a delay of their liability shift date to April 17, 2021.

SSDA-AT and others Request Opposition to Cash for Clunkers

Dear Speaker Pelosi, Majority Leader McConnell, Minority Leader Schumer and Minority Leader McCarthy:

Our organizations represent small businesses across the United States that derive their revenue primarily from post-warranty vehicles. We service, repair, distribute and manufacture parts for these vehicles. Our members have been severely impacted by the COVID-19 pandemic. Although some of our businesses have participated in economic stimulus programs, the funds from these programs fall short of replacing the revenue they have lost during the pandemic.

We are writing you today out of concern for recent discussions regarding establishing a Cash for Clunkers type program, in the fourth stimulus initiative, similar to the Consumer Assistance to Recycle and Save (CARS) program implemented by the Obama Administration in the summer of 2009 as a cure for the recession.

Both the Government Accountability Office (GAO) and the Brookings Institution along with other respected organizations raised questions about the success of the Cash for Clunkers program in stimulating the economy and reducing emissions. What we do know is that this $3 billion program removed approximately 700,000 vehicles from independent automotive repair shops. These vehicles were destroyed by the federal government after taxpayer dollars were spent up to $4500 per vehicle. The program was beneficial to auto manufacturers rather than acting as a stimulus to the entire automotive industry. As a result, the aftermarket sector was severely impacted with less vehicle service, fewer repairs and a direct impact on aftermarket distributors and manufacturers.

It is unclear whether the new vehicles would have been purchased, at some point, without the federal subsidy. Some automakers did benefit immediately with dramatic increases in stock value.

The Brookings Institution analysis noted that Cash for Clunkers ignores the impact of the federal government removing post-warranty vehicles from the marketplace.

The assessment thus far has focused on the degree to which the CARS program provided temporary stimulus by incentivizing households to purchase a new vehicle. This ignores the economic impact stemming from the program's requirement that the trade-in vehicle be destroyed. Incentivizing the premature destruction of used vehicles represents a loss of capital stock and thus a reduction in economic wealth.

In addition to effects on the industry, there are also consumer issues to be considered. This stimulus only helps the consumer if they were going to buy a new car in the near future in which case the program provides little benefit and an unnecessary use of taxpayer's dollars. If they were not, this incentive could encourage the consumer to take on additional debt that they would not have otherwise. In an effort to take advantage of a stimulus program, consumers may purchase a new car, when without the cash incentive, they may have chosen a pre-owned vehicle that would be appropriate for their needs.

GAO stressed the importance of input from stakeholders in its report to Congress. The 2009 Cash for Clunkers initiative excluded the economic impact of the program on the automotive aftermarket.

Finally, given the number of stakeholders that are financially affected by the auto industry, it would be important to collect and consider information on how a future program would affect these stakeholders and take mitigating actions, as appropriate.

We urge you to support America's small businesses and OPPOSE any new Cash for Clunkers vehicle retirement program in the next COVID-19 stimulus package. COVID-19 has had a devastating effect on small businesses.

As an important sector of the U.S. economy, we cannot survive any further negative effects.

Sincerely,

SSDA-AT and other trade associations.

FDA Requests Delay on Graphic Cigarette Labels

The U.S. Food and Drug Administration (FDA), alongside major tobacco companies, asked a Texas federal judge to delay the agency's new requirement for graphic warning labels on cigarette packs because of disruptions caused by the coronavirus pandemic, Law 360 reports.

The FDA is asking the court to delay the effective date by 120 days from June 18, 2021 to October 16, 2021.

"Defendants remain fully committed to the rule and would not agree to postpone its effective date but for the extraordinary disruptions caused by the COVID-19 pandemic," the FDA and the companies said in a joint motion.

In March, the FDA issued the final rule requiring cigarette manufacturers to display graphic warnings that feature the lesser-known but serious health risks associated with smoking. Retailers of cigarettes are responsible for ensuring those health warnings are visible to the public and unobscured.

R.J. Reynolds, ITG Brands and Liggett Group in April sued to block the rule, maintaining that the graphic warning requirements cross the line into governmental anti-smoking advocacy because the government has never forced makers of a legal product to use their own advertising to spread an emotionally charged message urging adults not to use their products, Law360 reports.

Philip Morris USA Inc. last week sued the Trump Administration over the graphic warning label requirements under First Amendment grounds, Bloomberg reports.

"Plaintiffs know of no other government-mandated disclosure regime that has ever attempted to seize so much speech, let alone to seize the most prominent and visible locations on packaging and advertising for the government's messages," Philip Morris, a unit of Altria Group Inc., said in the complaint.

FDA Releases New Food Safety Checklist

The U.S. Food and Drug Administration (FDA) last week issued two documents to help retail food establishments prepare to reopen after being closed or partially closed during the COVID-19 pandemic. The two documents are designed to help businesses that prepare food to serve or sell to the public directly and protect employee and public health as they reopen for business.

First, a downloadable checklist can help retail food establishments to consider their business' readiness to reopen after being closed by posing important questions related to food safety and COVID-mitigation efforts. Topic areas include:

- Facility operations
- Water, plumbing and ice
- Food contact and non-food contact surfaces (clean, disinfect, sanitize)
- Food temperature control
- Product inspection, rotation
- Dishwashing equipment
- Handwashing stations
- Employee health/screening
- Social distancing

Second, a companion infographic supports the checklist by emphasizing key practices that retail food establishments can implement and maintain as they reopen. The infographic can be displayed where employees can regularly access the information and will be available in Spanish and simplified Chinese in the coming weeks.

NYS Emergency Covid-19 Paid Sick Leave Benefits

To address the immediate need of employees affected by COVID-19 who are subject to mandatory or precautionary orders of quarantine or isolation, the new law provides the following: Employers with 10 or fewer employees and a net income less than $1 million will provide their workers:

Job protection for the duration of the quarantine order

• Guaranteed access to Paid Family Leave and disability benefits (short-term disability) for the period of quarantine including wage replacement for their salaries up to $150,000. Here's how to apply for Paid Family Leave and disability benefits. Employers with 11-99 employees and employers with 10 or fewer employees and a net income greater than $1 million will provide their workers:

• At least 5 days of paid sick leave • Job protection for the duration of the quarantine order • Guaranteed access to Paid Family Leave and disability benefits (short-term disability) for the period of quarantine including wage replacement for their salaries up to $150,000. Here's how to apply for Paid Family Leave and disability benefits. Employers with 100 or more employees, as well as all public employers (regardless of number of employees), will provide their workers:

At least 14 days of paid sick leave • Guaranteed job protection for the duration of the quarantine order The provisions of the quarantine legislation took effect immediately upon the Governor's signature, ensuring that New York workers are able to take advantage of these benefits now.

Additional Notes:

If you are quarantined but are working from home you do not qualify for these benefits. • You may be eligible for additional leave under NYS Paid Family Leave and disability benefits. Please call the hotline for more info. • If an employer is closed due to COVID-19 or a quarantine order, employees may immediately apply for Unemployment Insurance. Questions: Call the novel coronavirus (COVID-19) Hotline: 1-888-364-3065

Support Frontline Employees With the AG CHAIN Act

Store-level employees deserve our country's gratitude and appreciation for providing essential services to their communities. During this difficult time, the convenience and fuel retailing industry has provided over 80% of the retail fuel to this country, as well as food, over-the-counter medicines and a variety of other vital goods and services. Without these employees, supply chains would be disrupted, and the remaining economy would be significantly hampered.

The federal government can recognize essential workers for their continued service to their communities by including a form of incentive pay in the next phase of COVID-19 response legislation. A bipartisan pair of lawmakers, representatives G.T. Thompson (R-PA) and Dwight Evans (D-PA), have proposed such recognition in the form of H.R. 6841, the "Assistance and Gratitude for Coronavirus Heroes in Agribusiness who Are Invaluable to the Nation" (AG CHAIN) Act.

The AG CHAIN Act would exempt the wages earned by frontline employees in the agriculture and foodservice supply chain, including convenience stores, from federal income and federal payroll taxes during the period covering February 15, 2020, to June 15, 2020. The income tax exclusion would be capped at $25,000 for the covered four-month period and a pro-rated amount if extended. The payroll exclusion is limited to employees making less than $75,000 per year. This legislation could provide an immediate increase in take-home pay for these essential workers, in addition to what many in the convenience industry have already done to bolster pay for these frontline workers.

Nosediving Gas Tax Revenues
Could Complicate Surface Bill

By Tanya Snyder
05/06/2020 02:35 PM EDT

The precipitous drop in vehicle traffic over the last two months has meant cleaner air, faster freight movement — and less money in the already-bare coffers of the Highway Trust Fund.

So far, it doesn't appear that the drop in gas tax receipts that comes with less driving will be dramatic enough to force Congress to act before the FAST Act expires at the end of September. But it may complicate pushing through a longer-term bill, especially if Congress turns sour on deficit spending amid the trillions of coronavirus relief dollars flying out the door.

Vehicle miles traveled is down 42 percent since January, according to data analytics firm StreetLight Data , and May VMT should normally be about 15 percent higher than January. Official government data lags by several weeks on both VMT and gas tax receipts, making it difficult to judge exactly how much of a hit the HTF is taking — but there is sure to be some impact.

Before the coronavirus hit, Congress already faced a monumental challenge: How to fund the bill, which would require an additional $69 billion over five years just to maintain the status quo and an additional $146 billion to fund the more ambitious bill the House is preparing. And the Congressional Budget Office's previous projections that showed the transit account running dry in mid-fiscal 2021 and the highway account holding on through most of fiscal 2022 are now wishful thinking. The CBO hasn't come out with new projections since its March 6 forecast , but they will have shifted since then.

A Senate Democratic aide said while it's "not impossible" that the HTF could hit insolvency before September, it's unlikely. Even if revenues were down 40 percent for the entire rest of the year, which is unlikely as states are beginning to lift coronavirus-related restrictions, it wouldn't be enough to eat up the entire $15 billion balance with which the highway account was expected to end fiscal 2020 or the $3.7 billion balance for the transit account.

However, both accounts will certainly end the year with much lower balances than expected, leaving Congress to fill an even bigger hole than the $69 billion gap they had been anticipating between 2021 and 2025, which doesn't account for the ambitious increases lawmakers were hoping to enact or the precipitous declines the last two months have brought. All of this makes the reauthorization chore that much harder.

And there is an additional wrinkle: The mood of Congress as the nation charts its way through this new coronavirus reality.

In the span of a few weeks, lawmakers have pumped trillions into the battle to save lives and livelihoods in the wake of the coronavirus pandemic. The idea of including infrastructure in a stimulus package has fallen in and out of favor, sometimes several times in a single news cycle, raising hopes that Congress could throw money at the hole in the HTF while deficit spending is in vogue.

But Senate Majority Leader Mitch McConnell has indicated he's ready to close those floodgates, and Majority Whip John Thune (R-S.D.) on Tuesday counseled lawmakers to "take a pause" before spending more money. That could mean not only that Congress isn't willing to do more deficit spending to fund a surface transportation bill without offsets, but that spending fatigue could imperil big bills, period.

All of that raises the already-high likelihood of an extension in September. The Senate Environment and Public Works Committee has finished work on its bill but it has yet to hit the Senate floor, and lawmakers have also not coalesced around any funding solution.

Before the pandemic hit, Senate Republicans were discussing some solutions, including a new fee on electric vehicles, a truck tax and indexing the gas tax to inflation, though there was no consensus.

The House Transportation and Infrastructure Committee had been expected to release its surface transportation proposal in April, but "the global pandemic upended the Congressional schedule as we know it," according to T&I staff, and a bill release is still likely several weeks out at best.

Updated figures from FHWA, Treasury and CBO will all be coming soon and will help clarify the picture. In some cases, reduced spending at state DOTs could offset some of the losses. While some state DOTs are reporting that the reductions in traffic are a boon for road projects and only New York and Michigan have temporarily banned nonessential construction projects, many states have delayed construction projects.

Analysis: Pre-Memorial Day Gasoline Demand Lowest in 447 Months

Markets are made by dynamic differences of opinion, but this year, Memorial Day arrives with more than the typical schism in attitudes for gasoline. Heading into what many regard as the official start of the driving season, one has to go back to the third year of the Reagan administration to find similar consumption levels for motor fuel.

Buyers build their current bull case by citing the slow and steady rise in gasoline demand that followed an early-April trough where OPIS measured demand at less than 5 million b/d, or lower than has been witnessed since March 1968.Demand destruction occasionally expanded above 50% in early April but has been whittled down to about 34.5%, OPIS data suggest.

Bears are inclined to be much more pessimistic about driving season demand prospects, even though the last 10 days have been peppered with predictions of consumption gains tied to pent-up demand, road-trips replacing short flights, and health-conscious individuals preferring their own vehicles to any means of mass transit.

It's easy for many mainstream oil analysts, who tend to focus the majority of their attention on crude, to underestimate just how daunting a return to brisk gasoline consumption is under the current circumstances.

First, consider that there is more myth than reality in the suggestion that Memorial Day weekend sees a spike in consumption. The exposure of this myth is apparent if one looks at the week preceding the week ending the Friday of the three-day weekend. Motorists and dealers, the myth holds, fill their tanks ahead of the high traffic weekend.

Data suggest otherwise. In 2016, there was a slight boost, with implied demand rising by 200,000 b/d or just over 2%, when measuring statistics on getaway Friday. In 2017, the same week brought an increase of just 118,000 b/d, or a negligible 1.2%. In 2018, both of the last two weeks of May were identically measured at 9.689 million b/d, and last year, gasoline demand actually declined from 9.429 million b/d to 9.394 million b/d.

OPIS will publish its final demand assessment for the week ending May 16 on Memorial Day, and the preliminary calculation is 6.1 million b/d. Other than chronicled in some of the weeks of the coronavirus disease 2019 (COVID-19) crisis this spring, one has to go back to February 1983 to find a lower number ahead of the getaway week.

There is another problem in building a bullish case in this COVID-19 spring -- the matter of 2020 numbers that will be matched up to some of the spectacular demand "comps" from the 2019 driving season. Whether one believes the most current 6.7-million-b/d EIA estimate of U.S. demand or the 6.1 million b/d that OPIS gathers from actual station sales, there are huge distances between current levels and 2019 driving season numbers.

The first week of June 2019 saw EIA measure gasoline demand at 9.871 million b/d, and there were 11 times between that milepost and end-September that produced weekly estimates above 9.5 million b/d. On two unprecedented occasions, U.S. weekly gasoline demand last summer exceeded 9.9 million b/d, a level never previously witnessed.

Many market watchers believe the best the U.S. market could hope for in 2020 might be to claw back all but 10%-15% of the demand destruction inspired by COVID-19. That would still result in deficits to last year that occasionally flirt with 1.5 million b/d. There are some extraordinary fears related to Autumn consumption if there is indeed a second wave of coronavirus.

Next week will be a short work week, but we may see government numbers that suggest almost 40-million workers have filed for unemployment since the mid-March lockdowns. The states that have seen the greatest job losses include some of the highest light-duty vehicle counts in the country, including California, Florida and Texas.

The wildcard for gasoline supply and demand balances could be the offshore market.

This week last year saw 1.35 million b/d or a weekly total of about 9.5 million bbl arrive from foreign refiners. Last year's surge, and a similar cluster of offshore arrivals in May 2018 were both tied to a runaway RBOB market that roared up to a $25/bbl premium to the WTI crude benchmark. The high numbers attracted merchant cargoes from around the world. This year, gasoline imports have been unremarkable at about 500,000 b/d.

The drop in 2020 imports, however, may be offset by a noticeable slowdown in gasoline exports. Mexico and other Central American countries are "long"gasoline supplies and the situation extends to South America, where COVID-19 cases are surging.

The last two weeks have seen foreign gasoline imports average just 209,000 b/d. One has to go back to May 2011 to find a lower two-week aggregate. In contrast, gasoline exports in the same two weeks of 2019 averaged 600,000 b/d and 2018 produced an average late-May number of 640,000 b/d.

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Federal Oil Spill Liability

The federal Oil Spill Liability Tax is coming back after a one-year hiatus. The fee, which expired on Dec. 31, 2018 has been reauthorized, although it is not coming back on a retroactive basis. It will simply reappear as a charge beginning Jan. 1, 2020.

The fee may appear as a line item on some invoices, but other companies will simply build it into the rack price. Refiners are responsible for the fee which is 9cts per barrel of crude.

Since the fee only applies to crude, and crude-sourced hydrocarbons, it amounts to different charges on various products. For diesel fuel, it works out to 0.2143cts/gal; for a

5% biodiesel blend, it amounts to 0.2036cts/gal; and for B20, it runs 0.1714cts/gal. On a typical 10% ethanol blend of finished motor fuel, the fee will be 0.1929cts/gal, and for and E0 (all hydrocarbon gasoline), the charge is 0.1929cts/gal.

--Tom Kloza, tkloza@opisnet.com

Workers Compensation

*Question: *

Which Pay as you go does the State Insurance Fund Accept Monthly Payment From

Answer:

The New York State Insurance Fund (NYSIF) does not recognize ADP as an approved payroll processor for them. They are the only payroll provider they don't recognize. Paychex is approved and they are the only payroll processor that has access to the NYSIF to make insurance payments directly to them. All other payroll companies, except ADP, must process their payments to the NYSIF through a 3rd party payroll processor called InsurePay. If you are working with a prospect or an already insured and they want to participate in PayAsYouGo there are several approved payroll companies besides Paychex they can go to. Some that come to mind are: Heartland, Genesis, and USA Payrolls to name a few.

Selling Your Inspection License

If you are thinking of retiring or selling your business and have a New York State DMV Inspection license, your license may be valuable depending on the county where your shop is located. If you have questions on the sale and/or transfer of an inspection license call the association office at 518-452-4367.

DMV Record Retrieval

DMV record retrieval is available to association members and affiliates at a cost of $12 per record. Additionally, you may order DMV certified paper abstracts of driver's license, vehicle registration, and vehicle title records for an additional fee of $2 per abstract. Please call 518-452-4367

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