NOZZLE & WRENCH

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INSIDE THIS ISSUE:

...come out to WMDA/CAR expo and shop equipment, suppliers, from motor fuel to shop equipment.

KIRK'S CORNER

Expo and Awards Dinner October 25th at Martins West

By Kirk Mccauley, Director Of Member Relations & Government Affairs

This is one time in the year when you can take the afternoon off, come out to WMDA/CAR expo and shop equipment, suppliers, from motor fuel to shop equipment. All the state regulatory agencies will be in attendance, MDE on new UST regulations that take effect this month, Automotive Safety Enforcement Division (ASED), Comptrollers Motor Fuel Enforcement Division, or Weights and Measures about discount for cash signage and pump regulations. Lottery agents commission on sales will increase to 6% October 1, 2022, Average agent commission will increase by $3,100 a year. Stop by their table for more info.

All the fuel suppliers will be on hand, light lunch on the floor and happy hour between 5-6 pm. Awards dinner starts at 6pm and goes until 9pm. A complete selection of traditional and halal food will be available.

Maryland October 1st, Change

Lottery agent commission from **5.5 % to 6%**

DC - October 1st Change

Changes in taxes for District of Columbia motor fuel tax, and tobacco take effect October 1, 2022.

Cigarettes: The fixed tax remains $4.50 per package of twenty cigarettes. However, the surtax is increased from $.51 cents to $.52 cents per package of twenty cigarettes. As a result, **the combined cigarette excise tax per package of twenty cigarettes is $5.02.**

OTR will not administer a floor tax in connection with this increase in the cigarette tax, nor will the cigarette stamps currently in use be changed when the tax increases on October 1. Cigarette stamps purchased on or after

Continues on page 4

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TABLE OF CONTENTS

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October 1 will be sold at the new tax rate.

Other Tobacco: The tax rate on other tobacco products is decreased from **80 percent** of wholesale sales of other tobacco products to **79 percent** of wholesale sales of other tobacco products. Additionally, the rate for little cigars remains at **$.2510** per little cigar.

Motor Fuel Tax: The motor fuel surcharge is increased from $.103 to $.107 per gallon on the sale of gasoline, and other motor vehicle fuel. This surcharge is in addition to the $.235 tax on the sale of gasoline, and other motor vehicle fuel. There is no floor tax on fuel in the ground.

Gasoline and diesel tax $.2350 + $.1070 = $.3420 starting October1, 2022.

DC paid Family and Medical Leave Beginning October 1, 2022

Parental benefits increase from a maximum of **eight weeks to twelve weeks** for workers welcoming a new child to their home.

Medical benefits increase from a maximum of **six weeks to twelve weeks** for workers experiencing a serious health condition.

Family caregiving benefits increase from a maximum of **six weeks to twelve weeks** for workers caring for a family member experiencing a serious health condition. Link to information here: https://www.firstshift.org/dc-pfl-amendments-fy2022#:~:text=Beginning%20October%201%2C%202022%3A%20Parental%20benefits%20increase

D.C. Tobacco, ESD Flavor Ban

The following letter (above) was sent to D.C. Council Chairman Mendelson and members of council from WMDA/CAR, Mid Atlantic Petroleum Distributors Assn., and National Convenience Distributors. We have not received a reply yet. With October implementation date coming closer, there is uncertainty and confusion concerning timelines, products affected and legality of banning a product with no hearing.

CAR WMDA/CAR Service Station and Automotive Repair Association

August 15, 2022

The Honorable Phil Mendelson
Chairman, DC City Council
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Chairman Mendelson:

As the representatives of local retailers, wholesalers, convenience store owners and operators, we are writing regarding the looming effective date of a ban on flavors of all tobacco products. There was never any opportunity for our voice to be heard. The process was very unfair, and the consequence is a law that collectively will cost the retail community millions, increase illegal sales, gang activity and anger and confuse DC customers.

Additionally, this lack of due process has caused a tremendous amount of confusion regarding the effective date, implementation regulations, retailer notification, tax remittance, and the need for law enforcement awareness and retail assistance.

Please consider a delay in implementation or some form of immediate action to get answers to important questions from the government representatives from OTR, DCPD, DCRA, and the Department of Health Tobacco Control.

There is no question the retail community will be on the frontline of an angry and confused customer base. There needs to be a public record on this law, we need answers to important implementation questions and most importantly to understand the City's plan to fairly notify the public.

Attached is an important timeline and narrative supporting our claim of unfair treatment and lack of due process during deliberation by the Council.

Thank you for consideration of our request.
Sincerely,
WMDA, Service Station/Convenience Store Assn.
Mid-Atlantic Petroleum Distributors Assn.
National Convenience Distributors

Cc: Members, DC City Council
Enclosure: Attachment (*see page 23)

California and Section 177 States – Zero

Emission Vehicle (ZEV) dates and requirements to reduce emissions in transition period to ZEV.

100 Percent ZEV Requirement on August 25, 2022, California Air Resources Board (CARB) approved the Advanced Clean Car II (ACC II) proposed rule that include a requirement mandating that 100% of new California light duty vehicle sales consist of zero-emission vehicles (i.e., battery electric, plug-in hybrid electric, and fuel cell electric vehicles (hydrogen) by 2035. The share of new light-duty vehicle sales is required to increase in California from about 12 percent today to 35 percent by 2026, 68 percent by 2030, and 100 percent by 2035. A second set of provisions requires more stringent emissions standards for new gasoline and diesel-powered internal combustion engine (ICE) vehicles sold during this transition period.

Read entire white paper from American Petroleum Industry (API) (*see page 25) very informative, how many states will join, how many traditional fuel burners will be still on the road, what are we do to reduce emission on those cars?

Maryland Elections 2022

Concerns in the primaries of Kelly Schulz not spending and under estimating Dan Cox turned out to be real, but Peter Franchot running third behind winner Wes Moore and Runner up Tom Perez was not anticipated. Moore won with 32% of the vote

Events of the last 2 years have brought on a wave of change and WMDA/CAR will adapt to this change, and advocate for our members. No matter who is governor or comptroller. Our industry includes repair, fuel, and convenience retailing and all are under extreme pressure with environmental and government mandates. WMDA/CARs job is to bring your concerns to legislators and make sure they see the unintended consequences of bills or the benefits.

No matter who wins in November we will be there to represent you.

Hope to see everyone at Expo and Awards Dinner. ■

ASE Test

By Sandi Weaver
BA Auto Care, Inc.

There are definitely benefits to having our technicians take and pass ASEs but is it worth it to you and your shop?

Are they worth taking or are they a waste of time? I can honestly argue both sides of this and I will…

Worth it! Unlike most trades, we don't have certifications to take to get a license for auto repair. ASE tests are the closest we have. While the public might not know what ASEs are, they do know if you get a certificate of completion in a certain area of your trade, you know (or at least should know) what you are doing. This is why a lot of shops display their certificates in their waiting room, like a doctor who hangs their diploma from med school.

Along those lines you can use it for advertising. "All our technicians are ASE certified" or Master certified. That does sound good even if your clientele has no clue what ASEs are.

As an independent repair shop, we ask all our technicians to take A1-A8, L1 and L3. A1-A8 have helped us identify where a younger or less experienced technician is lacking in their knowledge and find classes and such to help them improve. If you say you are a "B" tech (even a "C"), you should be able to go take all 8 tests and pass them on the first, maybe second try. If they can't, they probably aren't the "B" tech they think they are or are truly awful at taking tests (please note you can get assistance for learning disabilities).

There are definitely benefits to having our technicians take and pass ASEs but is it worth it to you and your shop?

Waste of time! Having to retake the tests every 5 years can feel pointless. While our industry is advancing at a rapid pace, the ASE tests are based on items that haven't changed in many years.

Some of the questions are based on things that aren't really done any more such as repairing the diodes in the alternator or rebuilding a transmission. Both of these items are now cheaper to replace than to repair.

Many study just to pass the test, to know the theory. That doesn't mean they have worked on a vehicle or have had any hands on training. Knowing the theory and actually practicing are two totally different things. We actually had a graduate of a tech school work for us and she knew all the theory but never got a job to put the theory to experience until after she graduated. It turned out she wasn't capable of transferring theory into practice and left the industry.

Our technicians work hard all week long, why have them waste their evenings or weekend taking a test when we know they can do the job and do it well? It all comes what's best for your shop.

I hope by sharing some pros and cons to ASE testing I might have shared something you hadn't thought of or your employees can see why you do or don't require them. ■

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Timing

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Claim Deadline: November 30, 2022

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  - Bulk

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- USDA Certified Biobased Product
- Outstanding emission control[3]

[1] Lower carbon intensity on a lifecycle basis compared to PRO-DS SAE 0W-20 viscosity grade; lifecycle analysis based only on cradle-to-gate analysis and doesn't include carbon intensity for end-of-life or any in-use aspects of the lifecycle analysis.
[2] Based on Modified Sequence VIF Fuel Economy Retention Test @ 340 hours using SAE 0W-16; compared against Havoline PRO-DS SAE 0W-16
[3] Based on unsurpassed Sequence IIIHB result on PRO-RS 0W-30.

Use These Tools to Increase Your Website's Visibility

Brought to you by Netdriven

Your webpages' listings in search results are one of the most important features of your online presence. In order to capture a highly coveted spot at the top of search results, your webpage listings need to be optimized for online search.

The specific components that make up a webpage listing are the title tag, H1 tag and meta description.

The specific components that make up a webpage listing are the title tag, H1 tag and meta description.

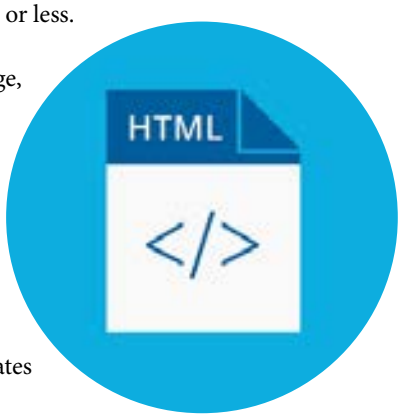
Title Tags

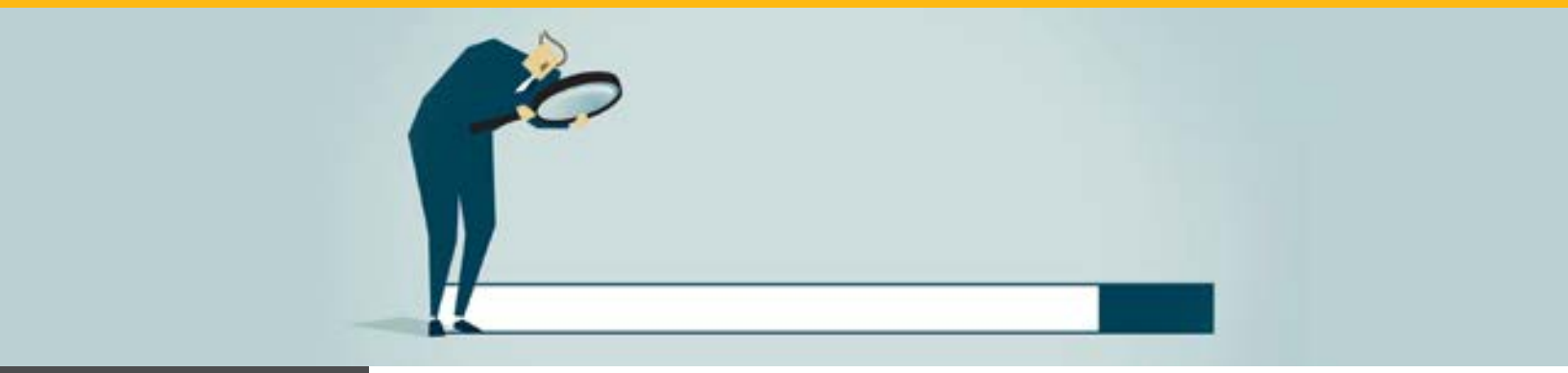
A commonly overlooked aspect of SEO is title tag optimization. Title tags (also known as HTML titles) are the blue clickable titles that appear in search results and communicate the topic of that webpage. For this reason, title tags should be as direct and relevant to the page's contents as possible to help search engines match it to an online query. Title tags are also how the header of a webpage will look when it's shared in a social post, so that is all the more reason to create clear, accurate descriptions.

Most website domains have tools to automatically create title tags, but if you find yourself in need of creating your own title tag, you can do so by adding the <title> tag in the HTML around the tag copy. A survey by Semrush found that mistakes in title tags are the third-biggest SEO roadblock for businesses. The two most common title tag mistakes are making titles too long for search result pages and reusing titles, which can confuse search engines.

Here are some tips for writing good title tags:

- **Keep Title Tags Brief**
  Google only displays about 60-70 characters of a page title (depending on the size of the screen), so keep your titles closer to 60 characters or less.
- **Include the Three components of a Good Title Tag**
  The words you choose should describe what's on the page, trigger the reader's emotions and include a prominent keyword related to the webpage.
- **Add Trigger Words**
  Trigger words give your audience an idea of how your content will answer their search query – in fact, "how" is a trigger word, and so is "what," "when," "why," "where," "best," "review" and so on.
- **Keep Title Tags Unique**
  Reusing title tag copy can flag your webpages as duplicates and penalize your search ranking.
- **Use Your Brand Name Responsibly**
  Your homepage title tag should start with your brand name, but inventory and service pages should prioritize the keywords that will match the search queries.





To sum up, optimize your title tags for online search by making them succinct and direct and including a target keyword.

H1 Tags

H1 tags appear in HTML code as <h1> to define the main topic of a webpage. As one of the top SEO ranking factors, H1 tags critically affect how high your webpages rank for target keywords.

Best practices for H1 tags:

- **Use Keywords**

Drive the most benefits from your H1 tag by adding your main keyword, as well as any secondary keywords. But don't stuff your H1 tag with keywords – you want to keep it readable. First, write for your visitors and then tweak the content to appeal to search engines.

- **Meet User Intent**

Search engines are tasked with identifying user intent and delivering satisfying search results. Just adding a keyword doesn't guarantee you'll fulfill the users' intent. When you're optimizing a webpage, identify the overall purpose of the page and what question(s) it answers for online shoppers, and make sure your H1 tag reflects that. Your H1 tag pulls shoppers in, and your webpage needs to deliver.

- **Match Your H1 Tags to Title Tags**

As long as your H1 tag satisfies user intent, you can match it to the page's title tag for an added SEO benefit. However, you may find you'll need to omit a few words from your H1 tags to maintain best practices.

- **Keep H1 Tags Short**

Unlike title tags, there's no technical character limit for H1 tags, but we recommend limiting them to 20-70 characters. You want your H1 tags to be straightforward, but not so short that they're missing valuable keywords.

- **Use One H1 Tag per Page**

While you *can* use more than one H1 tag on a page, we don't advise that you do. Adding more than one H1 tag dilutes the power of a single, properly optimized H1 tag and can cause your website to lose out on SEO benefits.

- **Make Your H1 Tags Stand Out**

Your H1 tags should stand out on your webpages, not just search results. They should be the most noticeable element on your page, and therefore they should be at the top of the webpage in big, bold font.

Meta Descriptions

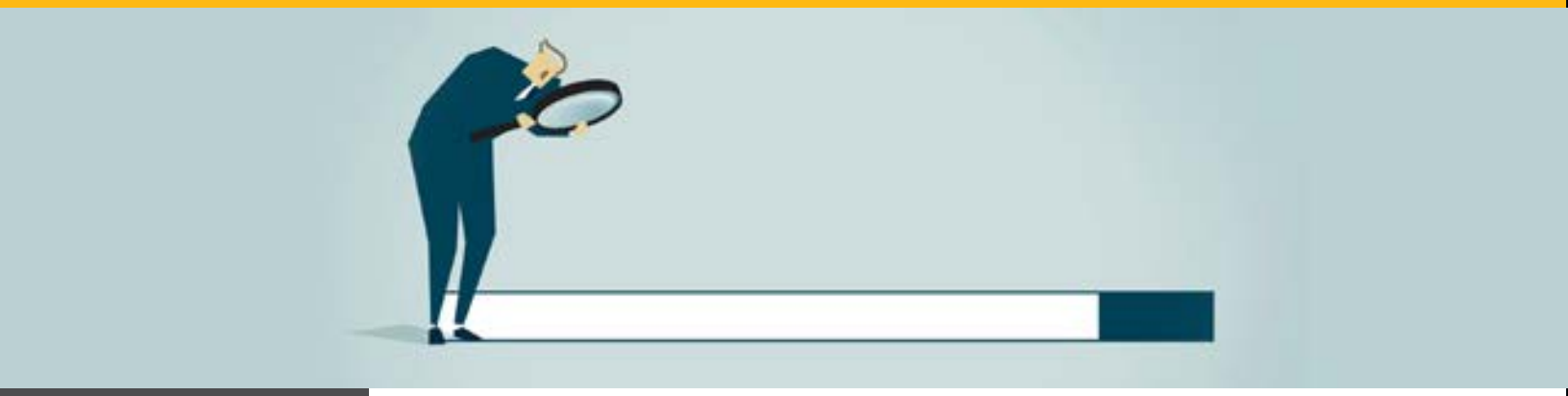
A meta description is an HTML tag that could be featured below the title tag in search results to provide some additional information about a page's purpose. It gives you more opportunity to convince online users to click on your website.

The purpose of a meta description is to drive more clicks to your website. Unlike title tags and H1 tags, search engines don't directly consider meta descriptions in their search rank algorithms, so some marketers feel it doesn't provide an SEO benefit. However, it *does* benefit your SEO indirectly by encouraging more clicks from shoppers, and websites that have a higher click-through rate get more attention from search engines. There's not always a guarantee that search engines will display your meta descriptions, but they are worth including for the chance to boost your webpage's SEO.

Here are the characteristics of a good meta description:

- **Make Your Meta Descriptions Descriptive**

There is no character limit to meta descriptions, so you can take as much space as needed to convey



your message. We recommend using between 120 and 155 characters to keep your message descriptive yet to the point for readers.

- **Make Meta Descriptions Actionable**

Use an active voice to motivate shoppers to click on your website. Doing so makes your description easy to read, and shoppers know exactly what they're getting when they visit the webpage.

- **Add a Call to Action**

If you have space in your meta description, add a call to action that highlights the next step and gets shoppers excited to learn more. Including a clear call to action encourages shoppers to act swifter and progress on through your website.

- **Include Your Target Keyword**

Adding a target keyword to your meta description can help it match with an online search query. Search engines may highlight it in the search results, bringing more visibility to your website.

- **Keep Meta Descriptions Unique**

As with all components of webpage search results, the content for your meta descriptions should be unique. Using the same description for more than one webpage will negatively affect your search results – to the point that no meta description is better than a duplicate one. Create meta descriptions that reflect the individual topic of each webpage to strengthen your webpages' presence in search results.

Strong webpage listings give your potential customers an accurate snapshot of webpage contents, inviting said customers to click on your website and begin interacting with your brand. By taking the time to fill out your title tags, H1 tags and meta descriptions with target keywords and action-driven messaging, you can enhance your website's SEO and rank highly online. ■

WMDA/CAR ANNUAL EXPO & AWARDS DINNER 2022

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Supreme Court Issues Landmark Decision Addressing the Right to Bear Arms

Brought to you by James L. Parsons, Jr., Lynott, Lynott & Parsons, P.A.

...the Court addressed the constitutionality of New York's "Sullivan Law," originally passed in 1911...

On June 23, 2022, the United States Supreme Court issued the landmark decision in New York State Rifle & Pistol Association, Inc. v. Bruen, 597 U.S. ___ (2022). In its decision, the Court addressed the constitutionality of New York's "Sullivan Law," originally passed in 1911, the latest version of which required applicants for an unrestricted license to carry a firearm in public to show "proper cause" in their application. The "proper cause" requirement had been interpreted by the New York courts as a "special need for self- protection distinguishable from that of the general community."

New York's "proper cause" requirement is similar to six other states (including Maryland) and the District of Columbia, that require the showing of "some additional special need" for the issuance of a permit to carry a firearm in public. In the other 43 states, the issuance of a license to carry is based upon objective criteria that does not allow licensing officials the discretion to deny applications based upon a perceived lack of need.

In a 6-3 decision written by Justice Clarence Thomas, the majority of the Supreme Court ruled that New York's Sullivan Law is unconstitutional. Prior to Bruen, the Second Amendment had only been applied to the right to bear arms in the home. Justice Thomas' opinion expanded the application of the Second Amendment to the carrying of firearms for self-defense in public. After concluding that the Second Amendment protects the right to carry a weapon in public, the Court found that the "proper cause" requirement in New York's law violates the Fourteenth Amendment by preventing "law abiding citizens with ordinary self-defense needs from exercising their [Second Amendment] right to keep and bear arms."

The decision also rejected the "two step" approach that had previously been applied by the Courts of Appeals to determine whether a firearm regulation is consistent with the Second Amendment. Under that approach, under the first step, the courts used constitutional text and history to determine whether the regulated activity is within the scope of the Second Amendment. If the activity is deemed to be protected, then the courts proceeded to the second step, and considered the government's justification for restricting or regulating the Second Amendment right. In performing the second step, the courts applied a "means-ends" test depending upon the burden that the law imposed: strict scrutiny if the burden is severe, and intermediate scrutiny if it is not. If strict scrutiny was applied, then the law would be upheld if the government showed that the law is "narrowly tailored to achieve a compelling governmental interest." If intermediate scrutiny was applied, then

the law would be upheld if the government showed that the law is "substantially related to the achievement of an important government interest."

The Court's decision eliminated the second step "means-end" test. Accordingly, after Bruen, where the government regulates activity protected by the Second Amendment, the government "must then justify its regulation by demonstrating that it is consistent with the Nation's historical tradition of firearm regulation." If the government is unable to meet this showing, it may no longer attempt to justify the regulation using the "means-end" test.

The Court's decision distinguished between the more common "shall issue" licensing systems, which condition licenses upon satisfying objective criteria, such as passing a background check, from the "may-issue" systems (including the Sullivan Law), which can result in arbitrary evaluations of "need" made by local authorities. The "shall issue" licensing systems were not impacted by the court's decision. In addition, Justice Thomas wrote that gun control laws that restrict weapons in "sensitive places," such as schools and government buildings, are not unconstitutional, but that New York could not justify the law by claiming that the entire island of Manhattan was a "sensitive place."

Justice Kavanaugh, in his concurring opinion joined by Justice Roberts, wrote that states may still issue licensing requirements such as background checks, and that those checks differ from the "proper cause" requirement under New York's law because it "grants open-ended discretion to licensing officials and authorizes licenses only for those applicants who can show some special need apart from self-defense."

Justice Breyer, joined by Justices Sotomayor and Kagan, wrote a dissenting opinion, which began with a detailed history of the recent gun violence in the United States. Justice Breyer wrote that the right to bear arms under the Second Amendment is not without limits, and he disagreed with the majority's holding abolishing the means-end test. The dissenting opinion states that "New York's Legislature considered the empirical evidence about gun violence and adopted a reasonable licensing law to regulate the concealed carriage of handguns in order to keep the people of New York safe." In Justice Breyer's view, New York should have been given an opportunity to present evidence justifying its reasons for adopting the law.

Although the Bruen decision applies only to New York's law, it is expected that the ruling will be used to challenge the "may issue" application systems in California, Hawaii, Maryland, Massachusetts, New Jersey, and Rhode Island. Maryland's law includes a "good and substantial reason" standard for wear and carry permits. Md. Public Safety Section 5-306(a)(6). On July 5, 2022, and in response to the Bruen decision, Maryland Governor Larry Hogan issued a statement "directing the Maryland State Police to immediately suspend utilization of the 'good and substantial reason' standard when reviewing applications for Wear and Carry Permits," stating that "it would be unconstitutional to continue enforcing this provision in state law." Governor Hogan's statement clarified that "there is no impact on other permitting requirements and protocols." Based upon the Bruen decision, Maryland and the other 5 states with "may issue" application systems will likely transition to "shall issue" systems, relying solely upon objective criteria such as background checks. ■

Government Affairs Update

By Roy Littlefield IV

SSDA-AT continues to educate members of Congress on the Right to Repair as we look for more co-sponsors on the legislation that was introduced.

It has been an active summer in the government affairs on the federal level for SSDA-AT, representing WMDA/CAR.

SSDA-AT continues to educate members of Congress on the Right to Repair as we look for more co-sponsors on the legislation that was introduced.

Recently, I presented at a REPAIR Act (H.R. 6570) briefing. Passing Right to Repair legislation on the federal level remains a top goal for WMDA/CAR. Staff from over 25 Congressional offices attended the briefing in the Cannon House office building.

The REPAIR Act would preserve consumer access to high quality and affordable vehicle repair by ensuring that as vehicles continue to modernize, vehicle owners and their repairer of choice have equal access to repair and maintenance tools and data.

The 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.

Since the introduction of the bill, we have added 12 co-sponsors, 6 Republicans and 6 Democrats, keeping the legislation bipartisan.

WMDA/CAR members have increasingly expressed concern over supply chain problems. SSDA-AT believes the supply chain problem needs to be solved through a multifaceted approach involving various sectors of the federal government and private sector. Accordingly, we note that the President signed into law the Ocean Shipping Reform Act of 2022, supported by SSDA-AT. The new legislation empowers the Federal Maritime Commission to take various steps, including actions to address issues that contributed to port congestion. Of course, SSDA-AT will continue to champion efficient, uncongested, and safe highways as components of efficient supply chains and a competitive U.S. economy.

WMDA/CAR represents many family-owned businesses. SSDA-AT has been active on family business tax issues including estate tax, capital gains, and step-up in basis issues. So far during this administration, we've helped to stave off some potentially disastrous tax hikes on family businesses including: Eliminating Stepped up basis, Taxing Unrealized Capital Gains at Death, Taxing phantom gains through Wyden's "billionaire surtax", Cutting the current unified estate, gift, and gst exemptions in half to pre-TCJA levels, Severely restricting the use of GRATS and other tools that family businesses use for succession planning,

GOVERNMENT AFFAIRS

and Eliminating small businesses valuation discounts in section 2704 of the code. SSDA-AT will continue to work with our congressional allies to play an active role in opposing changes to these policies.

In August, the Inflation Reduction Act was signed into law. Before the bill was signed into law, SSDA-AT wrote several letters urging Congress not to raise taxes on small, individually, and family-owned businesses as part of the legislation.

The Inflation Reduction Act is not funded in any way by personal tax increases on small businesses or working families making under $400,000. This was positive for most WMDA/CAR members.

Some WMDA/CAR members have concern with the IRS receiving $80 billion in additional funding to deal with enforcement. WMDA/CAR is hopefully that the IRS will focus efforts on the highest profile and egregious cases. The bill doubles the refundable research and development (product development, technology) tax credit for small businesses, now at $500,000. The legislation provides tax credits for energy efficient upgrades. It expands Medicare benefits by capping out of pocket drug costs at $2,000 and gives Medicare the power to negotiate prescription drug prices while keeping premiums affordable.

The Federal Government recently released the biannual regulatory agenda, in which the Department of Labor (DOL) targets October 2022 for release of a proposed rule on overtime pay exemptions. SSDA-AT is disappointed that DOL plans to move forward with the proposed rule despite the current economic conditions. SSDA-AT will be exploring avenues for advocacy, including legislation or appropriations riders that delay the rule.

Given the current climate in Washington, staff is recommending a September 2023 timeframe to hold the federal lobby day. This gives more time for Washington to open in a capacity we would want for this event. More details and a finalized date to come. ■

Wage and Hour Regulations Common Misconceptions and Compliance Issues

By Roy Littlefield III

To qualify for exemption from overtime, Administrative, Executive and Professional employees have to be paid at least $684 per week on a guaranteed basis.

Salary Basis

To qualify for exemption from overtime, Administrative, Executive and Professional employees have to be paid at least $684 per week on a guaranteed basis. Note that the Outside Sales Exemption requires no guaranteed salary, more less minimum wage. The Computer Exemption requires at least $684 per week on a salaried basis or paid on an hourly basis at a rate not less than $27.63 per hour.

Misconception 1: If an employee is paid on a guaranteed salary basis of at least $684, regardless of duties, they are exempt from overtime. This is incorrect as to be exempt from overtime under the white-collar exemptions as noted, the employee must meet the duties test as set forth under each exemption by the FLSA and meet the salaried basis requirements.

Misconception 2: Nonexempt employees cannot be paid on a salaried basis. Nonexempt employees are simply required to receive overtime for hours worked in excess of 40 hours per week (federal basis) based on their regular rate of pay. They also must meet at least federal or state minimum wage requirements. As such, a nonexempt employee can be paid on a salaried basis, salary plus commission, commission only, hourly plus commission or other types of pay plans. As long as the employee receives on average for each hour worked minimum wage and receives time and one-half of their regular rate for hours in excess of 40 hours per week, the pay plan is compliant.

In computing the regular rate for overtime purposes, the regular rate is determined by totaling all monies earned for the given workweek (hourly/salary wages, commissions and bonuses, spiffs and other incentives). These total earnings are then divided by total hours worked. The additional half-time is calculated by multiplying the overtime hours times half-time of this regular rate.

Misconception 3: Under the salaried basis rule, we cannot deduct from the salary for any reason. An exempt employee's salary can be reduced for specific reasons.

These include:

- Deducting pay for violations of safety rules
- Suspending an exempt employee for disciplinary reasons
- Reducing pay, even on a partial day's absence for intermittent family and medical leave
- When an exempt employee is out sick for the whole day and does not have any accrued or earned sick/leave/PTO time

Please note that the only time we can deduct from the salary in partial day's work is for intermittent family and medical leave.

However, we can require the exempt salaried employee to utilize any earned, unused sick time/leave/PTO. Once exhausted, an exempt employee missing time in partial day increments must be paid for the full day.

If out of accrued/earned time, an employer can deduct in full-day increments for those reasons as noted above.

Misconception 4: We can make deductions from an exempt employee's salary while they are out for jury duty. An employer cannot make deductions from the pay of an exempt employee for absences caused by jury duty, attendance as a witness or a temporary military leave. However, an employer can offset fees received such as jury fees, witness fees or military pay for a particular week against the salary for that week.

Misconception 5: If an exempt employee is separated from the company, we must pay him/her for the full week of salary regardless of the number of days worked. An employer is not required to pay the full salary in the first or last week of employment if the employee does not work the full week. You are only required to pay the salary for the actual days worked.

Misconception 6: If we have exempt employees working more than 40 hours or performing extra duties and we pay them overtime or additional monies based on hours of work, they lose their exemption status. The only requirement for an exempt position's compensation is the guaranteed salary basis of $684 per week (less Outside Sales Exemption). An employer can provide additional monies based on hours worked, commissions based upon results, etc. without losing the exemption status.

Calculating Overtime

Misconception 1: If an employee is taking more breaks than we allot by policy, we can deduct those additional breaks from their pay. An employer cannot make deductions from an employee's pay who take short breaks or who take more breaks than what policy allows if the breaks are less than 20 minutes. If an employee takes any break during the day regardless of policy that is less than 20 minutes, the employer is required to compensate the employee. Please note that the Fair Labor Standards Act does not require employers to provide break or meal periods.

Misconception 2: We must pay an employee based on their clocked hours even though they may clock in early or clock out late. An employer is not required to pay an employee should they arrive early, clock in and not perform any work until it is time. SESCO recommends to utilize the 7/8 rounding method as well as implement policy stating that employees who clock in early or late and do not perform any work will not be compensated. As labor costs are your largest controllable costs, it is critical that

department heads/managers/HR professionals review all time records before processing payroll. Time records can be changed/altered to reflect actual time worked and SESCO recommends that both the manager/HR Director and employee sign off stating that true and accurate hours have been recorded.

Misconception 3: If a timecard states that the employee has been paid for 48 hours, we must ensure that overtime is paid based on their regular rate for these eight (8) hours of overtime. An employer must only pay overtime for actual hours worked in excess of 40 hours per week. For example, if an employee works 40 hours in a given workweek and is paid an additional eight (8) hours for a vacation day, no overtime is required to be paid on the eight (8) hours of non-working time, re: vacation day.

Misconception 4: We have to pay overtime for break times if an employee is at work over 40 hours in a workweek. Break times will not be considered hours worked if they satisfy the following:

- The break is more than 20 minutes if it is a rest break or more than 30 minutes if it is a meal break.
- The employee is completely relieved from duty; for example, a meal break is not spent answering phones, working at their desk, working at the computer, watching over a machine.
- The employee is free to leave his or her work station.

Misconception 5: We do not have to pay an employee who works overtime, because it was not pre-approved. No, you must

pay for all hours worked even if not pre-approved. The Wage-Hour Investigator will deem that the business benefited from the employee's work and that you knew or should have known that they were performing work. However, SESCO suggests a very strong, direct policy in the employee handbook discussing overtime and not working overtime unless approved. Further, disciplinary action is the most efficient way to address these types of issues.

Misconception 6: We have an exempt employee who works less than 40 hours per week; however, because they are exempt, we must guarantee the salary basis of $684 per week. The only requirement for compensation, even if the exempt employee works less than 40 hours, is to pay at least minimum wage. You do not have to pay the position the $684 per week. However, if the position works more than 40 hours per week, to avoid non-compliance, you must guarantee them the $684 per week to avoid overtime payments.

Misconception 7: Some of our employees work 24-hour shifts. They may not work all 24 hours as we do give them time to sleep and eat. However, because we require them to be at our place of business, we must pay them for 24 hours. Sleep time and meal periods will not be considered hours worked if they satisfy the following:

- The employee is on duty 24 hours or more.
- The employee and the employer agree to exclude from work hours bona fide meal periods and a bona fide, regularly scheduled sleeping period of not more than eight (8) hours.
- The employer provides adequate sleeping facilities and employees usually can enjoy uninterrupted sleep period.
- Should a sleep period be interrupted and the employee is awakened and asked to perform work, that time is counted as work. If the employee gets five (5) hours of sleep, the entire sleep period of eight (8) hours can go unpaid.

Misconception 8: We have multiple locations and at times require our employees to travel to other sites during their work day. We require them to clock out when they leave and clock back in when they arrive at the new location. As such, we do not have to pay for this drive/non-working time. Travel to and from work or travel outside the normal work day is generally not considered compensable time.

However, travel time must be counted as hours worked to include:

- It is time spent traveling from one work site to another
- It is driving even after hours to fulfill an employer's requirements or requests such as going by the bank on the way home
- If the employee has gone home from work for the day but is called out again

to travel, this would be compensatory.

Misconception 9: Sometimes we offer training to our employees. Since we are paying for the training and they are not doing any work, we do not have to pay our employees. Anytime an employer requires an employee to attend training during working hours, that time will be considered working time. Training is not considered hours worked if all of the following conditions are satisfied:

- Meetings are held outside of hours worked.
- Employee attendance is completely voluntary.
- If an employee does not show they are not disciplined in any way.
- The training is not directly related to the employee's job
- The employee does no work during the training time.
- The course or training is held after work hours and is not a requirement of the job even if the subject matter pertains to the job.

Misconception 10: We have to use a time clock or electronic timekeeping system to keep track of the hours of our nonexempt employees.

The DOL states that employers may use any timekeeping method that they choose. This would include allowing employees to record their hours of work by hand. Regardless of the method, SESCO always recommends that the employee and manager/HR Director sign off agreeing that

true and accurate hours of work have been recorded.

Misconception 11: Our company supports our community in a number of different ways to include supporting charities. We recommend to our employees that they should volunteer. As it is not working time, we do not have to pay them.

Charitable work performed at the employer's request as part of the job or during working hours is considered work time. Charitable work/volunteering will not be considered hours worked if:

- It is completely voluntary (even if the program is sponsored by the employer)
- It is performed outside of scheduled working hours

If employees get the impression that their jobs would be in jeopardy in any way or that they would receive fewer perks for failing to contribute to charity work, a court could say that the hours were not voluntary but were coerced. In addition, employees cannot perform volunteer work for an organization that employs them if the work is similar to that for which they are paid.

Misconception 12: We pay our employees bonuses and incentives for things such as meeting production goals, good attendance, good safety goals, etc. We are not required to pay overtime on these additional earnings.

There are technically two (2) different types of bonuses which include discretionary and non-discretionary. Discretionary bonus payments are completely that, discretionary. These bonuses are not communicated to employees, employees are not working towards accomplishing goals to receive the bonus and these bonuses are not regular and recurring. Typically defined discretionary bonuses which would not be required in overtime calculations are such as Christmas bonuses. Non-discretionary bonuses are required to be included in overtime payments. Non-discretionary bonuses are bonuses that incentivize an employee's behavior or production. These monies must be included in the regular rate for the purposes of overtime. Even if these non-discretionary bonuses are paid on a monthly, quarterly or even an annual basis. An employer is required to go back and roll these non-discretionary bonuses into each workweek and calculate overtime on these bonuses. ■

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ELECTION 2022:
WMDA/CAR PAC needs funds to Participate

Governor, Attorney General and Comptroller, along with delegates and senators are up for election in Maryland.

- **Ban on menthol cigarettes** in District of Columbia means there will be copycat bills in Maryland and Delaware this year.
- California **bans gas powered cars** by 2035, will MD, DE, or DC be next?
- Baltimore council members want to **ban new service stations** in the city, ban plastics, Styrofoam & sugary drinks. They have shut down many retailers with pad locks on doors, blaming business for crime. Police are telling our retailers you are on your own, hire security guards. They need to focus on crime, not plastic bags. The absurdity of actions like this underscores the need for new legislators.
- Labor and employee bills in all three jurisdictions would add thousands of dollars in **payroll cost** per year. While we have been successful in stopping or amending most bills, they will all be back this year.
- **Right to Repair** – New cars manufactured are installing devices in vehicles that send information over wireless networks to dealerships automatically.

As absurd as some of these bills are, they are real and affect all our members. These issues will be or already are in the legislative process. We need legislators who support retail business, do not be on the side lines.

Support your PAC and PROTECT your business.

We suggest $150 per location however, any amount is welcome.
Please send contributions to: WMDAPAC 1532 Pointer Ridge Place, Suite F Bowie, MD 20716

Your fellow business owners and PAC officers,

Rick Agoris, *PAC Chairman*
Riaz Ahmad, *PAC Treasurer*

WMDA PAC Political Action Committee

Attachment: Process and lack thereof B24-0020

- January 11, 2021-B24-0020 introduced as the "Flavored Electronic Smoking Device Prohibition Amendment Act of 2021." It provides that "No person shall sell or distribute a flavored electronic smoking device in the District." There is no mention of any other flavored tobacco products.
- January 19, 2021-assigned to Committee on the Judiciary and Public Safety
- January 22, 2021-B24-0020 published in the DC Register.
- June 10, 2021-Committee on the Judiciary and Public Safety reports a mark-up of B24-0020, now referred to as the "Flavored Tobacco Product Prohibition Amendment Act of 2021." It prohibits the sale of any flavored tobacco product, which includes not only electronic smoking devices, as it was titled, but also menthol cigarettes, flavored smokeless tobacco and cigars, and all other tobacco products with any characterizing flavor other than that of tobacco.
- June 29, 2021-Legislative Meeting approved the amended Legislation.
- July 21, 2021-Signed by the Mayor and Enacted.

Please note that there was no public hearing on the legislation at which the public could comment between its introduction and the markup. To the contrary, the report on the bill stated that:

> In Council Period 23, **the Committee held public hearings on substantially similar legislation** – B23-453, the "**Flavored Electronic Smoking Device Prohibition Amendment Act of 2019**" – and the Committee is now incorporating those hearing records into the hearing record for
>
> B24-0020 pursuant to Council Rule 501(a)(2).

(Emphasis added.)

In turn, the report references in a footnote:

> Committee on the Judiciary and Public Safety, Public Hearings on B23-0453, the "**Flavored Electronic Smoking Device Prohibition Amendment Act of 2019**" (Jan. 2, 2020 and Feb. 18, 2020), https://lims.dccouncil.us/downloads/LIMS/43274/Hearing_Record/B23-0453-Hearing_Record1.pdf.

(Emphasis added.)

The report further noted:

> On January 2, 2020, the Committee held a hearing on B23-0453, the "**Flavored Electronic Smoking Device Prohibition Amendment Act of 2019", which proposed prohibiting the sale or distribution of flavored electronic smoking devices (but not all flavored tobacco products),** and B23-0472, the "Electronic Smoking Device Sales Restriction Amendment Act of 2019", which proposed prohibiting the sale or distribution of any electronic smoking devices – flavored or unflavored – within a quarter mile of a middle or high school.

(Emphasis added.)

The report on B24-0020 includes the testimony on that earlier legislation, in which members of the public supporting the bill, including organizations who promote such legislation across the country, argued for

Continues next page

expansion to include flavored products beyond electronic smoking devices. Opponents of the bill, on the other hand, were persons and organizations focusing on the potential ban of flavored electronic smoking devices. No one testified against banning flavors on tobacco products other than electronic smoking devices, as that subject was not part of the earlier legislation that the Committee incorporated as the public testimony for B24-0020. Consequently, when the Committee had before it the markup on June 10, 2021, it had not heard testimony from anyone opposed to the expansion from flavored electronic smoking devices to all flavored tobacco products, but it had heard from those supporting such an amendment.

Analysis

The Committee on Judiciary and Public Safety Rules includes Sec. 601(a) that states:

> A hearing shall be held before the Committee's adoption of any permanent bill. *A hearing is not required if a hearing on the same or a similar bill was held* in the same or immediately preceding Council Period.

The Committee relied on the hearing held in the earlier Council Period on the "Flavored Electronic Smoking Device Prohibition Amendment Act of 2019" to justify not holding a hearing with testimony from affected community members when it greatly expanded the reach of the bill in the June 10, 2021, markup session. There is no question that expanding from *flavored electronic smoking devices* to *all flavored tobacco products* is not the same or similar. Indeed, the Committee itself does not even argue that the earlier legislation was the same or similar. To the contrary, the Committee only states that the current legislation is "substantially similar." As it was not in fact the same or similar, it was required to hold a hearing taking public comment.

More significantly, as a factual matter it was not similar. Of all the sales of flavored tobacco products by retailers, flavored electronic smoking devices make up a small percentage. The vast majority of flavored tobacco products sold by retailers are menthol cigarettes and flavored smokeless tobacco, cigars, and alternative products such as snus.

Because of the relative importance of all flavored tobacco products, had the Committee held a hearing on this more expansive prohibition, many more retailers would have had a reason to appear and provide testimony opposing this expansion. The Committee would have heard about the impact on the business of these retailers, many of whom are first- and second-generation citizens and from disadvantaged communities as well. In addition, the Committee would have heard that some of the products being banned by the Council have been determined by the U.S. Food and Drug Administration as being "appropriate for the protection of the public health." In other words, the Council banned the sale of products the FDA found, after rigorous scientific study, to be a public health benefit. But as the Committee did not feel the need to hear from the regulated community, it did not have the benefit of that testimony, and the Council itself did not have the best record upon which to decide.

Attachment from page 5

California and Section 177 States – 100 Percent ZEV Requirement

On August 25, 2022, California Air Resources Board (CARB) approved the Advanced Clean Car II (ACC II) proposed rule that include a requirement mandating that 100% of new California light-duty vehicle sales consist of zero-emission vehicles (i.e., battery electric, plug-in hybrid electric, and fuel cell electric vehicles (hydrogen)) by 2035. The share of new light-duty vehicle sales is required to increase in California from about 12 percent today to 35 percent by 2026, 68 percent by 2030, and 100 percent by 2035. A second set of provisions requires more stringent emissions standards for new gasoline and diesel-powered internal combustion engine (ICE) vehicles sold during this transition period.

Shortly after CARB adopts the ACC II, the Board will submit the regulation to the California Office of Administrative Law for final approval. Then it will be sent to the U.S. Environmental Protection Agency (EPA) with a request to waive federal preemption of the ACC II program based on the criteria set forth in Section 209(a) of the federal Clean Air Act. The EPA will likely propose to grant the waiver and establish a 30-to-60-day time period for the public to comment on its proposal. It is possible that the EPA will expedite the regulatory process to approve the 100% ZEV requirement ahead of the November midterm elections. Regardless of the timing, the Administration is expected to approve the waiver request which will allow California to enforce the ACC II rule.

This rule has significant implications beyond California as many Section 177 states that have previously adopted CARB's Advanced Clean Car I mandate[1] (e.g., effectively an 8% ZEV mandate) could decide to adopt the ACC II - effectively banning the sale of new internal combustion engine vehicles after 2035. With that possibility, there are several questions that should be addressed to fully understand how this law potentially impacts consumer choice, existing and future fuel and vehicle supplies, and national security.

Below are a series of questions that policymakers and other stakeholders should consider as they contemplate adopting ACC II in their state. As a backdrop for the questions below, other issues to keep in mind include: (1) Should alternative approaches also be pursued to reduce GHG emissions in the transportation sector in addition to ZEVs? (2) What are the contingency plans for reducing GHG emissions in transportation if ACC II EV policies do not yield intended outcomes or don't do so as quickly as planned? (3) What are the plans to reduce GHG

[1] The ZEV sales "mandate" ensures that each year, automobile manufactures deliver more vehicles that are partly or fully zero tailpipe emissions (such as plug-in hybrid electric (PHEV) or battery electric vehicles (BEV)) for sale in the state. In addition to California, fifteen other states and the District of Columbia have adopted California's ZEV sales mandate regulation (often referred to as "Section 177 States").

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emissions from the 270 million vehicles already on the road that will continue to operate on gasoline and diesel fuel for the foreseeable future?

1. **Which states have adopted the California ACC I rule (which includes effectively an 8% ZEV requirement) using CAA Section 177?**
   A. New York, Massachusetts, Vermont, Maine, Connecticut, Rhode Island, Washington, Oregon, Minnesota, New Jersey, Nevada, Maryland, Virginia, Colorado, and New Mexico. These 15 Section 177 states together with California collectively account for about 36 percent of the new light duty vehicles sold in the U.S.

2. **Which states have announced their intent to adopt ACC II?[2]**
   A. California, New York, New Jersey, Oregon, Washington, and Vermont. Many others are likely to follow with the laudable goal of reducing GHG emissions.

3. **What ZEV market penetration rates were developed by EPA in establishing the federal MY 2023-2026 light-duty vehicle tailpipe GHG standards?**
   A. The EPA projects ZEVs will reach 17 percent of new light-duty vehicle sales by MY 2026 on an industry-wide basis.

4. **What is the phase-in schedule for the ACC II ZEV requirements?**
   A. The phase in schedule is as follows: 2026 with a 35% ZEV/PHEV new vehicles requirement, 68% by 2030, and 100% by 2035.

5. **What are the concerns with ZEV sales requirements and how do these requirements impact other GHG emissions approaches in the transportation sector?**
   A. Regulations that establish yearly quotas for the production of zero emission light-, medium- and heavy-duty vehicles (ZEV) and policies that ban those that are equipped with internal combustion engines are inconsistent with free market principles and limit implementation of alternative GHG emissions reduction options. For example, such mandates eliminate the opportunity to reduce GHG emissions through high-efficiency vehicles powered by lower carbon-intensity fuels. They also limit options available for those Americans who can't afford a ZEV or for whom a conventionally powered vehicle best serves their individual transportation needs.

6. **Why is consumer choice important?**
   A. Federal fuels and transportation policies should allow all vehicles and fuel technologies to freely compete on a level playing field to reduce transportation-sector

[2] Oregon, Washington and Vermont have proposed to adopt the ACC II rule https://www.oregon.gov/deq/rulemaking/Pages/CleanCarsII.aspx. https://ecology.wa.gov/Regulations-Permits/Laws-rules-rulemaking/Rulemaking/WAC173-423-400Jan18.

Continues next page

emissions – protecting consumers, their vehicles, and preserving customer choice without using mandates and bans that distort the market.

Mandating a single fuel or vehicle technology option hinders the marketplace from identifying other opportunities to reduce GHG emissions by eliminating competition, distorting the market, and restricting consumer choice, while being potentially more costly to taxpayers.

7. **If all 15 of the Section 177 states adopt the ACC II Rule, what will that do to gasoline demand? Why does that matter?**
A. 17 states adopted the LEV program of California's ACC I rule via CAA Section 177 and 15 of these (Delaware and Pennsylvania were the exceptions) chose to also adopt the ZEV mandate from ACC I. California plus the 17 LEV/ZEV states collectively account for 40 percent of US new light-duty vehicle sales, while including only the ACC I ZEV states plus California reduces the collective share of total US new light-duty sales to 36%.
If states adopt the ACC II rule, it is a policy signal that gasoline and its infrastructure are no longer needed. As noted by the EIA, this could have significant implications for future investment in refineries and the pipelines, barge, ship and terminal infrastructure that supply gasoline to consumers.

8. **Why do refineries choose to continue to operate or choose to close?**

A. Refineries operate in conjunction with two global markets (crude & refined products) in a traditionally low-margin and high-volume business. If the refinery cannot economically operate as an ongoing concern, then it will not remain in business. New policies and market signals, increasing global competition, the pandemic and supply chain issues are among many factors that have made the calculus of running a refinery ever more challenging.

Factors that could impact the decision to continue operation of a refinery include:

(1) The ability to access capital for refinery expansion, maintenance and other upgrades that will position the refinery to continue

In 2020, the pandemic contributed to a substantial decrease in demand for motor fuels and refined petroleum products, which put downward pressure on refinery margins and made market conditions more challenging for refinery operators. In addition to challenging market conditions, increasing market interest in renewable diesel production and pre-existing plans to scale down or reconfigure petroleum refineries all contributed to the closing of a handful of refineries in 2020.

EIA, "Refinery closures decreased U.S. refinery capacity during 2020," July 8, 2021

Continues next page

operating in the future, balanced against U.S. federal and state policy goals to "end fossil fuel," such as:

a. new light-duty vehicle standards that incentivize at least 17 percent electric vehicles sales by 2026;
b. policies encouraging states to ban new gasoline-powered vehicles,
c. policies to make capital formation more expensive for refining,
d. policies to make it more difficult to build and maintain energy infrastructure projects,
e. overreaching environmental regulations and permitting requirements,
f. mandating the highest Renewable Fuel Standard volumes in the history of the program, and
g. state initiatives that mandate increasing use of biofuels and lower carbon alternatives fuels like California's Low Carbon Fuel Standard and carbon cap and trade programs.

(2) Strong global competition with new world-scale refinery capacity growth, especially in the Middle East and Asia
Pacific,

(3) The challenge with recovering increasing compliance costs from a variety of regulatory programs, and

(4) Work force and supply chain issues due to the COVID-19 pandemic.

In short, it is very challenging for a refinery to remain in business requiring large new investments, if it has been struggling economically and/or is faced with unfavorable policies.

9. **How many gallons of gasoline are sold in the U.S. and in Section 177 states?**
A. In 2021 about 128 billion gallons of gasoline were sold in the U.S. The Section 177 states accounted for more than a third of the fuel consumed.

10. **Will an ICE ban impact U.S. energy security? Where are critical minerals sourced and processed and where are battery components manufactured?**
A. "Based on baseline United States Geological Survey (USGS) 2020 production data and Martec analysis, for the U.S. to produce enough minerals domestically to reach the Biden administration's 50% by 2030 target, domestic production will require:

- 48x more lithium (The U.S. has one active mine today.)
- 16x more nickel (The U.S. has one active mine today.)
- 29x more cobalt (The U.S. has two active mines today, as a secondary material.)
- Graphite that is not produced at scale in the U.S. (The U.S. has zero active

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mines today.)"[3]

According to a 2021 International Energy Agency study, adhering to a goal of limiting a rise (above preindustrial levels) in global temperatures below 2 degrees Celsius could result in a quadrupling by 2040 of the minerals required for clean energy technologies, including those needed to build electric vehicles and wind turbines. "The data shows a looming mismatch between the world's strengthened climate ambitions and the availability of critical minerals that are essential to realizing those ambitions," said Fatih Birol, executive director of IEA, in its news release.

11. How many chargers will be needed in California alone?

A. From the California Energy Commission.[4] "The inaugural Assembly Bill (AB) 2127 Electric Vehicle Charging Infrastructure Assessment examines charging needs to support California's plug-in electric vehicles (PEVs) in 2030. Under AB 2127, the California Energy Commission (CEC) is required to publish a biennial report on the charging needs of 5 million zero emission vehicles (ZEVs) by 2030. In September 2020, Governor Gavin Newsom issued Executive Order N-79-20, which directed the Commission to update this assessment to support expanded ZEV adoption targets.

"In 2018, Executive Order B-48-18 had set a goal of having 250,000 chargers (including 10,000 direct current fast chargers) by 2025. As of January 2021, California has installed more than 70,000 public and shared chargers, including nearly 6,000 direct current fast chargers. This report finds that an additional 123,000 are planned, of which about 3,600 are fast chargers. This leaves a gap of about 57,000 installations, including 430 fast chargers, from the 250,000 charger goal for 2025.

"For passenger vehicle charging in 2030, this report projects over 700,000 public and shared private chargers are needed to support 5 million ZEVs as envisioned in the AB 2127 legislation. For the 8 million ZEVs anticipated by 2030 under the more ambitious Executive Order N-79-20 goals, nearly 1.2 million chargers will be needed for light-duty vehicles. An additional 157,000 chargers are needed to support the 180,000 medium- and heavy-duty vehicles anticipated for 2030."

Additional Reading:

In the May 31, 2022 comments from Colorado, "While our agencies have not yet performed a state-level analysis exploring the feasibility of adopting Advanced Clean Cars II in Colorado, our state and others that may consider adoption are currently in different positions compared to

[3] Martec Group, "Electric Vehicle Growth in the U.S.: A look into the EV Battery Supply Chain," March 2022, available at Blog link (https://martecgroup.com/electric-vehicle-battery-supply-chain/).

[4] https://www.energy.ca.gov/programs-and-topics/programs/electric-vehicle-charging-infrastructure-assessment-ab-2127

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California, given that the market and the dynamics of Section 209 versus Section 177 mean that current adoption rates and availability of product in California currently exceed other parts of the country."

Need for a Well-to-Wheel Life-Cycle Analysis

Well-to-Wheel (WTW) is an overarching term that includes greenhouse gas and air pollutants that are emitted to produce and distribute the energy being used to power the vehicle. The current vehicle standards account for fuel combustion emissions only (tailpipe) and ignore emissions upstream of the tailpipe, potentially resulting in sub-optimal carbon-emission reduction solutions that may not deliver the targeted goals. If the primary goal in purchasing an electric vehicle is to reduce one's greenhouse gas and pollutants emissions, incorporating a WTW methodology for vehicle standards is essential to accurately evaluate and compare emissions across all vehicle technologies while recognizing the most cost-effective solutions.

It is critical to employ a holistic approach using life-cycle analysis (LCA) that accounts for the (GHG) emissions generated over the lifetime of a vehicle, including emissions associated with vehicle production, operation (recharging/refueling), required infrastructure modifications, and end of life disposal options.

Economic Impacts to U.S. Biofuels, Agriculture, and the Economy

Agricultural Retailers Association (ARA) released a study that analyzes the impacts of increased electric vehicle penetration on U.S. biofuels, agriculture and the economy. Proposals to ban internal combustion engine vehicles by 2035 and 2050 served as the economic models for the study, along with a base case provided by the U.S. Energy Information Administration's Annual Energy Outlook.

- U.S. light-duty and freight vehicle consumption of ethanol and biodiesel could decline up to 90 percent to 1.1 billion gallons and up to 61 percent to 0.8 billion gallons, respectively.
- Corn and soybean consumption decrease by up to 2.0 billion bushels and up to 470 million bushels, respectively.
- Corn prices fall up to 50 percent to $1.74 per bushel.
- Soybean prices fall up to 44 percent to $4.92 per bushel.
- U.S. Net Farm Income decreases by up to $27 billion.
- U.S. GDP declines by up to $26.4 billion, resulting in cumulative GDP losses of up to $321 billion.
- U.S. job losses could reach up to 255,300 in the year 2050.

To view the study, **Click here** as well as attached below.