WE'RE PUTTING OUR YEARLY REMINDER LIST OUT THERE AGAIN FOR JANUARY, 2021, BECAUSE YOU NEED TO GET TO IT AND DO IT!

ATTORNEY'S CORNER

By Larry Culley

THE HOLIDAYS ARE OVER AND IT'S TIME TO BUCKLE DOWN AND FLY RIGHT IN 2021!

ARE YOU READY FOR FREDDIE IN 2021? HERE'S HOW!

ARE ALL YOUR PERMITS AND LICENSES (INCLUDING YOUR OWN AND YOUR EMPLOYEE'S DRIVER'S LINCENSES) VALID?

ARE YOU PAYING YOUR EMPLOYEES UNDER THE NEW MINIMUM WAGE LAW AS FOLLOWS: Workers in New York City, employed by large business (at least 11 employees) **-** $15.00 Workers in New York City employed by small business (10 employees or fewer) **-** $13.50 Workers in Long Island and Westchester Counties **-** $12.00 Workers in all other areas of the state **-** $11.10?

ARE YOU PERFORMING INSPECTIONS WITH A TWO-PIECE WINDOW TINT METER IN ACCORDANCE WITH THE RECENT INSPECTION REGULATIONS REGARDING TINTED GLASS?

ARE YOU DISPLAYING SIGNS MANDATED BY D.M.V. AND OTHER GOVERNMENT AGENCIES INCLUDING THE POSTING OF LICENSED INSPECTORS AT INSPECTION STATIONS?

ARE YOU COMPLETING AND FILING THE IMMIGRATION FORMS FOR ALL NEW EMPLOYEES, "I-9"? ARE YOU COMPLETING AND FILING THE N.Y.S. "NEWLY HIRED EMPLOYEES" FORM?

ARE YOU CHECKING YOUR VAPOR RECOVERY EQUIPMENT & COMPLYING WITH THE NEEDED 5 YEAR TEST (THIS IS BEING PHASED OUT BUT IS STILL ENFORCEABLE AT THIS TIME)?

ARE YOU FILING YOUR YEAR END TAXES?

ARE YOU PREPARED TO MAINTAIN DAILY, ACCURATE, GASOLINE INVENTORY RECORDS AS REQUIRED BY LAW (DIP BOOKS ARE AVAILABLE FROM YOUR ASSOCIATION)?

ARE YOU MAINTAINING THE PROPER COLOR CODE ON YOUR GASOLINE FILL LINES? HAVE ALL YOUR TANKS WHICH ARE REQUIRED TO BE REGISTERED ACTUALLY REGISTERED?

ARE YOU DISPLAYING THE OIL SIGN: "WE ACCEPT WASTE OIL FOR RECYCLING"? ARE YOU HANDLING USED OIL FILTERS PROPERLY?

ARE YOU DISPLAYING THE SIGN: "WE MUST ACCEPT VEHICLE BATTERIES FOR RECYCLING"?

ARE YOU MAINTAINING THE FILE OF MATERIAL SAFETY DATA SHEETS (MSDS)?

ARE YOU AND YOUR EMPLOYEES AWARE OF THE POSSIBLE HEALTH HAZARDS ASSOCIATED WITH THE VARIOUS CHEMICALS AND THE PRECAUTIONS THAT SHOULD BE TAKEN?

HAVE YOU FILED YOUR "COMMUNITY RIGHT TO KNOW" FORM ON STORED SUBSTANCES IN N.Y.C.? **THE DEADLINE IS MARCH 1ST.**

ARE YOU MAINTAINING A SAFE WORKING ENVIRONMENT? ARE ALL YOUR FIRE EXTINGUISHERS AND SUPPRESSION SYSTEMS PROPERLY CHARGED AND WORKING? ***SAFETY IS FREE! USE IT GENEROUSLY***.

ARE YOU USING APPROVED REPAIR ORDER FORMS? ARE YOU PROVIDING ALL INFORMATION REQUIRED ON THE ORDER FORM BY D.M.V.?

ARE YOU A MEMBER OF YOUR ASSOCIATION SPONSORED WORKER'S COMPENSATION GROUP? THOSE WHO ARE RECEIVED DIVIDENDS FOR OVER 25 YEARS. ARE YOU ALSO PROVIDING DISABILITY INSURANCE FOR YOUR EMPLOYEES AS REQUIRED BY N.Y.S.?

ARE YOU PROVIDING QUALITY REPAIRS? ARE YOU USING QUALITY PARTS? DON'T CREATE FUTURE PROBLEMS WITH A FALSE ECONOMY?

ARE YOU AND YOUR TECHNICIANS MAKING TIME FOR EDUCATION (WORK SMARTER NOT HARDER)?

ARE YOU MAINTAINING A CLEAN, ATTRACTIVE LOCATION? LOOK AROUND, YOU MAY BE SURPRISED. ARE YOU MAINTAINING A SENSIBLE PROFIT MARGIN? YOU CANNOT SURVIVE WITHOUT IT. ARE YOU PREPARED TO SIT DOWN WITH YOUR ACCOUNTANT AND REVIEW YOUR OPERATIONS?

ARE YOU PERFORMING INSPECTIONS PROPERLY? DO IT RIGHT OR DON'T DO IT AT ALL! ARE YOU GIVING WRITTEN INSPECTION APPOINTMENTS? WRITTEN APPOINTMENTS MUST BE ON YOUR LETTERHEAD.

DO YOU CARD FOR CIGARETTES AND ALCHOHOLIC BEVERAGES? DO YOU HAVE SOFTWARE AT YOUR P.O.S. PREVENTING SALES OF THESE PRODUCTS WITHOUT AN I.D. BEING SUBMITTED?

IF YOU HAVE DUAL ISLANDS WITH SELF SERVE - FULL SERVE, IS THE "HANDICAP" SIGN POSTED?

ARE YOUR CLERKS TRAINED AND CERTIFIED UNDER THE TOBACCO LAW AND ALCOHOL LAW?

DOES THE OWNER, MANAGER AND CLERKS HAVE AN "A", "B" OR "C" CERTIFICATION UNDER THE UNDERGROUND STORAGE TANK REGULATIONS?

ARE YOU READY? ONLY YOU KNOW THE ANSWER. IF YOU'RE UNSURE, CALL YOUR AREA REPRESENTATIVE.

The contents of this column are not intended as legal advice. I give no legal advice without an appointment and interview with a client.

NYS ASSOCIATION OF SERVICE STATIONS & REPAIR SHOPS, INC.

Jan/Feb 2020

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INSIDE THIS ISSUE

Study: Banning Flavored Tobacco Would Hurt NY Small Businesses, Widen State Budget Gap

Outlawing the sale of flavored tobacco products for adults – such as cherry pipe tobacco and menthol cigarettes – would deepen New York State's budget hole, threaten the survival of thousands of mom-and-pop retailers, and place the jobs of frontline workers at these businesses at risk.

That's the conclusion of an economic study performed by Regional Economic Models Inc. (REMI) for the New York Association of Convenience Stores (NYACS). REMI estimated the proposed action would cost the state $3.4 billion in tax revenue over the next decade, cost shop owners nearly $500 million annually in lost sales, and eliminate 1,200 jobs in retail and related industries.

Legislation has been introduced in the state Senate and Assembly that would bar New York's 21,000 licensed tobacco outlets from selling flavored tobacco products to age-verified customers. A law that took effect July 1, 2020 already prohibits them from selling flavored vaping products. New York City additionally bans the sale of flavored non-cigarette tobacco products.

"As convenience stores struggle to keep the doors open to serve local communities, some elected officials want to further impair the economic viability of these essential small businesses," said Jim Calvin, NYACS President. "Especially when such a ban would slash tax revenue by hundreds of millions of dollars a year, cause job losses, and intensify an already nation-leading illegal tobacco trade."

Business and labor groups joining NYACS in opposing a statewide tobacco flavor ban are the Bodega and Small Business Association, the New York Association of Service Station and Repair Shops, International Brotherhood of Teamsters Local 810, the Long Island Gasoline Retailers Association, the New York City Newsstand Operators Association, and the Asian American Retailers Association.

The REMI report notes that after Massachusetts enacted a tobacco flavor ban June 1, 2020, its tobacco tax revenues plummeted, while those of New Hampshire and Rhode Island skyrocketed as smokers simply crossed state borders to continue buying flavored product, thwarting the health policy objective.

"Here in New York, cigarette smoking is at a record low, the purchase age has been elevated to 21, and six new restrictions on tobacco retailing were enacted within the past seven months," Calvin pointed out. "Given these trends, taking a more drastic action with harmful fiscal and economic consequences is unwarranted."

Francisco Marte, Secretary Treasurer of the Bodega and Small Business Association, said: "Our stores have already lost more than half of our adult cigarette business to bootleggers who don't collect taxes or verify age. Banning menthol flavor would just drive more of our customers into their waiting arms, hurting small businesses, slashing tax revenue, and making cigarettes more accessible to kids."

Wayne Bombardiere, Executive Director of the New York Association of Service Station and Repair Shops, said: "We represent a great number of independent convenience store operators from all areas of New York State. Our members have been inundated by abhorrent tobacco tax rates on all products – flavored or not – for years. To further restrict the ability to offer for sale a legal product to verified adults would be another nail in the proverbial coffin for these small businesses. We strongly oppose any additional debilitating legislation pertaining to tobacco retail sales."

Max Bookman, Counsel to the New York City Newsstand Operators Association said: "Sidewalk newsstand operators have a front row seat to the illicit market that has developed in the streets after years of restrictive tobacco and electronic cigarette regulation in New York City. These restrictions hurt already-struggling small businesses, while shifting sales to unregulated dealers who do not check IDs, collect sales tax, or care about selling counterfeit products. Whether it's tobacco, alcohol, or food, adults Study: Banning Flavored Tobacco Would Hurt NY Small Businesses, Widen State Budget Gap

Federal Lawmakers Tighten Up Rules for Online Vapor Sales

Online sales of electronic cigarettes and vapor products are now subject to the same ID requirements as in-person sales.

On Dec. 21, Congress passed the Preventing Online Sales of E-Cigarettes to Children Act that applies the same safeguards already in place for traditional cigarettes and smokeless tobacco products, and was included as part of the omnibus federal spending bill for fiscal year 2021.

The legislation was sponsored by Sens. Dianne Feinstein (D-Calif.) and John Cornyn (R-Texas), and U.S. Reps. Rosa DeLauro (D-Conn.) and Kelly Armstrong (R-N.D.).

The bill requires online e-cigarette retailers to:

- Verify the age of customers for all purchases;
- Require an adult with ID to be present for delivery;
- Label shipping packages to show they contain tobacco products; and,
- Comply with all state and local tobacco tax requirements.

"The use of electronic cigarettes among children has become more and more pervasive, with a third of underage users buying e-cigarettes online," Cornyn said. "I look forward to President Trump signing this into law so we can help stop this generation of young Americans from developing unhealthy addictions."

"The convenience store industry applauds Congress and the sponsors of the Preventing Online Sales of E-Cigarettes to Children Act for its passage. We believe an in-person ID check should occur before an age-restricted product is given to customers in a store or at their doorstep," Blom said. "This legislation will help ensure adults are the only purchasers of e-cigarettes over the Internet, just as the convenience store industry takes multiple steps to ensure adults are the only purchasers of e-cigarettes in its stores."

Stewart's Shops to Launch Smaller Store Concept

A new banner with a familiar flair is coming to several markets in upstate New York.

Following its acquisition of Red-Kap, Stewart's Shops will bring a smaller concept to the marketplace. Under the plan, the retailer will convert six of the Red-Kap convenience stores to Stewart's Express. The remaining two will become Stewart's Shops, according to the Times-Union.

The new concept "will be a test to see how these shops perform with a decreased product offering and the omission of hand scooped ice cream," a company spokeswoman said, adding that there were no immediate plans to expand the concept.

Stewart's announced its deal to acquire Saratoga Springs-based Red-Kap in November. The agreement comprised eight c-stores, three car washes, a 75-plus dealer network and a fuel distribution business. The c-stores are in Loudonville, Troy, Claverack, East Greenbush, Saratoga Springs, Schodack, Baldwinsville, and Guilderland,

Petroleum Equity Group provided analytics, valuation, and other advisory services to Red-Kap in advance of the sale.

Saratoga Springs-based Stewart's Shops operates more than 335 c-stores in across New York and southern Vermont.

Michigan, Alleging COVID-19 Safety Violations, Fines Kroger Fuel Center

The Michigan Occupational Safety and Health Administration has fined the Kroger Fuel Center in Roseville, Michigan, $6,300 for alleged violations of the state's COVID-19 workplace safety requirements, according to an announcement in late December.

Kroger was unable to respond to an OPIS inquiry by presstime this afternoon.

The state alleges that the fuel center failed to develop an infectious disease preparedness and response plan, inform employees of their potential exposure to COVID-19 in the workplace, develop and enforce policies and procedures for employees to report when they are sick or experiencing symptoms of COVID19, conduct daily in-person or virtual health checks of workers as they report to work, and ensure that employees wear a cloth face covering.

In September, Michigan cited another fuel retailer -- Pilot Co. – alleging failure to comply with similar COVID-19 safety requirements. Pilot said it was taking steps to address safety at all of its locations across the U.S. and that protecting employees and guests remained its top priority.

--Reporting by Donna Harris, dharris@opisnet.com;

Who Gets the First COVID-19 Vaccines?

As the country’s COVID-19 immunization program prepares to launch, the question on everyone’s mind is, “Who gets the vaccine first?” The elderly and people with serious medical conditions, who are dying of the virus at the highest rates, or essential workers, a large group of people who have borne the greatest risk of infection?

According to the New York Times, health-care workers and the frailest of the elderly will almost certainly receive the first shots, under guidelines released last week by the U.S. Centers for Disease Control and Prevention. Vaccinations are expected to start this month, and federal and state health officials are trying to determine who will be next.

"It's damnable that we are even being placed in this position that we have to make these choices," said the Rev. William J. Barber II, a co-chairman of the Poor People's Campaign, a national coalition that calls attention to the challenges of the working poor. "We cannot once again leave poor and low-wealth essential workers to be last."

Ultimately, the choice comes down to determining the highest priority: death or curbing the spread of the virus and returning to some semblance of normalcy.

"If your goal is to maximize the preservation of human life, then you would bias the vaccine toward older Americans," said Dr. Scott Gottlieb, former Food and Drug Administration commissioner. "If your goal is to reduce the rate of infection, then you would prioritize essential workers. So, it depends what impact you're trying to achieve."

The controversy is muddied by the fact that the definition of "essential workers" used by the CDC comprises nearly 70% of American workers and includes everyone from grocery clerks and emergency responders to tugboat operators, exterminators and nuclear energy workers. Some labor economists and public health officials say the category should be narrowed to only those who interact in person with the public.

There are about 90 million essential workers nationwide. And because there won't be enough doses for everyone right way, states are preparing to make tough decisions. At this early point, many state plans put at least some older people who live independently, or those with medical conditions, ahead of most essential workers. But that could change after the CDC committee makes a formal recommendation on the next phase.

In September, researchers analyzed the Department of Homeland Security's list of essential workers and proposed a narrower, more vulnerable category—"frontline workers," such as food deliverers, cashiers and emergency medical technicians, who are at greater risk of contracting the virus. Essential workers on the federal list make up nearly 70% of the U.S. labor force, the researchers said, compared with 42% for frontline workers.

Some health policy experts say that to prioritize death prevention rather than reducing virus transmission is simply a pragmatic choice, because there won't be enough vaccines initially to make an impact on infection. A more effective use of limited quantities, they say, is to save the lives of those most vulnerable.

The CDC's own "social vulnerability index" includes 15 measures derived from the census to help determine how urgently a community needs health support, with the goal of reducing inequities. Some of those measures are overcrowded housing, lack of vehicle access and poverty. At least 18 states have indicated that they intend to apply the index when distributing the vaccine.

Convenience Stores Prioritized for Vaccine Distribution

The U.S. Centers for Disease Control (CDC) Advisory Committee on Immunization Practices (ACIP) voted yesterday to recommend that frontline essential workers—including employees in the convenience store industry—be next in line to receive the COVID-19 vaccine. In their recommendations for the second phase, Phase 1-B of vaccination distribution, the committee prioritized frontline essential workers and adults older than age 75 years. Yesterday's vote follows the CDC's recommendation for the first phase, Phase 1-A, that prioritized health-care professionals and long-term care facility residents.

States and local governments will ultimately determine how the vaccine is distributed to each category, but many officials are expected to heed the CDC's recommendations. For this reason, NACS has been urging the CDC to prioritize the industry's workforce in their recommendations.

It is critical that frontline workers who are part of the critical infrastructure workforce receive appropriate priority status for inoculation, NACS stressed in a letter Friday to U.S. Health and Human Services Secretary Alex Azar. The National Association of Truckstop Operators, Energy Marketers of America and Society of Independent Gasoline Marketers of America joined NACS in advocating for vaccination for essential workers. It was the second letter sent by the industry trade groups to Secretary Azar regarding priority access to a COVID-19 vaccine.

"Our industry's workers interact with a broad array of other essential workers every day," the letter notes, putting themselves at risk since the beginning of the pandemic. "We need a critical number of essential workers across many sectors to ensure that we can all get through this crisis together," NACS said.

"The industry serves about 160 million customers per day—nearly half the United States' population. By necessity, workers in our industry directly interact with customers inside and outside their stores every day. Those customers include health-care workers of all stripes, first responders such as police and firefighters, and truckers, without whom food and vaccines could not get to the people who need them. Just like our industry's workers depend upon all of these other essential workers to protect their well-being, every frontline worker needs our industry ensuring there is fuel and other goods to make sure they can get to and do their jobs."

The ACIP also finalized its recommendations for the third phase, Phase 1-C, yesterday, which will include adults over 65 years old, people between 16-64 years old with underlying health conditions, and all other essential workers.

The FDA granted emergency use authorization (EUA) for the Pfizer/BioNTech Manufacturing GmbH vaccine for COVID-19 prevention, and the first vaccinations in the U.S. occurred last week. On Friday, the agency authorized the Moderna vaccine for emergency use for people 18 years and older, and immunizations are expected to begin today, the Wall Street Journal reports. The U.S. government plans to distribute 7.9 million doses of vaccines from Moderna and Pfizer this week.

California Invests in Hydrogen Fuel Infrastructure

This week, the California Energy Commission (CEC) approved a plan to invest as much as $115 million to increase the number of fueling stations in the state that support hydrogen fuel cell electric vehicles (FCEVs). The funding nearly doubles the state's investments to date and will help California nearly achieve its goal to deploy 200 public hydrogen fueling stations, the CEC said.

The plan also supports Gov. Gavin Newsom's executive order phasing out the sale of new gasoline-powered passenger vehicles by 2035 by providing essential infrastructure to meet the fueling needs of the increasing number of zero-emission vehicles (ZEV) anticipated on the road in the next decade. While battery electric vehicles (BEV) are the most common ZEV in the state, more than 8,000 FCEVs have also been leased or sold.

Under the plan, up to 111 new hydrogen fueling stations will be built in the state by 2027, including many designed for multi-use by passenger vehicles, trucks and buses. Total project funding is subject to annual approval of both the state budget and allocations from the CEC.

To date, the CEC has funded 45 open retail hydrogen stations with an additional 16 under construction. Altogether with the new plan, there could be up to 179 stations in the state, including seven privately funded stations.

Auto Trade Group Calls for US Government Support to Speed EV Adoption

An auto industry trade group on Tuesday said the U.S. government needs to do more to ensure the country maintains a leadership role in the growing electric vehicle sector.

The Alliance for Automotive Innovation called on the government to provide incentives to companies for developing EV technologies and for consumer-side incentives to spur EV sales and the build out of charging networks.

"This is not just about the future of the auto industry in the U.S. -- it is about the nation's global competitiveness and economic security," the group warned in its Auto Innovation Agenda. "The nations that lead the development and adoption of innovative technologies, such as electrification, connectivity, and automation, will also shape supply chains, define global standards and potentially, reshape the international marketplace."

The group, which includes 20 international automakers, such as Ford and General Motors, as well as technology companies and EV manufacturing startups, called for a "comprehensive national vision and strategy rooted in economic, social, environmental, and cultural realities."

The eight-page agenda provides broad guidelines it says should spark a broader conversation aimed at building support for the plan. On the supply side, these include increasing research and development incentives over the next three to five years, avoiding policies that could harm competitiveness and increasing access to capital.

It also says the U.S. should "modernize" its regulatory approach to such innovative technologies as automated vehicles and develop training programs to prepare the existing workforce for new technologies.

On the consumer side, the group said buyer incentives are among the strongest tools to drive EV sales, noting that EV sales increased 74% in New York when rebates were implemented, while they dropped 90% in Georgia when incentives were phased out.

The group noted that range anxiety remains a top concern among consumers and urged federal tax incentives and grants for charging and hydrogen fueling stations. It also noted that government on all levels must work to improve access to charging infrastructure.

It also said governments should lead by example and prioritize EVs when adding to vehicle fleets. The auto group released its agenda the day after the U.S. Electoral College affirmed former Vice President Joe Biden's win in the 2020 election.

EV sales are expected to receive a boost over the next four years as Biden has called for spending $2 trillion over the next four years to promote technology green energy initiatives. These include expanding the electric grid and charging network, investing in EVs and public transportation and in promoting clean energy technologies.

EVs have comprised less than 2% of vehicle sales in the United States for the last three years. IHS Markit, the parent company of OPIS, estimates that this year, there will be 14,461,867 light vehicles sold in the U.S., Including328,763 battery-powered electric (BEVs) and 153,664 plug-in hybrid electric (PHEVs). That will represent 3.3% of the U.S. light-duty vehicle market this year. By 2025, that percentage is expected to grow to 11%.

--Reporting by Steve Cronin, scronin@opisnet.com

Average Vehicle Fuel Efficiency Fell in 2019 for First Time in 5 Years: EPA

Average new vehicle fuel efficiency saw its first decline in five years during 2019, as CO_2 emissions also rose, according to the U.S. Environmental Protection Agency.

Average efficiency for the 2019 model year was 24.9 mpg in 2019, an increase of nearly 0.8%, while CO_2 emissions rose by 3 grams/mile, according to the EPA's2020 Automotive Trends Report issued Wednesday.

Preliminary EPA data in the report indicates that fuel economy is expected to rise to 25.7 mpg in 2020, while emissions are expected to drop by 12 g/mile.Those estimates are based on information provided by manufacturers, EPA said.

Still, EPA Administrator Andrew Wheeler said the report bolsters the Trump administration's decision to roll back Obama-era mileage regulations.

"This report shows in detail how few auto manufactures were able to meet the unrealistic emissions standards set by the Obama Administration without resorting to purchasing emission credits," Wheeler said. "We have set realistic standards in 2020 that will reduce emissions as well as vehicle costs and maintain consumer choice going forward."

Environmentalists, however, pointed to the report as evidence that incoming President Joe Biden needs to strengthen mileage standards.

"With stringent new rules, the new administration can take the biggest single step of any nation to fight climate change, slashing emissions from gas-powered cars and requiring automakers to mass-produce clean electric vehicles," said Dan Becker, director of the Center for Biological Diversity's Safe Climate
Transport Campaign.

EPA said that while three automakers met 2019 standards based on vehicle performance alone, 11 used a combination of technology improvements, banked credits, and purchased credits to comply with the federal standards.

The Trump administration in April introduced vehicle fuel efficiency standards that tighten corporate average fuel economy (CAFE) and maximum CO_2 emissions by 1.5% each year from model years 2021 through 2026. That's significantly less stringent than the standards issued in 2012 by the Obama administration, which called for a 5% annual tightening of standards.

The decline in mileage came as Americans continue to favor SUVs, which tend to have higher mileage than smaller sedans. In model year 2019, truck SUVs hit a record 37% of production while car SUVs hit a record of about 12% of production. Pickup trucks were about 16% of production and minivans were about 3%. Sedan and wagons, meanwhile, saw production drop to a record low of about 33%, EPA said.

In 2019, Tesla -- with an all-electric fleet -- rated top in both fuel economy and low CO_2 emissions while Fiat Chrysler rated lowest in fuel economy, according to EPA. Of manufacturers of vehicles with internal combustion engines, Honda rated highest, with an average fleet economy of 28.9 mpg and CO_2 emissions of 329 g/mile.

Eleven of the 14 major manufacturers increased the average fuel economy of their fleets during the year, while Mazda, GM and Ford saw declines in fuel economy.

Among ICE vehicles, the Mitsubishi Mirage had the highest fuel economy for the third year in a row in 2019, with an average 41.6 mpg. The Mirage is expected to remain the most-efficient ICE vehicle in 2020 too, EPA said.

--Reporting by Steve Cronin, scronin@opisnet.com

US Consumer Spending on Gasoline Drops Sharply in November: BEA Data

Final U.S. November gasoline demand numbers from the Energy Information Administration (EIA) will not be available until the end of January, but data released recently by the Bureau of Economic Analysis (BEA) could be hinting at the lowest gasoline consumption in three months.

BEA measures personal consumption expenditure in dollar amounts spent on gasoline and other motor fuels. BEA measured November spending on gasoline that was just shy of $365 million, the lowest monthly expenditure for Americans since August.

OPIS gasoline demand data from November taken together with the monthly average retail price of $2.12/gal yields monthly spend of $465 million, which is down 33% from November 2019. On a month-to-month basis, U.S. spending on gasoline was down $6.9 million from October, or roughly 2%, according to the BEA data. Retailers have told OPIS that October was one of the better gasoline demand months this year, so a dip from those levels into November is not necessarily a surprise.

BEA data show that compared to 2019, gasoline spending in November was down by more than $47 million, or a tumble of roughly 11.5%.

Year-on-year gasoline demand based on EIA data since March -- when the COVID-19 pandemic first started to put downward pressure on gasoline demand -- has been running anywhere from 7% lower in September to as much as 37% lower in April.Meanwhile, OPIS reporting saw year-on-year demand losses of anywhere from
13.2% in September to almost 46% in April.

OPIS measured gasoline demand in November at 7.172 million b/d, down 17.3% from year-ago levels, according to OPIS DemandPro. Weekly EIA data calculation put November gasoline demand at 8.146 million b/d, down 11.5% from November of last year. Applying to that number the BEA's gasoline expenditure figure for
November would yield an EIA implied gasoline demand measurement for November in the 8.2 million-8.25 million b/d area.

--Reporting by Denton Cinquegrana

USDA Reopens Biofuel Grants

The U.S. Department of Agriculture (USDA) has reopened a 30-day window for fuel retailers and distributors to apply for up to $100 million in competitive grants to use toward biofuel-related infrastructure to boost the sales and use of higher blends of ethanol and biodiesel.

Applications can be submitted starting today, December 21, until Tuesday, January 19, 2021.

The Higher Blends Infrastructure Incentive Program (HBIIP) funds are focused on retail fueling sites and biodiesel distribution facilities by sharing the costs related to the installation of fuel pumps, related equipment and infrastructure. The new program is the next generation of a previous effort administered from 2016–19, which also had the goal of providing $100 million in combined funds to promote the distribution of higher-ethanol blended fuels.

The agency first announced the grant program this past May and set an August 13 deadline to apply.

Transportation fueling facilities include fueling stations, convenience stores, hypermarket fueling stations, fleet facilities and similar entities with capital investments, USDA said. Fuel distribution facilities, such as terminal operations, depots and midstream partners and similarly equivalent operations also are invited to apply for funding.

Awards to successful applicants will be in the form of cost-share grants for up to 50% of total eligible project costs, but not to exceed $3 million, whichever is less, USDA said.

Shell Stock Hammered; Multinational Taking $22 Billion Write-Down

Royal Dutch Shell became the first multinational to give an update of where it stands as the fourth quarter winds down, and the news has not been taken well by Wall Street. The company said Monday that it would write down the value of assets by $3.5 billion to $4.5 billion, which adds up to total 2020 charges of more than $22 billion. The fourth quarter write-downs involve closed oil refineries, a Gulf of Mexico exploration asset and some unprofitable LNG contracts.

Also mentioned was the possibility of "significantly lower" marketing operations, which were one of the few standout segments in the third quarter.

Shell is in the final stages of closing its Convent, Louisiana, refinery and has been looking to sell refineries in Mobile, Alabama; Anacortes, Washington, and Sarnia, Ontario, Canada. Some lowball bids on the Convent facility were noted and believed to be from the private equity sector. The company continues to operate the refineries in Ontario and Washington, but it's not known whether the fourth quarter will see profits for those complexes.

Shell aggressively cut its dividend in April, and the two-thirds cut was the first such move since World War II.

Shares of Royal Dutch Shell were off Monday by as much as 6% across various European bourses.

--Reporting by Tom Kloza, tkloza@opisnet.com

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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