SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

SSDA News

Service Station Dealers of America and Allied Trades

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INSIDE THIS ISSUE:

LEGISLATIVE UPDATE

By Roy Littlefield

ESTATE TAX

There has been a flurry of activity on estate tax relief or repeal on both the Federal and state levels.

On Capital Hill, we met with Budget Committee Chairman, Camp, on legislation that would repeal the estate tax. Chairman Camp was surprised when we reminded him that the House of Representatives had not voted on estate tax repeal in 9 years. At that time, 42 Democrats favored it (out of whom 32 are still in office), and 8 members of the Black Caucus voted for repeal (and 5 are still in office). We are pushing Committee members for a hearing, to build momentum prior to a House vote.

During the part week, we have met with the following people on the estate tax issue:

•Ryan/Murray Budget and Budget Committee Update: Kyle Cormney for Congressman Tom Price

•Senate Whip Update: Jonathan Slemrod for Senator Cornyn

• Americans for Tax Reform Update: Ryan Ellis, Director of Tax Policy

•Republican Study Committee Update: Kelley Hudak for Chairman Scalise

•House Committee on Ways and Means Update: Sage Eastman for Chairman Camp

• House Whip Update: Brian Worth for Congressman McCarthy

• Maryland Death Tax Reform: Delegate Susan Crebs

•House Leadership Update: Bill Greene for Speaker Boehner

IN THE STATES

In the states, there are several legislative initiatives, and they are all good.

In 2005, Georgia and Iowa went from having the tax as a deduction to a credit. Since then, the tax has been dormant. Legislation in both states would make the dormant state permanent.

In the District of Columbia, legislation is being considered in the city counsel to raise the exclusion amount to $5.34 million.

Governor Andrew Cuomo (D-NY) and Martin O'Malley (D-MD) are leading efforts in their states to raise the exclusion amounts from $1 million to $5.34 million, and to lower the tax rates from 16% to 10%. This is significant because both Governors are seen as liberal Democrats who are both looking at 2016 runs for the White House. (As a side bar, I had both Governors as students in Political Science courses that I taught at Catholic University in Washington, D.C.)

ESTATE TAX UPDATE

The President's budget has a number of proposed changes to the estate tax. We saw many of these proposals in last year's

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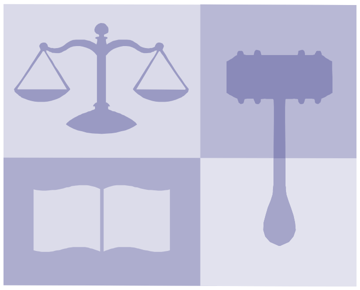
GENERAL COUNSEL CORNER



A Shot in the Dark

By Peter H. Gunst , Esquire
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" More surprising was the court's treatment of the customer's claim against the franchisee. "

A customer filling up at a Circle K convenience store in Tallahassee, Florida was the unintended victim of a gunfight that broke out in the parking lot. He sued both Circle K and its gasoline supplier, Shell Oil, for negligence. A federal district court considered the sufficiency of his claim earlier this year in *Cain v. Shell Oil Co. et al.*

The court had no difficulty in finding that the wounded customer could not assert a claim against Shell, which was Circle K's franchisor as well as gasoline supplier. Like many courts before it, the district court decided that a mere franchise relationship is not a sufficient basis for holding a franchisor reliable for its franchisee's negligence.

The customer, in arguing that the franchisor exercised sufficient control over the franchise premises to be held jointly liable, pointed to provisions in the franchise agreement imposing minimum operational standards on the franchisee. The court, however, while conceding that "these conditions may be interpreted to impose some control in the broadest sense over how the store operated," concluded that they did not give Shell control over the specific means utilized by the franchisee to satisfy the contractual standards.

More surprising was the court's treatment of the customer's claim against the franchisee. Circle K argued that, as a matter of law, the shooting was not foreseeable because the customer's injuries were caused by "a freakish and improbable chain of events" that were "utterly unpredictable in light of common human experiences."

Rejecting Circle K's claim to an absolute defense against liability, the court found that the circumstances were sufficient to permit a jury to decide whether Circle K should bear legal responsibility for its customer's injuries.

The court pointed out that the c-store was located in a high crime area, which was particularly dangerous late at night after the neighborhood bars closed.

Further, the Tallahassee police department had contacted Circle K to express concerns regarding the issue of crowd control at the store and its adjoining parking lot. The police department had requested and received permission from Circle K to "basically shut the store down" and "turn the lights off" when conditions were particularly bad, with the hope that this would discourage a crowd from gathering in the store's vicinity.

Although the police department had not acted on the evening of the incident, the store manager had been warned by an employee on duty of a gathering crowd, but had insisted that the lights remain on and the store remain open.

Based on these circumstances, the court concluded that the customer had "presented

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Estate Tax Reform Pushes Ahead in Maryland

By: Roy Littlefield IV

We are finding that because most repair facility operators own their business, and because more and more service station dealers are buying their stations, death tax reform is becoming a top SSDA-AT legislative issue. In addition to federal estate taxes, Maryland imposes both an estate tax and an inheritance tax. These taxes are among the highest in the country and they have the potential to threaten the status your property or business if left to your descendants.

In 2014, 14 states plus the District of Columbia have estate taxes in place. Like the federal estate tax, these state estate taxes are based on the entire value of your estate in excess of the applicable exemption. Exemptions vary from a low of $675,000 to a high of $5.25 million. Five states have $1 million exemptions (Maryland, Massachusetts, Minnesota, New York, Oregon, in addition to the District of Columbia). The lowest maximum state estate rate is Connecticut and Maine at 12% and the highest is Washington at 19%. All the other states including D.C. all charge a 16% maximum rate.

According to the Department of Legislative Services, Maryland imposes an estate tax of up to 16% above a $1 million exemption, in addition to a 10% inheritance tax on every dollar amount left to a niece, nephew, friend or partner but no inheritance tax on money that is left to children, grandchildren, parents or siblings. In addition, any estate tax owed is reduced by the inheritance tax paid. As in the federal system, bequests to a spouse are tax-free. Certain exemptions/deductions may be taken when determining the value of a taxable estate, the most significant of which is property passing to a surviving spouse (marital deduction). The state has relied on these tax returns as total estate and inheritance tax revenues are estimated at approximately $227 million in fiscal 2014.

In an effort to reform the estate tax, the Maryland House of Delegates recently passed HB 739. The bill passed in bipartisan fashion in a 120-13 vote. The bill serves an essential purpose in estate tax reform as it would be responsible for altering the size of an estate required to file an estate tax return; altering a certain limit on the unified credit used for determining the Maryland estate tax; repealing a certain limit on the unified credit used for determining the Maryland estate tax for decedents dying after a certain date; altering a certain limitation on the amount of the Maryland estate tax; and making conforming changes relating to the estate tax.

Currently on the federal level, there is an estate tax exception for the first $5.34 million of estates from the estate tax. In Maryland this exemption rate is set lower at the amount of $1 million. HB 739 would gradually bring Maryland's exemption up to the federal exemption over four years.

SSDA testified in favor of HB 739 and believe that is has the potential to help business owners reducing their tax burdens while bringing down the cost of estate tax planning. This legislation has the potential to keep high income earners and businesses alike within the state of Maryland. Estate tax repeal has the potential to make us more competitive as a state.

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Texas DOT Launches Online Crash Report Purchase System to Save Time, Increase Efficiency

Texas Department of Transportation announced a new online system that allows the public to access vehicle crash reports faster and easier tha ever before.

TxDOT, which files vehicle crash reports with law enforcement agencies, created the web-based Crash Report Online Purchase System in an effort to help the public get the documentation they need of vehicle crashes in a more efficient manner. With the new online system, an individual may search for the report of a vehicle crash in which they were involved and download a copy by paying the $6-$8 fee. The reports are still confidential and can only be accessed by providing certain information about the incident in which the individual was involved.

Before this new online system, those seeking a vehicle crash report had to fill out a form, attach payment, and mail it in to TxDOT. TxDOT officials say that procedure is still an option, though it encourages the use of the online system when possible, as it is faster and easier for the public.

"We're excited about this new system and its ability to provide these reports quickly to the public," Carol Rawson, TxDOT director of traffic operations, said in a statement. "We understand people often have a real need to obtain a crash report quickly after they've been involved in a crash. This new system will allow them to access and download the reports in a matter of minutes once we've received the report from law enforcement."

Pennsylvania DOT Provides Additional Mobility, Transit Option with New Bus Service

Pennsylvania Department of Transportation officials announced recently that the community of Carlisle, Penn., will see the new public transit service – the Carlisle Circulator, run by Capital Area Transit (CAT) – within the next six weeks.

Carlisle currently is without public transit and taxi service. The Carlisle Circulator transit option, which is expected to cost about $428,000 each year to operate, "will include an employer route, a health and human services route, and a retail and shopping route, with a special events route as needed." Of that yearly cost, $400,000 will be paid through federal and state dollars, while the remaining $28,000 will be matched by local partners.

PennDOT says it identified the transit service as a transportation priority after studies on feasibility and effectiveness showed "strong local interest, support and need" in the area and that about 35,600 trips would likely be taken each year.

"Without Governor Corbett's action to deliver a transportation plan last fall, we couldn't meet many existing services' needs, let alone start new ones," said PennDOT Secretary Barry Schoch in a statement. "This project shows that public transit is vital to people's quality of life."

PennDOT will work with various partners in planning and delivering this transit service, including Cumberland County, Carlisle Borough, South Middleton Township, Middlesex Township, Dickinson College, Carlisle Regional Medical Center, Partnership for Better Health and Carlisle Events.

LETTER TO THE EDITOR

Dear SSDA-AT,

The United States and Canada enjoy the largest trading partnership across the longest peaceful border in the world. Getting more North American energy from our neighbor and ally would reduce U.S. reliance on energy resources from less stable regions, create American jobs, increase domestic energy supplies and strengthen national security. The Keystone XL pipeline expansion would provide a significant boost to U.S. energy security, bringing more than 800,000 barrels of oil per day to U.S. refineries – from Canada and the U.S. Bakken region. Crude imports from Canada could reach 4 million barrels a day by 2030, about twice what we currently import from the Persian Gulf.

Approval of the full Keystone XL pipeline, now in its fifth year of review, also could support 42,000 jobs and put $2 billion in workers' pockets during its construction. According to a 2011 CERI study, full development of the oil sands could support more than 500,000 additional jobs in the U.S. by 2035.

The U.S. government's own environmental review indicates that the Keystone XL pipeline would "have a degree of safety over any other," offering a safe, practical way to bring not just more Canadian oil to U.S. refineries but also domestic production from our upper plains states. This is good for consumers, good for U.S. jobs, good for energy and economic security and certainly serves our national interest.

Sincerely,

Jack Gerard
President and CEO
API

energy API

President's FY 2015 Budget Features Four -Year Surface Transportation Reauthorization Proposal

Recently, President Obama released his plan for a four-year surface transportation reauthorization as part of his fiscal year 2015 budget.

That four-year, $302 billion surface transportation reauthorization measure would supplement existing Highway Trust Fund revenue with $150 billion from revenue generated from "pro-growth corporate tax reform."

The President's plan calls for a new Transportation Trust Fund that would include a Highway Account, a Mass Transit Account, a Rail Account, and a Multimodal Account. The accounts for highways and transit would continue to receive user-generated revenue such as the gas tax and would also be supplemented with General Fund transfers that are offset by changes to the corporate tax code. The Rail and Multimodal Accounts would be funded through General Fund transfers.

The reauthorization proposal by Obama would follow MAP-21 programmatic structures for the most part, while also creating several new programs under FHWA, including: a Critical Immediate Investments Program (part of Obama's "Fix it First" initiative, focusing on improving existing transportation assets and cutting down on structurally deficient bridges), a Freight Program (which aims to cut down on freight bottlenecks and improve efficiency in moving goods), and a Fixing and Accelerating Surface Transportation program (a discretionary program that would reward innovative solutions to transportation challenges).

Obama's FY 2015 budget calls for $91 billion in funding for the U.S. Department of Transportation. That number is about $18 billion above current funding levels.

"President Obama has offered the kind of aggressive transportation budget our country needs – one that replenishes the Highway Trust Fund today while also helping ensure the country has a safe, efficient transportation system for tomorrow," said U.S. Transportation Secretary Anthony Foxx in a statement. "These funds will do everything from helping communities tackle their transportation to-do lists to improving access to ladders of opportunity. And we will do everything at the Department of Transportation to make this budget a reality, including sending a bill to Congress to support it."

The plan calls for $48.56 billion for the Federal Highway Administration (a 19 percent increase over FY 2014), $17.65 billion for the Federal Transit Administration (a 63 percent increase), $851 million for National Highway Traffic Safety Administration (up 4 percent), $669 million for the Federal Motor Carrier Safety Administration (a 14 percent increase), about $5 billion for the Federal Railroad Administration (a 210 percent increase), and $15.4 billion for the Federal Aviation Administration (a 2 percent decrease from the current year).

That budget also calls for an increase in Transportation Investment Generating Economic Recovery (TIGER) grant funding, from the current $600 million in FY 2014 to $1.25 billion in FY 2015. Finally, the measure would also allocate $10 billion for an initial investment in an infrastructure bank for transportation, water, and energy infrastructure projects.

Biennial Federal Report Finds Continued Transportation Infrastructure Investment Deficit

A new federal report released last week shows that the United States is under investing in surface transportation infrastructure by more than $23 billion a year.

The 2013 Status of the Nation's Highways, Bridges and Transit: Conditions and Performance, which uses 2008 and 2010 data provided by state transportation departments and transit agencies, found that in 2010 state and local governments invested $100.2 billion on roads and bridges (including $11 billion from the 2009 American Recovery and Reinvestment Act). However, the report estimates that between $123.7 billion and $145.9 billion annually should be spent on roads and bridges.

Transit rail and bus systems also are facing a growing investment need. Transit agencies spent approximately $16.5 billion in 2010 while the report estimates an annual investment need of between $22.0 billion and $24.5 billion.

"The USDOT Conditions and Performance report shows what our state DOTs already know – the investment needs of our transportation system remain much greater than our available resources," said Bud Wright, AASHTO executive director. "We need to have a sense of urgency about this issue. We are under investing in transportation infrastructure and our main source of funding – the Highway Trust Fund – is expected to run out of money sometime this summer."

The Conditions and Performance is a biennial report to Congress that provides information on the physical and operating characteristics of the highway, bridge, and transit components of the nation's surface transportation system.

The report also shows that travel on pavements with good ride quality – the road's smoothness measurements – improved from 46.4 percent in 2008 to 50.6 percent in 2010. Similarly, according to USDOT, the report shows that overall pavement and bridge conditions have improved in many areas but it also says the nation's state of good repair and preventive maintenance backlog for transit is at an all-time high of $86 billion.

Transportation Construction Coalition Launches "Hardhats for Highways" Campaign, Targets Congress

A newly launched campaign by the Transportation Construction Coalition is hoping to educate Congress on how many jobs depend on federal investments in transportation infrastructure, namely for highway and transit projects.

"Hardhats for Highways," launched this week by TCC, brings together labor unions and transportation associations to show the public and Congress what is at stake in adequately funding transportation projects. TCC wants Congress to know that if the HTF revenue shortfall is left unaddressed, it will likely threaten the Federal Highway Administration's ability to reimburse states for projects already approved and prevent new highway and transit projects going into fiscal year 2015 (which begins Oct. 1, 2014). Federal highway investments contribute to more than half of the nation's road and bridge capital improvements annually. TCC says the loss of that investment would endanger hundreds of thousands of jobs in the construction and related industries.

The campaign will begin with TCC officials sending "Hardhats for Highways" decals to construction and similar employers and local unions. Those recipients will then indicate the number of jobs at their organization rely on federal highway funding and write it on their decals. Those decals will be placed on the organizations' hardhats and presented to their federal representatives (from both the House and Senate) while encouraging an HTF fix and strong federal transportation investments. Those unable to do this may send "e-Hardhat" messages to their federal representatives that carry the same message. TCC intends to track how many firms and employees present the hardhats.

"Members of Congress need to understand how many people back home are counting on federal transportation investments," Stephen Sandherr, TCC co-chair and CEO of the Associated General Contractors, said in a statement. "Investing in roads and bridges not only makes our broader economy more efficient and vibrant, it puts a lot of men and woman to work in every part of the country."

"There will be a lot fewer hardhats on America's highway, bridge and transit improvement projects if Congress doesn't fix the Highway Trust Fund soon," said TCC Co-Chair and American Road & Transportation Builders Association President Pete Ruane. "The livelihoods of hundreds of thousands of workers and their families depend upon Congress finding a long-term and sustainable solution to financing the nation's surface transportation network."

Funding Shortage Could Delay US Road, Rail Projects this Summer

U.S. transportation officials warned lawmakers that dwindling funds for highway and rail projects may cause delays in work this summer during the height of the construction season unless they quickly approve billions of dollars in new funding.

The Highway Trust Fund, which receives money from a federal tax on every gallon of gasoline and diesel fuel sold in the United States, is expected to become insolvent by 2015.

Funding for some programs could fall to dangerously low levels by this summer, forcing the Department of Transportation to delay payments to states, Peter Rogoff, the department's acting under secretary for policy testified before Congress.

"If the trust fund were to become insolvent, hundreds of thousands of jobs across the nation could be at risk and our ability to address the many road, rail, and transit needs in every state will be severely impeded," Rogoff said.

The highway segment of the trust fund, he said, could fall below $4 billion by July and the transit segment could fall below $1 billion in August. The United States levies 18.4 cents per gallon on gasoline and 24.4 cents per gallon on diesel to pay for transportation projects. But fuel use is now lower than projected as vehicles become more efficient, and that tax is no longer enough to feed the fund.
Congress has enacted temporary patches allowing money from the general fund to be transferred to the Highway Trust Fund to pay for some transportation projects. A temporary measure passed in 2012 to fund surface transportation projects including roads and bridges for two years is set to expire on Sept. 30.

Transportation officials and some lawmakers fear that if the law lapses it could set the United States economy back as costly infrastructure projects are delayed.

Testifying before the House of Representatives Subcommittee on Highways and Transit, the officials urged lawmakers to adopt a long-term funding measure and to authorize the $302 billion sought in President Barack Obama's 2015 budget proposal that would fund the transportation projects for another four years.

Large parts of the country have been dealing with severe winter weather this year, including heavy snow and ice. The harsh weather has produced an unexpected headache for many drivers in the form of potholes. NBC's Tom Costello reports.
The Department of Transportation has also warned of a growing "infrastructure deficit" given the number of major projects that need to be undertaken, including the repair or replacement of outdated bridges.

Some advocates have pushed for an increase in the fuel tax to keep the trust fund from insolvency, but many lawmakers are reluctant to raise the taxes. Obama instead has proposed raising new money by ending some tax breaks for businesses. The gas tax was last increased in 1993.

Therese McMillan, deputy administrator at the Federal Transit Administration, said the United States needs to invest in transit safety, keeping roads in good repair and increasing capacity in congested urban areas.

"These investments are needed to create the 21st century public transportation systems our nation deserves and needs to be competitive," McMillan said.

The pleas come days after the American Public Transport Association said that ridership on U.S. trains, buses and commuter rail rose by 1.1 percent in 2013 to 10.7 billion trips, the highest since 1956. Transit ridership, up 37 percent since 1995, has far outpaced population growth in that time.

The officials testifying on Wednesday, who also included staff from the Federal Highway Administration and the National Highway Traffic Safety Administration, said they planned to send Congress a proposal for the reauthorization of transportation funding in coming weeks.

UPS AND DOWNS OF FLSA

Whenever SSDA-AT has held seminars on the Fair Labor Standards Act of 1938, the rooms have been packed. Understanding this law, especially as it relates to small businesses,, has been a challenge. Now the law is in the news again as both the President and the Congress attempt to amend the law.

As expected, on March 13, 2014 President Obama issued a Presidential Memorandum to the Secretary of Labor that will have major implications for all employers – large and small, public and private. President Obama's stated goal is to **"increase dramatically the number of employees who are paid extra for overtime work".** This will be accomplished by narrowing and redefining the requirements of the "white collar exemptions" for salaried executive, administrative, professional and computer positions.

While the memorandum provides little detail about the changes to come, SESCO predicts the Department of Labor will **raise the current minimum guarantee salary threshold of $455 per week ($23,660 annually), to as much as $1,000 per week ($52,000 annually).** Thus, for a position to be eligible for an overtime exemption, he/she must be guaranteed at least $52,000 per year. This annual salary is more than double the current requirements and will instantly require employers to pay overtime for those making less than the expected $52,000.

SSDA-AT, WMDA, and the Small Business Legislative Council immediately announced their opposition. Noting that this requirement could cause labor costs to explode as millions of salaried workers would become eligible for overtime pay. An owner of multiple stores may have salaried managers at each store. Hours worked by salaried managers are normally not recorded. This could have a very negative effect on our members who own multiple stores.

H.R. 1406
Working Families Flexibility Act

On Capitol Hill, the House of Representatives has passed legislation, H.R. 1406, to amend the Fair Labor Standards Act, which would allow an employee in lieu of monetary overtime compensation, compensatory time off at a rate not less than one and one-half hours for each hour of employment for which overtime compensation is required.

Some 168 members of Congress cosponsored H.R. 1406. H.R. 1406 has been referred to the Senate Committee on Health, Education, Labor and Provisions, where a companion bill, S. 1623, has 11 Republican Senator sponsors.

SESCO, who we retain as a member benefit for labor advice for association members, asserts that overtime violations continue to be an employee top financial liability. To quote from the March 2014 **SESCO Report:**

"As SESCO conducts labor and employment audits with a focus on complying with the Fair Labor Standards Act (minimum wage, overtime and recordkeeping requirements), overtime violations

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UPS AND DOWNS OF FLSA

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continue to be a major liability facing employers of all sizes and industries. Further, the Department of Labor has increased its number of investigators by one-third (1/3) creating more enforcement action.

As we explore overtime violations, SESCO has created the following checklist to help HR and payroll staff as well as payroll processing companies in understanding the complexities in complying with the regulations. **Please note, to those organizations who utilize an outside third-party to process payroll that your organization will be held liable for all back wages and claims up to three (3) years federal and up to four (4) years plus attorney fees via state claims. Also please note that in our audit practice that violations are equally as common by third-party payroll services as with in-house staff.**

The following checklist provides directions to clients to determine whether a wage payment needs to be considered (included) when calculating overtime pay. Remember, overtime pay must be calculated on all wages earned, not just the hourly rate. Thus, overtime must be also calculated as noted below.

- **Absences with Pay** – Overtime need not be paid for hours not worked even though an employee is paid for such time, as for example absences due to vacations, holidays, illnesses, and time off to vote, and payments for reporting for work when none is available.

- **Apprentices/Trainees** – Overtime must be paid to apprentices for training time if they are not working under a written agreement, if they do regular or productive work.

- **Board and Lodging** – Overtime must be paid on the reasonable cost or fair value of board and lodging furnished by the employer if board and lodging are not excluded from wages.

- **Bonuses** – Overtime must be paid on production and attendance bonuses which employees are entitled to as part of their weekly earnings.

- **Call-Back or Call-Out Pay** – Overtime need not be paid on call-back or call-out pay that covers hours not worked.

- **Changing Clothes** – Overtime need not be paid for time spent before and after work in changing clothes for the employee's convenience.

Overtime must be paid for time spent at the beginning or end of the workday if changing clothes is required by the employee's duties or the employer's rules.

- **Civic and Charitable Work** – Overtime must be paid for charitable work if the employer directs or controls it or if the employee is required to be on the employer's premises.

- **Coffee and Snack Breaks (less than 30 minutes)** – Overtime must be paid for time in coffee and snack breaks.

- **Commissions on Sales** – Overtime must be paid on sales commissions earned by

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UPS AND DOWNS OF FLSA

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nonexempt employees.

• **Executive, Administrative, Professional, Outside Sales Employees** – Overtime need not be paid exempt employees meeting the qualifications of the exemptions under the Act.

• **Expense Accounts** – Expense allowances are excludable from computation of the regular rate.
Fixed Wages for Fluctuating Hours – Overtime of only half-time (½), and not time and one-half (1.5), need be paid under employment contracts providing a fixed weekly salary for variable hours worked.

• **Hospitals/Nursing Home Organizations** – Overtime may be paid to hospital employees on a 14-day basis, rather than a 7-day workweek basis, if the employee agrees to such an arrangement prior to performance of his work and if overtime is paid for hours worked in excess of 8 daily and in excess of 80 during the 14-day period.

• **Hours Worked** - Overtime need not be paid for time spent on incidental activities before or after the workday which are not an integral part of the employee's regular duties.

• **Make-Ready Time** – Overtime must be paid for make-ready activities, even though performed at the beginning or the end of the workday, where they are a part of the employee's principal duties, as, for example, cleaning and oiling machinery and replacing parts; keeping tools in shape, distributing work to workbenches, discussing work problems involved in shift changes, etc.

• **Meal Periods** – Overtime need not be paid for meal periods during which an employee is relieved of all duties for at least one-half hour (30 minutes).

Overtime must be paid for meal periods if the employee is not free of all duties, including inactive duties or the lunch is less than 30 minutes.

• **Medical Care** – Overtime need not be paid on the cost to the employer of on-the-job medical care furnished to his employees.

Overtime must be paid on time spent during working hours in getting medical attention on plant premises or at employer's direction.

• **Night Premiums** – Overtime must be paid on night shift differentials.

• **On-Call Pay** – Overtime must be paid to employees who are required to remain on call on their employer's premises or at a fixed location.

• **Out-of-Town Business Trips** – Overtime need not be paid on travel time of employees outside of their regular working hours while out of town on overnight business trips, except for time spent in performing regular duties.

Overtime must be paid on travel time during normal working hours on nonworking days, as well as on regular working days, of employees on overnight business trips.

• **Production Bonuses** – Overtime must be paid on production bonuses even though

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UPS AND DOWNS OF FLSA

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they are unascertainable at the time of the pay period in which they are earned.

• **Show-Up or Call-In Pay** – Overtime must be paid on a part of the show-up or call-in pay if the employees are required to wait 10 or 15 minutes before being advised that they may return home.

• **Sleeping Time** – Overtime need not be paid on up to eight hours' sleeping time of employees who are on duty for 24 hours or more if there is an agreement to this effect, if the employee is furnished adequate sleeping facilities, and if the employee gets at least five hours' sleep.

• **Training Programs** – Overtime need not be paid to an employee who voluntarily attends a lecture, meeting or training program outside his regular working hours if the lecture, meeting or program is not related to his job and if he does no productive work.

Overtime must be paid to an employee for time spent outside his regular hours on a course sponsored by his employer if the course is intended to make him more efficient in his present job.

• **Travel Time** – Overtime need not be paid on travel between an employee's residence and his work place, in the usual case.

Overtime must be paid on travel from a meeting place at the beginning of the day to the work site.

Overtime must be paid on travel between job sites during the work day.

• **Truck Drivers** – Overtime must be paid to truck drivers for time spent in sleeping berths while relief drivers operate the truck if the tour of duty is less than 24 hours.

Overtime must be paid to truck drivers for time spent in waiting between specific tasks, unless they are relieved of all duties for a definite period which is long enough to be used by them for personal reasons.

• **Two Rates of Pay for One Employee** – Overtime of an employee who works for two or more different straight-time rates of pay during the same workweek may be computed on the basis of his average hourly rate for the week or on the basis of the straight-time rate applicable during the overtime hours if agreed to prior to performance of the overtime work.

• **Unauthorized Overtime Work** – Overtime must be paid for unauthorized overtime work which the employee is suffered or permitted to perform, even though the employer has announced that no overtime work will be permitted unless authorized in advance.

• **Wages** – Overtime must be paid on the basis of all things of value forming part of an employee's normal weekly income, such as salary, wages, piece work earnings, bonuses, commissions, and board or lodging not excluded from wages.

• **Waiver of Overtime Payments** – Overtime payments required under the FLSA may not be waived by employees."

Estate Tax Reform Pushes Ahead in Maryland

By: Roy Littlefield IV

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The goal of the legislation is to immediately raise the current $1 million tax exemption level in four annual increments. The legislation proposes an annual increase, beginning on January 1, 2015, in amounts of $1.5 million, $2 million, $3 million and $4 million before reaching the federal level by January 1, 2019.

The bill is currently waiting to be heard by the Senate Budget and Taxation Committee. If passed by the Senate, the legislation will go before Governor Martin O'Malley. It is unclear whether he will veto the bill or sign it into law.

SSDA-AT is also supporting and testified in favor of a similar estate tax reform bill titled HB 276. This bill relates directly to qualified family owned businesses. It seeks to exclude their interests from the Maryland estate tax. This bill established a "family owned business" as one that at least 50% of the entity is owned directly or indirectly by the decedent and members of the decedent's family; 70% of the entity is owned directly or indirectly by members of two families; 90% of the entity is owned directly or indirectly by members of three families; or 30% of the entity is owned by the decedent and members of the decedent's family. If this legislation were to pass it would then be the case where the Maryland estate tax shall be determined by excluding from the value of the gross estate up to $5,000,000 of the value of qualified family-owned business interests of the decedent that are acquired by or passed to any qualified recipient. The legislation draws similarities to HB 739 as both aim to lower the amount of Marylanders subject to burdensome estate taxes while reducing rates across the board.

Estate tax reform and appeal remain a top priority for business owners. Because states have handled this tax differently, the rates vary widely from state to state. Thankfully, the federal and state tax rates aren't stacked on top of each other; this is because state inheritance and estate taxes are subtracted from the value of the taxable estate in calculating the federal estate tax. Despite the subtractions, you can wind up with some high combined tax rates when you account for federal and state estate taxes and state inheritance taxes. Effective in 2013 and beyond, the federal estate tax rate is a flat 40% on the estate tax value in excess of the applicable exemption which was $5. 25 million in 2013 and now is $5.34 million in 2014.

When it comes to estate taxes it's something to think about if you're dedicated to leaving more to your heirs and less to tax collectors. If you choose to retire in your current state, I suggest meeting with an experienced estate planning advisor so see if there are ways to reduce your exposure to estate, inheritance, and other death taxes. SSDA will stay committed to reforming the estate tax in Maryland for our citizens and businesses alike.

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budget, and previous year's budgets as well.

We will have further analysis of these proposals in the coming days. In the interim, you can find the estate tax proposals in the Dept. of Treasury's "green book" beginning on page 138.

The headline proposal is to roll back the estate tax relief enacted as part of the fiscal cliff legislation from 2012, similarly to what we saw in the FY13 budget. To quote directly from the green book:

"Beginning in 2018, the proposal would make permanent the estate, GST, and gift tax parameters as they applied during 2009. The top tax rate would be 45 percent and the exclusion amount would be $3.5 million for estate and GST taxes, and $1 million for gift taxes. There would be no indexing for inflation. The proposal would confirm that, in computing gift and estate tax liabilities, no estate or gift tax would be incurred by reason of decreases in the applicable exclusion amount with respect to a prior gift that was excluded from tax at the time of the transfer. Finally, portability of unused estate and gift tax exclusions between spouses would be allowed.

"The proposal would be effective for the estates of decedents dying, and for transfers made, after December 31, 2017."

The net effect of the proposals would be to increase estate, gift, and GST taxes by $50.125 Billion over the next 5 years, and $143.294 Billion over the next 10 years.

While we do not expect to see any movement to increase estate taxes any time soon, we will keep our eyes on these proposals to see if they gain any traction as part of the expected debate on inequality over the coming year.

CRISIS TIME FOR TRANSPORTATION FUNDING

The Department of Transportation has told Congress that without action, the Highway Trust Fund could run out of money as early as the end of July 2014.

Competing funding proposals by House Republicans, Senate Democrats, President Obama, and individual members of Congress complicate efforts to fashion a long-term transportation infrastructure bill.

This Thursday we have a very timely meeting with Sarah Puno, Principal Analyst for the Congressional Budget Office.

Sarah Puro is a Principal Analyst at the Congressional Budget Office (CBO) where she focuses on surface transportation programs. She is a recognized expert on surface transportation programs and the federal budget. Ms. Puro is responsible for CBO's estimates of the status of the Highway Trust Fund and for estimating ten year baseline projections of transportation spending. She provides timely verbal and written feedback to the Congress on legislation and other proposals. In addition, she has written and contributed to several CBO reports on transportation and infrastructure. She regularly speaks to transportation stakeholders about the Highway Trust Fund and other issues affecting transportation policy and budget. She has been CBO in various roles since 2003.

Ms. Puro is a member of the Transportation Research Board's Revenue and Finance Committee.

We will be discussing the status of the Highway Trust Fund and budget basics of potential new programs.

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FINANCE COMMITTEE NEWS

There will be hard bargaining as Finance Committee Chairman Ron Wyden and Ranking Republican Member Orrin Hatch work to reach agreement on a bi-partisan tax extenders bill to lay before the Finance Committee.

Finance Committee members will have an opportunity to offer amendments to the bi-partisan draft, known as "the mark," at a formal mark-up when the full committee meets. Thus far, no meeting has been scheduled.

SSDA-AT is urging its members to check the committee members list at www.finance.senate.gov., and if they have a Senator on that committee to contact that senator by letter faxed on your letterhead, followed by a phone call to 202-224-3121, ask to speak to the senator's ***tax legislative assistant*** and say you are calling because you understand Senator Wyden and Senator Hatch are preparing a tax extenders bill and you want to know what the outlook is for getting a two-year extension of WOTC plus eligibility for 10 million older workers on food stamps and 7 million disconnected youth who are out of school and out of work.

If your senators aren't on the Finance Committee, ask them to contact their leader on the Committee (Senator Wyden for Democrats, Senator Hatch for Republicans) with the message that WOTC has been demonstrated to be the most cost-effective Federal jobs program, with no significant cases of fraud or abuse over 18 years, and is vital to improve job opportunity for people with disabilities, veterans, disadvantaged youth, seniors in low-income households, and long-term unemployed workers receiving food stamps. These workers face a less-than-even chance of finding a job, as shown by their higher unemployment rates, and WOTC—at the maximum one-time cost of $1,560 for most workers—increases their opportunity of being hired.

Chairman Wyden and Senator Hatch must grapple with these key issues:

- Shall there be a one-year or two-year retroactive extension, or something in between?

- Shall any tax extender be eliminated or modified? (Senator Hatch has tabled a demand, on behalf of Senate Republicans, that each tax extender be "scrubbed" to save money by eliminating their least cost-effective provisions, and committee staffs have been swapping ideas on this issue for a month.)

Shall the $48 billion cost for a one-year extension of all 55 extenders ($90 billion cost for a two-year extension) be paid for by revenue offsets in the bill? (A revenue offset is a provision to raise revenue or cut spending to help offset the cost of continuing the tax extenders.)

We again note the urgency and importance of reaching out to your senators at this time, as it's critical for an extension of current-law WOTC to be in any Wyden-Hatch mark—any decision they make will be very hard to reverse in Committee.

We won't be effective unless your senators agree to contact Senator Wyden or Senator Hatch to support a two-year extension of WOTC this coming week—writing your senators isn't enough, there should be follow-up by phone call to the tax legislative assistants of both senators. If you are a resident of, or have operations in, a senator's home state, the tax L.A. will take your call—so be persistent!

By the same token, contact only the senators of

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your state. If you have branches or clients in other states, have them contact the senators of their state with our message.

WOTC EXTENSION

When the Senate returns, it still faces a deadline to pass another "doc-fix" extension before March 31st—a permanent extension is unlikely, but a short-term extension has high odds of passing.

If WOTC extension isn't included in a "doc fix" bill this week, it will be late-April at the earliest before a tax extenders bill with WOTC sees the light of day in Congress.

SSDA-AT will work this week to reach out to senators and get them to urge Finance Committee leaders (Senator Ron Wyden for Democrats and Senator Orrin Hatch for Republicans) as well as Majority Leader Harry Reid and Minority Leader Mitch McConnell, to include WOTC in any "doc fix" extension measure that passes the Senate.

("Doc-fix" is shorthand for a bill that sets aside the current-law formula for paying doctors who accept Medicare; the current formula, known as SGR or "sustainable growth rate," results in a 20% or more cut in doctors' compensation and a feared exodus of physicians from Medicare if Congress does nothing.)

Last week, the House passed a permanent "doc fix" paid for by changes to Obama care, while Majority Leader Reid sounded Senate Republicans to pass the same "doc fix" without any offset or cuts to Obama care. Both houses have agreed to the same legislative language for a permanent "doc fix," but they've been unable to agree on how to pay for the $130 billion cost over ten years.

The odds are against a $130 billion pay-for agreement this week, so with time running out, another temporary extension of "doc fix" has the best chance of passing.

SSDA-AT is urging the Senate to include WOTC in any short-term extension of "doc fix." If Congress can pass a temporary "patch" to take care of Medicare doctors' pay, it can pass a short-term WOTC extension to help veterans and people with disabilities, the poor and long-term unemployed, to find jobs.

Singling out one section of the tax code for special attention (like doc-fix) while deferring action on critical tax provisions that expired last December, will leave the tax code with more than 50 sections in the air during transition to tax reform. There's a better way. With a short-term, retroactive extension in place, programs like WOTC can continue functioning normally while Congress addresses their long-run role in tax reform.

As Senator Wyden has said, tax extenders are a stepping-stone to tax reform. With Republicans and Democrats so far apart on how to pay for extenders like WOTC and "doc fix," isn't a short-term extension called for to keep programs functioning while Congress grapples with a long-run solution? We prefer a long-run bill, but a short-term extension beats staying expired.

Toward the end of the coming week, it's likely the Senate will have to pass a short-term SGR bill—what we're asking the Senate to do is open up the bill to renew the extenders. Should Congress pass only a 90 day extension of SGR to June 30, it will mean a 6-month extension for WOTC and others.

Losing momentum is our greatest danger—here again we have an opportunity we can seize, and a

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good reason to contact senators.

Our point is tax-based programs like WOTC were enacted by Congress on sound merits—in our case, equal opportunity in the labor market for workers who've fallen behind—and leaving such programs in limbo month after month, unable to function effectively, defeats the purpose Congress enacted them for.

WYDEN MOVING FORWARD ON TAX EXTENDERS

Senate Finance Committee Chairman Ron Wyden (D-OR) will push to renew several dozen expired tax breaks during the week of March 31, separate from any consideration of comprehensive tax reform.

The 55 provisions, known as extenders, include popular tax breaks for businesses like bonus depreciation, the research and development credit, and incentives for alternative energy, as well as some more obscure tax breaks for specific industries. Congress usually renews these temporary tax breaks on an annual basis but allowed them to expire at the end of 2013.

Wyden will probably exclude or refine some of the tax breaks in an effort to produce a bipartisan bill, according to Bloomberg BNA. Sen. Orrin Hatch (R-UT), ranking member on Senate Finance, said this week that the committee should "do only the ones that we really should do."

Wyden's decision to deal with the tax extenders before tackling any overhaul of the tax code puts him at odds with House Ways and Means Committee Chairman Dave Camp (R-MI), who has resisted calls to renew tax extenders in order to keep the focus on comprehensive tax reform. Camp released a 979-page draft of his tax reform plan three weeks ago and has said he wants to mark up a bill in committee this year. House leaders have labeled Camp's plan a conversation-starter and, in order to move a bill this year, many lawmakers up for re-election in November would have to go on record on a number of tough provisions in Camp's draft.

SSDA-AT and other tax-exempt organizations are concerned with some specific provisions in the bill that expand the unrelated business income tax (UBIT) statute and could affect the revenue streams of many associations and tax-exempt organizations.

While he clearly wants to move tax extenders first, Wyden did say in a March 13 hearing that any eventual tax reform package should include provisions to help small business owners create jobs and grow the economy.

Wyden made his comments at a hearing to explore ideas and policies to strengthen the middle class. Wyden said Congress needs to promote policies to improve education and life-long learning, encourage people to save and feel secure about their retirement planning, and take steps to make the tax code friendlier to the middle class. That includes figuring out what to do with pass-through entities, whereby taxes on revenues are "passed through" to the business's owners/investors.

"Far too often, conversations about tax reform focus on the big businesses, the big, successful businesses, and ignore the rest," Wyden said. "But economic growth, and the jobs that follow, so often flow from our small businesses. So as this committee continues to consider the best ways, again on a

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bipartisan basis, to fix this tax code, let's ensure that young startups and green-shoot entrepreneurs have the opportunity to succeed."

The White House has elected to push for corporate tax reform as well, as shared by President Obama in his State of the Union address in January.

INSURERS WARN CONSUMERS OF ACA-RELATED RATE HIKES

Health insurers say consumers in the individual insurance market should expect premiums to double over the coming year in some parts of the country as a result of delays and changes in the rollout of the Affordable Care Act.

The rate hikes are expected to vary substantially by region, state and insurance carrier, according to The Hill newspaper, with areas of the country with older, sicker or smaller populations hit hardest.

The Obama Administration has downplayed talk of rising premiums with less than two weeks to go in the enrollment period for the health Exchanges. Health and Human Services (HHS) Secretary Kathleen Sebelius testified before the House Ways and Means Committee last week that health insurance premiums are likely to increase in the coming year, but that new premium tax credits and rules ensuring fair premium rates will make private coverage more affordable for consumers in the long run.

"The increases are far less significant than what they were prior to the Affordable Care Act," Sebelius said in her testimony.

HHS announced this week that more than 5 million people have now enrolled in coverage, and the Administration has ramped up its outreach to get young people to sign up through the marketplaces before the March 31 enrollment deadline.

HIRING VETERANS

This is a reminder that Department of Labor Office of Federal Contract Compliance Programs (OFCCP) final rules on hiring of veterans and individuals with disabilities, applicable to Federal contractors and subcontractors with 50 or more employees or receiving a contract of $50,000 or more, will take effect on March 24th.

Unique features of the new rules are:

A hiring "benchmark" for veterans set at 8 percent of an employer's workforce;

A hiring "goal" for individuals with disabilities set at 7 percent of each job group in an employer's workforce, or 7 percent of total workforce if number of employees is 100 or less; and

An invitation to job applicants to voluntarily self-identify as a veteran or individual with disability in order to benefit from the new rules, at both the pre-offer and post-offer phases of the application process.

A fact sheet, OFCCP Final Rule To Improve Job Opportunities For Protected Veterans, including text of the final rule, is available at www.dol.gov/ofccp/regs/compliance/vevraa.htm.

A fact sheet, OFCCP Final Rule To Improve Job Opportunities For Individuals With Disabilities, including text of the final rule, is available at www.dol.gov/ofccp/regs/compliance/section503.htm.

Other News

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Traffic Congestion Climbs, Signaling Growing Economy, INRIX Says

Traffic intelligence platform INRIX released its Traffic Scorecard Annual Report this week, announcing that congestion on the nation's roadways jumped in 2013 after two years of congestion declines.
INRIX's report shows that U.S. Gross Domestic Product grew 2 percent in 2013, but congestion increased by 6 percent, showing that traffic congestion grew three times the rate of the nation's GDP. INRIX officials say that if that economic growth continues this year as expected, traffic congestion will only get worse.

"While bad news for drivers, the gains we've seen in the U.S. and Europe in 2013 are cause for optimism about the direction of the economy," said INRIX President and Chief Executive Officer Bryan Mistele in a statement. "If we're to avoid traffic congestion becoming a further drain on our economies, we must invest in smart grid and connected car technologies now. We will not be able to build our way out of congestion."

The report shows that metropolitan areas across the U.S. recording numbers at or above the national average in employment growth (2.2 percent) and national GDP (1.7 percent) saw congestion increases, such as Austin (2.8 percent and 3.4 percent), San Jose (3.4 percent and 3.33 percent), Seattle (2.6 percent and 2.5 percent), and Boston (2.1 percent and 1.7 percent). Cities experiencing large drops in congestion were typically those where employment and economic growth lagged in relation to national averages. Those cities include Youngstown (-.1 percent and -.9 percent), Albuquerque (.9 percent and .8 percent), Scranton (-.8 percent and .3 percent), Toledo (-.2 percent and .5 percent), Allentown (1.1 percent and 1.7 percent), and Washington, D.C. (-.1 percent and .6 percent).

INRIX also says that 61 metro areas experienced increased traffic congestion in 2013—that number was only six in 2012. And through analyzing traffic in 100 of the largest metro areas in the U.S., INRIX found that drivers wasted an average of 47 hours in the 10 worst traffic cities last year. The highest average of hours wasted in traffic was 64 (for Los Angeles drivers) while the highest percentage jump in congestion went to Boston, with a 22 percent increase in 2012 from 2013.

To compile its annual scorecard, INRIX "leverages trillions of data points collected and archived by the INRIX Traffic Intelligence Platform." The scorecard was first released in 2007 and has since analyzed and compared the status of traffic congestion throughout the top 100 metropolitan markets in the U.S. and the nation as a whole.

Wisconsin DOT Secretary Talks MAP-21 Freight Provisions, Primary Freight Network at House Transportation Committee Hearing

The House Transportation and Infrastructure's Subcommittee on Highways and Transit discussed the nation's highway freight network during a hearing that featured Wisconsin Department of Transportation Secretary Mark Gottlieb on behalf of the American Association of State Highway and Transportation Officials.

Subcommittee Chair Tom Petri (R-WI) kicked off the hearing by expressing his desire to build upon freight provisions in MAP-21.

"Today's hearing will focus on how we can improve the nation's highway freight network," Petri said in his opening remarks. "The current federal surface transportation authorization, MAP-21, expires on September 30th of this year. As the Committee begins its work on drafting the successor to MAP-21, we must understand how we can improve the safety, efficiency, and reliability of the Nation's highway freight network."

Gottlieb told Petri and the committee that states needed time for the "program consolidation and performance reforms in MAP-21 to be put into practice," which he said would lead to freight's establishment as a higher priority. He also pushed for Congress to not create a new separate freight program with funding coming at the expense of existing highway programs that are being used to invest in projects to benefit freight.

"The factors and methodology used to designate the 27,000-mile national highway freight network designation resulted in critical gaps and omissions and do not reflect the significant freight corridors operating within, between, and among the states," Gottlieb said. He then asked Congress to replace the PFN mileage caps with "a designation process undertaken by state DOTs in consultation with metropolitan planning organizations, local governments, stakeholders, and the U.S. Department of Transportation, giving USDOT the authority to add routes and/or corridors to ensure connectivity." That request includes more flexibility for states to support multimodal freight planning efforts and organizations with expanded funding eligibility.

Gottlieb said that the most pressing matter at hand was that of the possible Highway Trust Fund insolvency before the conclusion of the fiscal year.

"I must conclude with a comment on the status of the Highway Trust Fund," Gottlieb said. "States rely on prompt payment from FHWA to pay contractors and any delay could have serious economic consequences. Moreover, unless Congress acts to either increase HTF revenues or provide additional General Fund support, the states will be unable to obligate any new federal funds starting in fiscal year 2015. In both cases, there will be immediate and direct impacts to the states' economies."

Other witnesses for the hearing were Volvo Group North America Senior Vice President of Public Affairs Susan Alt; FedEx Ground President and CEO Henry Maier; and Gerald Bennett, mayor of Palos Hills, Ill., on behalf of the Chicago Metropolitan Agency for Planning.

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In Michigan Senate Bill (SB 791) has been introduced and the initial hearing will take place Thursday, March 27th, in Lansing.

The bill addresses a long-standing UST issue. Michigan collects 7/8ths of a cent per gallon on refined petroleum products to be used to perform cleanups of discharges from USTs. This fund accumulates about $55,000,000 per year. Only problem is: the then Governor and legislature have been "looting" the fund since 2007, to plug holes in the General Fund. So, our members owning and operating USTs must buy pollution insurance from the commercial market. This bill (SB 791) takes the 7/8ths of a cent per gallon and creates an Authority that will administer the cleanups and payouts similar to what is done in Ohio. This would be a great benefit to our members, since they could fore go the commercial UST insurance coverage. We, along with the Michigan Petroleum Association, have been working on this issue since 2008, and we finally have gotten a sympathetic ear.

California DOT Completes Project to Reduce Congestion and Fuel Emissions on Busy Interstate

California Department of Transportation officials announced recently the completion of 10 miles of new carpool lanes that will encourage motorists to carpool, which will relieve congestion, provide greater transportation options, and reduce fuel emissions in San Diego.

Caltrans finished the $94.8 million I-805 Carpool Lane/Carroll Canyon Road Extension Project in San Diego's Golden Triangle area, set to open in the next week or two. The project created two miles of new carpool lanes, creating a total of 10 contiguous miles in both directions from Mira Mesa Boulevard to Manchester Avenue on I-5. And for the first time, commuters on Carroll Canyon Road can access the carpool lanes on I-805 directly where it merges with I-5.

Caltrans officials say the project will encourage sharing rides, which offers many benefits.

"Caltrans and our transportation partners here in San Diego are working on many improvements along I-805 that will provide more transportation choices, reduce carbon emissions by offering motorists more carpool lanes, and improve the quality of life for those who live, work, and travel in San Diego," said Caltrans Director Malcolm Dougherty in a statement.

Additional improvements for the area are still being undertaken, including a transit station, a park and ride lot, sound walls to cut down on freeway noise, and a Direct Access Ramp, which will allow carpoolers to enter I-805 carpool lanes without driving on the normal freeway lanes.

GENERAL COUNSEL CORNER

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sufficient facts for a reasonable jury to find that the shooting was foreseeable and not merely a freakish, improbable, or extraordinary event."

The lesson appears to be clear. A c-store operator has a positive duty to take reasonable steps to avoid the risk of harm to its customers, even if that risk of harm is not obvious or readily ascertainable. It may not be sufficient to argue that a shot in the dark is either a "freakish" or "extraordinary" event.

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Iowa DOT Keeps Drivers Safer with Live Snowplow Cameras

Iowa Department of Transportation is keeping motorists across the state informed on road conditions during snowstorms and their aftermath with new snowplow cameras, allowing drivers to see what roads are really like and make better travel decisions.

The cameras take photos from the dashboard of the vehicles to show actual conditions that drivers would experience on those stretches of roadway. Iowa DOT first tested plow cameras in 100 or so winter maintenance vehicles in central Iowa, but soon decided to create a system to allow the public to utilize the technology as well. Plow camera images are now available to the public through the snowplow location map. Users can click on one of the plows on the map to get current conditions of the road (outside temperature, direction of the plow, etc.) and also take a look for themselves via the photo. The photos only remain on the site for 30 minutes after they are taken to make sure users see the most up-to-date information possible.

"The images increase the amount of information available to travelers to assist them in making safer and more informed travel decisions during winter weather," said John Hart of Iowa DOT's Office of Maintenance in a statement. "It's one thing to see a 511 map with pink or blue roads indicating completely or partially covered roads. But these terms can mean different things to different people. Being able to see the road condition out the windshield of a snowplow gives a better indication of the actual travel conditions on the road right now."

The photos are taken from the iPhone 4s, provided at no cost by the data carrier with the purchase of a data plan, which was negotiated at a reduced rate. "We believe the benefits far outweigh the costs for this project," Hart said. "We want to make the best possible use of our resources. We have already proven that having these images available saves time and money for our winter operations, and we're hopeful that the increased information for travelers will help save lives, too."

Iowa DOT officials say that while the pilot program focused on central Iowa, the department plans to extend out to other areas of the state, hopefully covering a majority of the state by next winter.

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