SSDA SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

SSDA News

Service Station Dealers of America and Allied Trades

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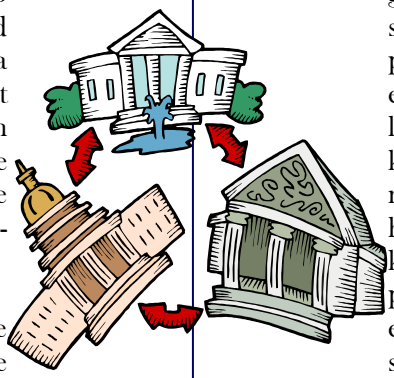
LEGISLATIVE UPDATE

By Roy Littlefield

HOUSE PASSES RYAN BILL

On April 10, the House of Representatives passed the fiscal year 2015 budget, "The Plan to Prosperity." Before the vote, Congressman Paul Ryan (R-WI) delivered the following remarks on the House Floor:

"We've offered a budget because we trust the American people. Unlike the Senate Democrats who have once again punted and not even offered a budget this year, we trust the people to make an honest assessment. We trust them to make the right choice for their future.



"Now, to their credit, the House Democrats have offered budgets as well. The problem is, they put their trust in Washington. Every time you hear the word 'investments' just know that means – take from hardworking taxpayers, borrow more money from our next generations and from other countries, and spend it in Washington.

"Time and again, they are proposing to put government in the driver's seat. They've already engineered a takeover of our entire health-care sector. They're over-regulated our energy sector. They're depriving us of jobs, and they won't even give us the Keystone Pipeline. They're proposing new taxes – another $1.8 trillion tax increase. They're proposing more cronyism. They're proposing more control from Washington, which is less control of our communities, less control over our businesses, less control over our lives, less control over our futures.

"In my respectful opinion, it is a vision that is paternalistic, arrogant, and downright condescending. You know, big government in theory – it sounds compelling. In practice, it's totally different. Remember if you like your doctor, you can keep your doctor? Remember if you like your health-care plan you can keep your health-care plan? Remember if government takes over this sector it will lower your costs? Big government in practice is so different than the theory. The results have nothing to do with the rhetoric.

"We, on the other hand, trust the people. We are offering a balanced budget that pays down the debt. We are offering patient-centered solutions, so that patients are the nucleus of the health-care system, not the government. We're offering a plan to save Medicare now and for future generations. We're offering a stronger safety net with state flexibility, to help meet people's needs and to help people get from welfare to work to make the most of their lives. We're

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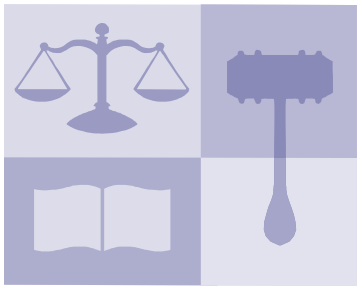
GENERAL COUNSEL CORNER



For Lack of a Comma

By Peter H. Gunst , Esquire
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A recent, significant federal appeals court decision concerning swipe fees for debit cards provides further evidence if any were needed of how bizarre judicial decision-making can be.

Service station and convenience store operators well know the significant role that debit cards play in today's retail economy. By 2009, debit cards had become the dominate form of payment in the United States, surpassing credit cards in number of transactions and in dollar volume.

Debit card processing is dominated by Visa and MasterCard, which process over 80% of all debit transactions. Not surprisingly given their market power, Visa and MasterCard were able by 2009 to increase the swipe fees that they charge to 44 cents on average for each debit card transaction.

Enter the Durbin Amendment enacted by Congress in 2010 as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

In an effort to restrict the amount of the swipe fees that could be charged to a merchant, the Durbin amendment limited debit card swipe fees to the "incremental cost" incurred by an issuer for the "authorization, clearance, or settlement of a particular debit "transaction," and specifically eliminated from the cost formula costs which are not specific to any particular electronic debit transaction. *See* 15 USC §1693 o-2 (a)(4)(B).

In sum, the Durbin Amendment restricted debit swipe fees to the variable cost attributable to a particular debit transaction, while eliminating from the equation the issuer's fixed costs.

Congress gave the Federal Reserve Board the task of enacting rules to enforce the Durbin Amendment's cost allocation formula.

In late 2010, the Board proposed its implementing rules, which were based upon limiting swipe fees to the incremental cost attributable to a particular transaction, which amounted to a fee cap of 12 cents per transaction, considerably less than the 44 cents the issuers had previously received on average.

After receiving thousands of comments, the Board in its Final Rule almost doubled the proposed cap to 21 cents, adding one half of 1% of each transactions value, plus an additional one cent per transaction if the issuer implemented certain fraud-prevention measures.

The Board's almost doubling of the proposed debit card swipe fee was attributable to its inclusion in the calculation of recoverable costs certain items which were not attributable to any specific debit card transactions. These included the cost that issuers incurred as the result of transactions-monitoring to prevent fraud, the issuer's

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" More surprising was the court's treatment of the customer's claim against the franchisee. "

Maryland's Minimum Wage Hike Spurs Nationwide Movement

By: Roy Littlefield IV

With the rising costs of living in and around the nation's capital, Maryland legislators on the county and state decided to respond with raising the minimum wage, believing that this would some how fix the issue. This action was contentious for many local businesses who are facing rising costs and declining profits in the marketplace.

Ultimately, through compromise and a yearly phase-in approach, Maryland was able to raise the minimum wage to $10.10 an hour, reaching this level by 2018. This lead President Obama to respond by raising the minimum wage of federally contracted workers to $10.10 an hour.

The push for a substantial minimum wage hike, began in Maryland on the county level where in Prince George's and Montgomery County, county council members responded to complaints that the cost of living was too high. In response, councils passed mirroring bills in their counties that raised the minimum wage to $11.50 by the year 2017. Shortly after, the District of Columbia passed a similar bill raising their minimum wage to $11.50 per hour by 2016. Maryland followed with a statewide increase of $10.10.

In response to the success these jurisdictions had at raising their wage, since the beginning of the year, in addition to Maryland, these states have raised their wage above the federal level: Connecticut ($10.10), Delaware ($8.25), Minnesota ($9.25), and West Virginia ($8.75). It seems that more states will take advantage of the opportunity to raise their wages as 34 other states have considered legislation that would offer increases above the federal level.

It is forecasted that the nationwide movement to increase the minimum wage will continue on the state and local levels and federal legislation is possible. President Obama has already backed proposals in Congress to raise the federal minimum wage to $10.10 an hour although these bills have not moved.

Although being led by democrat controlled legislatures, it is possible that states controlled by Republicans could see movement as well. Some organizers are now trying to get measures on fall ballots to raise the minimum wage in the GOP dominated states of Alaska, Idaho, Michigan, Nebraska, and South Dakota.

For a number of years, polls have shown that a majority of Americans favor minimum wage hikes. Action on the issue has become more prevalent for legislators by the organization of labor groups, minimum wage workers, and the fact that if someone is making $7.25 per hour they would only be collecting $15,080 annually, which barely breaks the poverty line. WMDA asserted that the minimum wage was never meant to be a living wage, but a starting wage for those entering the workforce or temporary workers.

To response to the concern that some businesses had regarding a "living wage" vs. a "training wage", the Maryland bill included a provision that creates a "training wage" lower than the state minimum wage for workers under twenty during their first six months on the job. This provides the opportunity for

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Connecticut DOT Opens New Rail Station to Increase Mobility, Convenience

Connecticut Department of Transportation Officials joined local officials and members of the Westbrook community to celebrate the opening of the new Westbrook rail station, which expands transit options for commuters in the area.

The $14.4 million project, which began in January 2012, included construction of a canopy-covered station with high-level platforms the length of four rail cars, a parking area with nearly 200 spots, a commuter drop-off and pick-up spot, and an audio and visual messaging system. The line which the Westbrook station now serves, Shore Line East (operated by Amtrak under contract with CT DOT), also has stations in New Haven, Branford, Guilford, Madison, Clinton, Old Saybrook, and New London. CT DOT officials said the new station will help to encourage continued transit usage, as ridership for the Shore Line East increased 5 percent between 2012 and 2013, growing from 627,000 to 658,000.

"Since my first year in office, public transportation has been and remains a top priority," said Gov. Dannel Malloy in a statement. "It is important at the local commuter level, of course, but it is also vital for Connecticut to be competitive and continue to grow jobs."

CT DOT Commissioner James Redeker said the department worked with other stakeholders to deliver the project, which will increase mobility in the area.

"We worked closely with Westbrook and the state legislature to secure this site for development as well as address other transportation needs here in Southeastern Connecticut," Redeker said. "This new station will serve a growing Shore Line East ridership and provide the convenience and amenities that those customers deserve."

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4 Cent Gas, Diesel Tax Increase Before NH Panel

A proposed 4 cent increase in New Hampshire's tax on gasoline and diesel would provide much-needed money to fix deteriorating roads and help finish the expansion of Interstate 93, supporters testified Tuesday.

But opponents told the House Ways and Means and Public Works and Highways committees that the Senate-passed bill would cost consumers and truckers at the pump and lead to higher prices on goods and services.

The bill would increase funding for highway improvements for two years, then earmark about half the proceeds to pay off $200 million in borrowing to finish the Interstate 93 expansion.

Once the debt is paid off in roughly 20 years, the tax increase would expire. The bill also would eliminate the Exit 12 ramp toll booths in Merrimack.

The House passed a 10-year highway plan that outlines a way to help pay the remaining $50 million needed to finish the I-93 expansion and proposes borrowing money to replace the Sarah Mildred Long Bridge between Portsmouth and Kittery, Maine.

The bridge includes a rail connection to the Portsmouth Naval Shipyard that is used to carry nuclear waste. Lawmakers believe the bridge's replacement would give the two states more leverage should another round of base closings include the shipyard as a potential candidate for closure.

The tax bill is a compromise between the two chambers over highway funding. Last year, the Senate killed a House gas tax proposal and the House rejected a Senate casino bill that earmarked some profits for highway improvements.

New Hampshire hasn't raised its gas tax since 1991. Sen. Jim Rausch, the tax bill's prime sponsor, told the committee he wasn't sure if his measure would survive changes by the House. A Republican from Derry, Rausch said it was not easy getting the Republican-controlled Senate to agree to a tax increase.

Rausch estimated that New Hampshire's 18 cent tax represented 16 percent of the average price of a gallon of gas in 1991 and now represents only about 6 percent of the price of a gallon.

"This partially restores lost purchasing power. I don't view this as an increase," Rausch said.

He estimated that someone driving 10,000 miles per year getting 25 mpg would pay $16 more in a year if the tax is increased 4 cents.

Matthew Murphy, executive director of Citizens for a Strong New Hampshire, said Rausch's estimates are much lower than what the typical consumer would pay.

"Ten thousand miles a year is an unrealistic number for anyone commuting to work or using (a vehicle) for commercial purposes," he said.

Greg Moore, state director for Americans for Prosperity, said lawmakers instead should increase the highway funds going to the Department of Transportation that are diverted to other agencies.

"This bill does nothing to curb the abuse of using the highway fund as a slush fund for other agencies," he said.

That prompted a rebuttal from Assistant Safety Commissioner Earl Sweeney in defense of the Department of Safety's use of about one-quarter of the highway fund to support its budget.

The constitution allows using highway funds to maintain public safety on the roads, he said.

Dozens of State Chambers of Commerce Join to Urge Congressional Action on Transportation

A group of 31 state chambers of commerce called on Congress to ensure the solvency of the Highway Trust Fund and pass a five-year surface transportation bill that offers flexibility to states.

The letter, sent Tuesday to House and Senate leadership, including Senate Committee on Environment and Public Works Chair Barbara Boxer (D-CA) and Ranking Member David Vitter (R-LA) along with House Transportation and Infrastructure Committee Chair Bill Shuster (R-PA) and Ranking Member Nick Rahall (D-WV), began by thanking Congress for passing the current surface transportation bill, MAP-21. However, the group immediately warned that the HTF is dangerously close to insolvency and that less than six months remain for MAP-21.

"In order to ensure stability and economic growth, we need to plan its successor now," according to the letter.

In that next bill, the chamber representatives asked for at least a five-year bill to allow states certainty in their planning, as well as dedicated federal funding to keep the HTF afloat. Additionally, the letter requested flexibility for how states allocate the federal transportation funding, as well as the ability for states to pick the funding options that best work for them individually.

The letter highlights how much states have done on their own in tight fiscal times, but that the federal government has a role to play in transportation infrastructure.

"Several states have passed their own laws to increase investment in transportation infrastructure, but state action alone is not enough," the letter said. "Even with increased state revenues and innovative mechanisms such as public-private partnerships, there are projects of national significance that cannot be completed without federal assistance."

Those that signed the letter represented chambers of commerce in Alabama, Alaska, Arizona, Arkansas, California, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Virginia, Washington State, and Wisconsin.

Aging Transportation Infrastructure Across North Carolina Costing Drivers

Congested and aging roadways, deficient bridges, and transportation infrastructure lacking in some safety features in North Carolina are costing drivers about $6.5 billion each year, or as much as $1,350 in some areas, according to a report published this week by transportation nonprofit TRIP in conjunction with the North Carolina Chamber Foundation.

The report, "North Carolina Transportation by the Numbers: Meeting the State's Need for Safe and Efficient Mobility," found that driving on North Carolina's aging roads and bridges costs drivers money each year statewide, but especially in cities: $1,513 for Charlotte drivers, $1,353 for those in Wilmington, $1,069 for drivers in the Triad, $1,005 for those in Raleigh-Durham, and $949 for the average Asheville driver.

That cost is due in part to the fact that roads and bridges across the state are falling into poor or mediocre condition. In fact, TRIP estimates that 48 percent of Wilmington roads are in poor or mediocre condition. That number is high in other cities: 44 percent in Charlotte; 36 percent in the Triad; 28 percent in Asheville; and 26 percent in Raleigh-Durham. In addition, 30 percent of North Carolina Bridges are in need of repair, improvement, or replacement. Congestion is also a problem for North Carolina drivers. In the state's major cities, the average driver loses between 18 to 40 hours per year sitting in traffic.

While additional investment is needed in the state's transportation infrastructure for the sake of the average driver, the state also is responsible for shipping $364 billion in goods each year and receiving another $337 billion, signaling the importance of a strong transportation network for the economy. TRIP says strong federal investment is needed to keep the state competitive and safe for citizens and businesses alike.

"A lack of adequate funding of the federal program may result in a significant cut in federal funding for the state's roads, highways and bridges," according to TRIP. "In fact, the impact of inadequate federal surface transportation revenues could be felt as early as summer of 2014, when the balance in the highway Account of the federal Highway Trust Fund is expected to drop below $1 billion, which will trigger delays in the federal reimbursements to North Carolina and other states for road, highway and bridge projects, which would likely result in states delaying or postponing numerous projects. And if a lack of adequate revenue into the Highway Trust Fund is not addressed by Congress, funding for highway and transit improvements in North Carolina could be cut by $1 billion for the federal fiscal year beginning Oct. 1, 2014."

North Carolina Department of Transportation officials said the report underscores the urgency to fully invest in the state's transportation infrastructure.

"We are glad the Chamber has helped focus public attention on this critical issue. The report confirms what we've known for some time. We are dealing with an infrastructure system that requires constant maintenance. Across the nation and in our state, we see declining transportation revenue projections. At the same time we are focused on leveraging infrastructure to strengthen the economy and create jobs," said NCDOT Chief Deputy Secretary Nick Tennyson. "We created the Strategic Transportation Investment law to address part of this concern, using a data-driven formula to meet the greatest transportation needs, and more efficiently use existing funds. Our next step, in the near future, is to address the revenue gap. We are looking at alternative ways to provide additional project funding and cost savings, through things like private-public partnerships, the use of GARVEE bonds, the design-build-finance construction process, managed lanes and other revenue sources."

Boxer and Vitter Have Tentative Deal on Highway Bill

With time running out before funding expires for highway and transit programs, key Senate lawmakers announced a deal in principle Thursday for a new six-year highway bill — but still no final plan on how to pay for it.

"We, as leaders of this committee, have worked across party lines before the Highway Trust Fund cannot pay its bills," Sen. Barbara Boxer, D-Calif., chairwoman of the Environment and Public Works Committee, said at a news conference.

The trust fund, the collection of gas-tax receipts that fund the nation's surface transportation programs, is expect to run out of money later this summer.

Boxer and ranking member David Vitter, R-La., said the committee would move to mark up the bill in the next work period after the two-week spring recess.

"What we have is a detailed outline of the next highway bill in terms of policy matters within our jurisdiction," Vitter said. "Our staff is developing the specific legislative language on all of those points. A lot of it's done, a lot of it's being worked on and we expect to be acting on that bill in the next work period after this recess."

Sens. Thomas R. Carper, D-Del., and John Barrasso, R-Wyo., the chairman and ranking member of the committee's Transportation and Infrastructure Subcommittee, also signed onto the proposal.
All four members said they want to fix the trust fund at some point to make it self-financing, but said there is not enough time before they must act on the next bill.

"I believe in the trust fund concept and user fees to pay for that and hopefully we can modernize that in the near future," Vitter said.

Their comments aren't surprising because giving up on the Highway Trust Fund would reduce the committee's influence over transportation policy.

While the Environment and Public Works Committee is primarily responsible for drafting the nation's road construction policy, the Senate Finance Committee is responsible for coming up with how to pay for the bill. The Senate Commerce Committee has jurisdiction over transportation safety programs and the Banking Committee oversees mass transit policy.

The new six-year bill would authorize keeping current funding levels, plus inflation. Boxer said that the measure would need $16 billion a year above what is provided by the Highway Trust Fund, which is facing shortfalls in part due to improving mile-per-gallon standards, which shrinks gas tax receipts.

Boxer said she has spoken to Finance Chairman Ron Wyden, D-Ore., and said funding could be tied to a tax overhaul. Boxer and Vitter added that the likeliest offset would be repatriation — allowing corporations to bring overseas profits back into the U.S. at a lower tax rate — which would

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Boxer and Vitter Have Tentative Deal on Highway Bill

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generate one-time revenue.

"There is nothing written in stone as to how this is going to be done," Boxer said. "David mentioned repatriation. I think that is one area where there seems to be some interest in that because there are enough funds there to keep this trust fund going." Boxer called it a "pragmatic solution."

Asked if there was any concern a tax overhaul may not happen in time, Boxer said the Finance Committee may be willing to do something without an overall tax rewrite, but stressed that that decision is up to Wyden and the panel.

Wyden declined to discuss any details. "I've been talking with [Boxer] about a variety of options, let's just leave it at that," he said.

Sen. Orrin G. Hatch, R-Utah, the ranking member of the Finance Committee, also said talks are ongoing.
"I don't know that we've come up with any way of paying for it, but we are interesting in making sure we do what we can in that area," Hatch said.

He was skeptical that Congress would be able to change the tax code this year, adding that renewing about 50 expired tax breaks, known as extenders, may be the best that can be done.

"And we'll be lucky if we can get that," Hatch added.

As Highway Trust Fund Insolvency Looms, State DOTs Stretch Dollars

The current surface transportation bill, MAP-21, is set to expire in less than six months, and the Highway Trust Fund (HTF) — the primary source of funding for state and local surface transportation projects — could run out of money a full two months prior to the bill's expiration.

As the HTF dwindles, the U.S. Department of Transportation (DOT) is considering delaying reimbursements to state and local agencies to avoid completely draining it. With more projects needed than money available, most state and local DOTs are looking for ways to stretch each dollar they have.

The Tennessee Department of Transportation (TDOT) and the New Hampshire Department of Transportation (NHDOT) use a program to help them prioritize projects and allocate funds, allowing the agencies to put every bit of money to the best use possible.

The program, Decision Lens, allows the people working within an agency to collaborate ideas and evaluate the costs and benefits of each potential project based on criteria the agency decides is important.

Both TDOT and NHDOT use the program to make recommendations as part of a state-mandated multi-year plan.

TDOT Director of Strategic Transportation Investments Division Steve Allen says the agency has been using the program for about 18 months to create a list of project recommendations for the state's 3-year plan.

TDOT Community Relations Director BJ Doughty says TDOT Commissioner John Schroer has put a major focus on using the program for project prioritization and collaboration within the agency.

"This has been a really high high priority for Commissioner Schroer," Doughty says.

Allen says the program is one of several tools the agency has implemented. TDOT uses the program to figure out which projects are best suited for each type of funding.

"We have multiple funding sources," Allen says. "You have national highway programs, you have state transportation program funds, you have Interstate maintenance funds — and one project may actually qualify for all three of those."

He notes that the program helps the agency determine which funding source would be best to pay for a project that qualifies for more than one.

Allen says the program isn't giving the agency new information, but instead compiling already-available data in a collaborative, easy-to-view way in one location.

"The state has the responsibility to look at the technical data," Allen says. "There's a lot of information that has to be done by a DOT or state highway agency — for an agency to use this information, you have to be able to go obtain that technical information, then you have to have a very good schedule to where you can determine when this project is actually available to be funded. You actually have to know what your funding sources are and make those projections about what money is available."

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As Highway Trust Fund Insolvency Looms, State DOTs Stretch Dollars

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However, Allen notes, predicting future funding isn't easy, especially with uncertainty about the HTF and reauthorization.

"We're concerned about, nationally, what's going to happen to our funding as we move forward," Allen says.

NHDOT faces similar difficulties, particularly in that the agency, like many other municipalities, lacks the funding it needs, even before the HTF goes bankrupt.

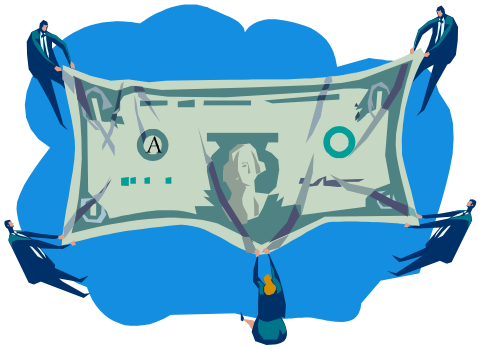
NHDOT Bureau Administrator Bill Watson says the agency is trying to make the most of every dollar it receives.

"We're not unlike many other states, most of them where there's simply not enough revenue to do all the things we need to do," Watson says.

Much like TDOT, NHDOT also uses Decision Lens to help make prioritize projects and funding. The agency has been using the program for about 5 years, Watson says, and through the program, NHDOT has made recommendations on projects for its state-mandated 10-year plan. The plan made it to the state legislature exactly how the DOT drafted it, Watson notes, with a goal of the plan — now a piece of legislation — passing the state Senate "later in May or June, and the expectation is that plan will be approved pretty much as we drafted it based on the priorities we developed through the Decision Lens model."

The biggest change the agency has experienced since using the program is greater collaboration and transparency, Watson says. He points out that the program "put all of the nine regional planning commissions and the DOT on the same playing field," allows everyone to see how the agency evaluates projects and allows the agency to defend its project recommendations.

NHDOT GIS Project Manager Glenn Davison says the planning commissions especially like the agency's newfound transparency. Previously, recommendations from the planning commissions would go into what the agency calls a "black box" where no one would see what happened with those recommendations until NHDOT would reveal its draft of statewide priorities.



"Before they gave us the recommendations and, like I mentioned, they went into a black box," Davison says. "But now they understood the process and it felt like they helped own the process as they went through the approval process."

NHDOT Managing Assets for Transportation Systems (MATS) Manager Nicholas Alexander adds that, in addition to providing greater transparency, the agency now sees different levels of priorities among projects recommendations from the planning

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Exxon, Conoco See a Quarterly Payoff From Natural Gas

U.S. oil companies Exxon Mobil Corp and ConocoPhillips both reported first-quarter earnings that exceeded Wall Street expectations on Thursday, helped partly by higher natural gas prices.

A brutal winter in North American sapped supplies of natural gas and boosted prices at key delivery point Henry Hub by more than 50 percent in the quarter, propping up profit at both companies, analysts said.

Both Conoco and Exxon have increased investment in North American shale fields that produce crude oil and natural gas liquids. On Wednesday, Royal Dutch Shell reported better-than-expected quarterly results that were also boosted by gas earnings.

Jeff Sheets, chief financial officer of Conoco, said the company was unlikely to see a similar benefit from natural gas prices in the current quarter because markets had returned to a more normal state.

"It was a very unusual quarter because of weather. What you saw in our results is that we had the ability to supply some of the markets where prices were higher than supply based on Henry Hub," Sheets said.

Conoco also said it plans to ship the first of six cargoes of liquefied natural gas (LNG) from its Kenai plant in Alaska this month since renewing its export license in April.

The companies appear to have had better luck in U.S. shale plays than BP PLC, which on Tuesday reported a 24 percent drop in quarterly profit and wrote off $521 million as it scrapped a shale project in the Utica basin.

Exxon remains the largest U.S. producer of natural gas and spent $30 billion in 2010 to acquire gas producer XTO Energy.

Since the XTO deal closed, horizontal drilling and hydraulic fracturing in shale unlocked vast supplies of natural gas that had depressed prices until this winter.

"I think that (Exxon's) finally beginning to derive some benefit from the XTO acquisition even though volumes were lower," Brian Youngberg, analyst at Edward Jones said, adding that Conoco also reaped the benefit of higher commodity prices.

Shares of Exxon Mobil fell 96 cents, or 0.9 percent, to $101.45 in afternoon trading, while Conoco's stock was up 70 cents at $75.01, or nearly 1 percent.

The past winter, which affected much of the country in January and February, lifted Exxon Mobil's average U.S. natural gas sale price by 49 percent, helping offset a dip in global production.

Prices for natural gas rose around the world as well, even as the price that the Irving, Texas company receives for its crude oil slipped both in the U.S. and internationally.

Exxon Mobil reported first-quarter net income of $9.10 billion, or $2.10 per share, compared with $9.50 billion, or $2.12 per share, in the year-ago quarter.

The results surpassed analysts' expectation for profit of $1.88 per share, according to Thomson Reuters I/B/E/S.

Total production fell about 6 percent to 4.2 million barrels of oil equivalent per day (boepd).

Conoco's first-quarter profit was flat at $2.1 billion, or $1.17 per share. Excluding items, the Houston company earned $1.81 a share, beating analysts' estimates for $1.56 per share, according to Thomson Reuters I/B/E/S.

Conoco's oil and gas output from continuing operations excluding Libya edged up to 1.53 million boepd in the three months through March 31 from a year earlier, in line with analysts' expectations

SSDA-AT and API urge Congressional leadership to approve Keystone XL

API and SSDA-AT applauded the latest bipartisan effort to approve the Keystone XL pipeline.

"The renewed bipartisan push in Congress to approve the Keystone XL pipeline should send a clear message to the White House that the American people want this critical energy infrastructure built," said Gerard. "If the administration lacks the political courage to approve KXL, then we agree with the president that sometimes 'the only way to truly fix' something is if Congress takes action.

"The public overwhelmingly supports Keystone XL and their voices will be heard in Washington. API has mobilized its grassroots army of more than 24 million American energy advocates to encourage their Senators to support KXL legislation, and we'll reinforce that message through advertising and advocacy campaigns in the coming weeks.

"We thank Senators John Hoeven (R-N.D.) and Mary Landrieu (D-La.) as well as the other bipartisan leaders in the Senate for their steadfast support of KXL. We need Congressional action since the president's only action has been excuses and delays. We certainly hope that members of the Senate will not hide behind excuses of process since we have been at this for more than five years with five federal reviews stating the pipeline is safe to build and will create thousands of jobs."

API represents all segments of America's oil and natural gas industry. Its more than 600 members produce, process, and distribute most of the nation's energy. The industry also supports 9.8 million U.S. jobs and 8 percent of the U.S. economy.

KEYSTONE XL PIPELINE

The Keystone XL Pipeline will deliver

830,000

barrels of oil per day.

What does that mean for the everyday energy consumer?

15,000,000

million gallons of gasoline per day.

Maryland's Minimum Wage Hike Spurs Nationwide Movement

By: Roy Littlefield IV

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employers in the service station and automotive repair business to train young employees and interns by offering less pay until they become experienced in the field. Because of the training wage provision, employers will not be required to pay young, inexperienced workers higher wages until it is earned through six months of work in the business. WMDA would have liked to see the training wage extended to all new employees, regardless of age, but will accept this as better than the alternative of no training wage at all.

Having a single and substantial one-time minimum wage hike, would have led to job loss and financial hardship for businesses in the state. WMDA in conjunction with the business community was able to secure provisions that helps owners adjust to the change in pay structure when the legislature made it known this was going to pass in one way or the other. With the yearly-phase in and training wage for younger employee amendments added, this made the legislation more of a compromise than the original text that had asked for even higher wages in addition to indexing which would have automatically raised the wage in the future without the need for legislation.

Knowing that raising the minimum wage was Governor O'Malley's top legislative priority going into the session, it was evident that a bill was going to pass in one form or another. The final compromise, although not ideal, gives our members several years in advance to adjust accordingly to the wage hikes. Maryland legislators now feel that their state serves as a model for other states considering a minimum wage adjustment while Congress continues to sputter with federal action.

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offering pro-growth tax code. We're offering more energy jobs.

"You can boil the differences down to one question: Who knows better? The people or Washington? We have made our choice with this budget. I trust the American people to make theirs."

Key Facts on the fiscal year 2015 Path to Prosperity:

- Within ten years, the budget reaches balance and begins to pay down the debt.
- According to CBO, the budget would grow the economy.
- It cuts government spending by $5.1 trillion over the next ten years.
- It strengthens important priorities like Medicare and national security.
- It repeals ObamaCare, clearing the way for patient-centered health-care reform.
- It calls for reforms to repair the broken safety net and expand opportunity for all.

It overhauls the broken tax code and promotes American energy security.

Additional information:

The Bipartisan Budget Act of 2013 provides funding levels for fiscal year 2015, which the budget adheres to.
Senate Democrats have decided not to offer a budget resolution this year.
The President has moved even further to the left.
His budget proposal raises taxes by $1.8 trillion.
It increases spending by $791 billion.
It never balances the budget.

TAX EXTENDERS

On April 7, the Senate passed a 5-month extension of unemployment compensation, retroactive to last December when certain benefits expired.

At that time, everyone on Capitol Hill expected no action on tax extenders until the Senate passed the Finance Committee bill after the spring recess that begins today and lasts until April 28.

Lo and behold, today Speaker of the House unloaded on the President: no action on extending unemployment benefits unless you combine it with pro-growth, job-creating measures!

In other words, we're ready to move on extending these UI benefits after we return from the break, but we're going to attach job-creating ideas to the Senate bill.

In the Senate, Majority Leader Harry Reid leapt at the opening, "We'll be glad to look at anything reasonable that the House sends us as part of an unemployment benefits package."

What job-creating measures does the House have in mind? There are several, but we want to report that some in Speaker Boehner's leadership team, as well as several Ways and Means Committee members, are talking about proposing the tax extenders as "pro-growth, job-creating" actions that should be considered.

At this point many ideas are in the swirl and nobody knows what will come out. We will keep you informed.

EPW LEADERS ANNOUNCE PROGRESS ON HIGHWAY BILL

On April 10, U.S. Senator David Vitter (R-LA), top Republican on the Environment and Public Works (EPW) Committee, joins Senators Barbara

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Boxer (D-CA), Chairman of the EPW Committee, Tom Carper (D-DE), Chairman of the Transportation and Infrastructure Subcommittee, and John Barrasso (R-WY), Ranking Member of the Subcommittee, to announce the principle agreement on a bipartisan transportation reauthorization bill.

"It's about time to put trust into the Highway Trust Fund, and as we move forward, we will stay focused on a long-term reauthorization bill that invests in rural areas, and expanding flexibility for state and local governments," said Vitter.

HIGHWAY USERS ALLIANCE

Leaders from the nation's leading transportation associations met on April 10 to support the press conference, to meet with Congressional staff, and to elect AHUA leaders.

ATA President Bill Graves and I met with Murphie Barrett, of the House Highway and Transit Committee, to discuss legislative options and revenue source proposals for the Highway Trust Fund.

In AHUA elections, the following industry leaders were elected to 2-year terms on the Executive Committee:

Mitch Bainwol
President & CEO
Alliance of Automobile Manufacturers

Richard A. Coon
President
Recreation Vehicle Industry Association

Mark M. Gates
Global Business Director, HSBU
3M Traffic Safety and Security Division

Jack N. Gerard
President & CEO
American Petroleum Institute

Stephen Handschuh
President & CEO
Motor & Equipment Manufacturers Association

The following state of officers was approved for a 1 year term:

Chairman	Governor Bill Graves President & CEO American Trucking Associations
Vice Chairman	Richard A. Coon President Recreation Vehicle Industry Association
Secretary	Thomas Jensen Senior Vice President – Transportation Policy United Parcel Service
Treasurer	Roy E. Littlefield Executive Vice President Tire Industry Association / Service Station Dealers of America and Allied Trades / WMDA

What America is Thinking on Energy Issues

Strong bipartisan majorities of registered Maryland voters support increased investment in energy infrastructure, including the proposed liquefied natural gas (LNG) export terminal at Cove Point, according to a new poll the Maryland Petroleum Council (MPC) is releasing as part of the American Petroleum Institute's (API) campaign highlighting the voices of Americans.

"This poll shows strong majorities of Maryland voters support more domestic oil and natural gas development, regardless of party affiliation," said Drew Cobbs, executive director of MPC,

"Marylanders get it; America's economic future, the availability of affordable and reliable energy, depends on the policies created today."

Maryland voters also voiced their strong support for exports of natural gas from the Cove Point LNG terminal. 74 percent agreed that exporting natural gas helps create U.S. jobs, and 77 agreed that exporting natural gas from facilities such as Cove Point in Maryland is good for the state's economy.

"The Cove Point terminal represents one of Maryland's best opportunities to participate in the energy revolution, create thousands of jobs, and generate millions in state revenue," said Cobbs. "America is now the world's leading producer of natural gas, and Maryland voters want to be a part of this opportunity to strengthen America's position on the international stage."

API and MPC will use social media, advertising and API's grassroots resources of more than 24 million Americans to communicate the importance of America's energy future to members of Congress, the administration and elected officials at every level of government.

The state-wide telephone poll, conducted for API by Harris Poll among 602 registered Maryland voters also found that:

91 percent of registered Maryland voters agree that increased development of the country's energy infrastructure would help create jobs in the U.S.

88 percent say increased production of domestic oil and natural gas resources could help stimulate the economy.

MPC is a division of API, which represents all segments of America's oil and natural gas industry. Its more than 600 members produce, process, and distribute most of the nation's energy. The industry also supports 9.8 million U.S. jobs and 8 percent of the U.S. economy.

Methodology

The study was conducted April 9-16, 2014 by telephone by Harris Poll on behalf of API among 602 registered voters in Maryland, with a sampling error of +/- 4%. A full methodology is available upon request.

"What America is Thinking on Energy Issues" is a public opinion series provided by API, offering data to inform policy discussions and ensure policymakers and others know Americans' perspectives on key energy issues.

As Highway Trust Fund Insolvency Looms, State DOTs Stretch Dollars

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committees.

"We're trying very hard to creatively work with the revenue sources we have available to us in New Hampshire, and we try to do some funding of projects in different ways," Alexander says. "But, again, it also goes back to the fact that the regional planning committees, through their efforts, were able to physically identify their highest priority projects."

"In the past we might have gotten a list of 100 projects per regional planning committee that might represent $500 million in needs and all of them would be priorities," he continues. "And in this go-round with our 10-year plan update we might still have that same $500 million in needs be presented to us, but we had a prioritized order numbered 1-100 from the regional planning committees that helped us to identify what truly was their top recommendation and why."

Watson notes that the agency could use the program a bit differently when preparing the next 10-year plan. He says the agency will need to provide information beyond its list of transportation needs that meet available revenue sources.

"We're also going to be expected to provide our true needs above and beyond what the revenue levels can support today so that we can start to have a better conversation about how we try to meet the gaps between what is affordable today and what is not affordable today with a clear direction on how we prioritize those," Watson says.
He points out that he expects the program to help the DOT figure out the funding gap for its top-priority projects.

"Preservation and maintenance of existing infrastructure and safety improvements are by far the greatest weight that we place on potential projects," Watson says. "If we can't hold our infrastructure together and we can't keep it safe, then nothing else is important."

Watson predicts the program will also be useful for purposes other than project planning in years to come.

"There are many other opportunities for us to use the tool within the agency: for project selection, for different funding programs, for our hiring process, for the development of our strategic direction of where we want transportation to go in the future," Watson says.

Davison agrees, noting that transparency and accountability are of the utmost importance: "It's beyond just our capital improvement — that we can find other applications in the department that really help steer the department in the right direction and we get the accountability that's expected on us by our executive office, by our legislatures, governor and the public."

Though the program can help improve other focuses within the agency, Alexander says the program's ability to highlight DOT priorities and help stretch funding dollars has been the most important aspect over the past five years.

"We far exceed the depth of our resources and that's what we really need to focus on."

GENERAL COUNSEL CORNER

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anticipated fraud losses, network processing fees and some other fixed costs.

The National Association of Convenience Stores ("NACS") and a number of retailers sued the Board in D.C. federal court, charging that the Final Rule created a new category of reimbursable costs out of whole cloth, costs which bore no relation to any specific debit card transaction and thus exceeded what Congress had allowed.

At first, NACS and its allies were successful. The trial court granted their motion for summary judgment, finding in no uncertain terms that the Board had erred in allowing issuers to recover fixed costs and costs not attributed to any specific transaction. The Board then appealed to the United States Court of Appeals for the District of Columbia.

The appellate court's decision dated March 21, 2014 was a thing of wonder. It reversed the trial court and allowed the Board's creation of an additional set of costs never referred to anywhere in the Durbin Amendment. It did so in a manner that would have made a medieval scholastic proud.

By parsing obscure grammatical rules, the appeals court determined that Congress by failing to place a comma before its use of the word "which" in the key provision of the Durbin Amendment had opened the door to the Board's inclusion in its Final Rule of an entirely new set of cost items never identified in the Durbin Amendment. That this was truly Congress's intent is hard to swallow.

Even a prominent critic of the Durbin Amendment harshly criticized the appellate court's opinion. Labeling it an exercise in "judicial obscurantism," Professor Richard Epstein stated that "it does not take a genius" to recognize that the transaction-specific costs expressly identified in the Durbin Amendment were all that Congress intended to permit.

The real world significance of the Court's opinion is extensive. Debit card swipe fees will be almost twice as high as they otherwise would have been. And this, says the court, is because of a lack of a comma.

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To access the latest articles by the Service Station Dealer's legal counsel, please visit the "Service Station Dealers: Legal Issues" section of the Astrachan Gunst & Thomas P.C. website at: http://www.agtlawyers.com/resources/petroleum.html.

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