# PRARA NEWS

ESTABLISHED 1937 September 2025



# *IN THIS ISSUE...*

## *Monthly Columns*



## *Articles of Interest*



# PRARA ADVERTISERS



# ADVERTISING RATES

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| **Full page** | **$900** |
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| **1/4 page** | **$450** |
| **1/8 page** | **$330** |
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## EMERGENCY SPILL KIT

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# PRESIDENT'S PAGE

BY: KEVIN FORSYTHE

## Future forecast of oil in the Market

A glaring mismatch between benchmark oil prices and expectations of a looming supply overhang has created an imbalance that could end badly for traders.

Major energy forecasting agencies, banks and producers expect oil supplies to far outstrip demand through the coming months and well into 2026 due to both an expected slowdown in demand growth and sharp production increases from OPEC+ and other major producers including the United States, Canada, Brazil and Argentina.

The International Energy Agency projects global oil production will climb by 2.5 million barrels per day to 105.5 million bpd in 2025, then by another 1.9 million bpd in 2026, with a whopping 4.1 million bpd jump expected for Q1 2026.

And the U.S. Energy Information Administration also expects sizable stock builds this year and next.

Meanwhile, global consumption is expected to be only 103.74 million bpd this year and 104.44 million bpd next year.

In response, spot Brent crude prices have already softened, sliding from over $73 a barrel on July 30 to just under $66 also reflecting the waning summer oil demand in the northern hemisphere. But the longer end of the futures curve is telling a different story. In the oil market – as in other big commodity spaces – participants can buy contracts for future delivery months or years ahead, letting producers, refiners, consumers and speculators either hedge or bet on price moves.

The forward curve reflects those expectations and comes in two flavors. Backwardation – when prompt prices sit above future prices – usually signals a tightening market and nudges producers to pump more. And contango – future prices above prompt levels – normally points to oversupply, incentivizing storage over drilling activity.

Given that a chorus of experts is calling for significant oversupply in today's oil patch, you'd expect Brent's forward curve to be steeply in contango through 2026.

Instead, it's in pronounced backwardation from the prompt October contract out to March 2026, then largely flat to September 2026 before swinging into strong contango. The result: a forward curve "smile".

That shape is rare and puzzling. If a sizeable overhang is indeed barreling down on the market, traders would very likely need to store more crude in tanks or, in a pinch, even on ships in the coming months.

This means that a strong price correction may be coming.

What could be driving this mismatch between prices and forecasts?

One explanation could be that investors expect OPEC+ to step in if necessary.

The group, which includes the Organization of the Petroleum Exporting Countries, Russia and other producers, has sharply increased output since April when it started unwinding 2.2 million bpd of supply cuts, part of a series of cuts introduced since 2022 to prop up prices. The move, led by OPEC's de-facto leader Saudi Arabia, was aimed at re-establishing cohesion within the group after several members exceeded production quotas.

Maybe geopolitical confusion explains the smile as investors are struggling to price Trump's trade wars and the sprawl of on-and-off tariffs that – at some point – are likely to sap manufacturing and trade flows, clipping oil demand at the margins. Meanwhile, investors also have to factor in the potential tightening of U.S. and European Union sanctions on Russia and Iran, which could further complicate supply chains. Trump's threat of secondary sanctions on buyers of Russian crude – particularly China and India – could certainly scramble global trade.

Finally, it could simply be that traders don't believe the market forecasts.

## The Bureau of Workers' Compensation Health & Safety Division will be offering the following safety webinars in September 2025:

**September, Tuesday 2**

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|---|---|
| 9:30 am | Emergency Action Plans |
| 11 am | Electrical Safety |
| 1:30 pm | Ergonomics |

**September, Wednesday 3**

| | |
|---|---|
| 8 am | Active Shooter Awareness |
| 9:30 am | Drug & Alcohol Awareness - Employee |
| 1:30 pm | Aerial Work Platforms & Scissors Lift |

**September, Thursday 4**

| | |
|---|---|
| 9:30 am | Safety Culture (Part 1) |
| 11 am | Caught-In or -Between |
| 1:30 pm | Certified Workplace Safety Committee - Member Training |

**September, Tuesday 9**

| | |
|---|---|
| 9:30 am | Certified Workplace Safety Committee - Member Training |
| 11 am | Distracted Driving |
| 1:30 pm | Drug & Alcohol Awareness - Supervisor |
| 1:30 pm | OVR - PA OVR Business Solutions |

**September, Wednesday 10**

| | |
|---|---|
| 8 am | Suicide Prevention |
| 9:30 am | Excavation & Trenching |
| 1:30 pm | Safety is a Personal Decision |

**September, Thursday 11**

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|---|---|
| 9:30 am | Confined Space General Industry |
| 11 am | Slips, Trips & Falls |
| 1:30 pm | Kitchen Safety - Awareness |

**September, Tuesday 16**

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|---|---|
| 9:30 am | Caught-In or -Between |

**September, Wednesday 17**

| | |
|---|---|
| 9:30 am | Warehouse Safety |
| 10 am | Active Shooter Training |
| 1:30 pm | Certified Workplace Safety Committee - Member Training |

**September, Thursday 18**

| | |
|---|---|
| 9:30 am | Back Safety & Safe Lifting |

**September, Tuesday 23**

| | |
|---|---|
| 9:30 am | Carbon Monoxide Poisoning |
| 1:30 pm | Walking & Working Surfaces |

**September, Wednesday 24**

| | |
|---|---|
| 8 am | Safety Committee Leadership |
| 9:30 am | Generational Differences |
| 1:30 pm | Sleep vs Fatigue |

**September, Thursday 25**

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|---|---|
| 9:30 am | Certified Workplace Safety Committee - Member Training |
| 1:30 pm | Root Cause Analysis |

**September, Tuesday 30**

| | |
|---|---|
| 9:30 am | Restaurant - Food Service Safety |
| 1:30 pm | Hazard Identification |

**October**

**October, Wednesday 1**

| | |
|---|---|
| 9:30 am | Cyberbullying |
| 1:30 pm | Certified Workplace Safety Committee - Member Training |

**October, Thursday 2**

| | |
|---|---|
| 9:30 am | Hearing Conservation & Noise Control |
| 1:30 pm | Egress & Fire Protection |

**To register for any of these events just copy and paste the link into your browser and follow the links: https://www.dli.pa.gov/Businesses/Compensation/WC/safety/paths/calendar/Pages/default.aspx**

***Remember, registration closes the day before the presentation is scheduled to begin.***


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Pittsburgh, PA 15221
Phone: (412) 241-2380
Email: tammy@prara.com

## Pennsylvania Approved class A & B Operator Training Registration Form

Class Date: Wednesday, October 8, 2025

Time: Registration: 8:30 am
Class: 9:00 am to 5:00 pm

Location: PRARA Office

Price: $250 per person (non-member)
$200 per person (member discount)
**Payments are due by October 1, 2025**
****Non-refundable payments are required for reservations****

****LIMITED SEATING IS AVAILABLE****
***Please register early***

Name:______________________________________________________

Email address:_________________________________________________

Address:____________________________________________________

Phone Number:_______________________________________________

Number Attending:____________________________________________

Price Includes A & B Operator Training Binder, Lunch, and Certificate of Completion

Amount______@____________

Make Check or Money order payable to: PRARA
1051 Brinton Road
Suite 304
Pittsburgh, PA 15221

### Industry Groups Oppose FDA's Proposed Nicotine Reduction Rule

The proposed rule, "Tobacco Product Standard for Nicotine Yield of Cigarettes and Certain Other Combusted Tobacco Products" (Docket No. FDA-2024-N-5471), was published by the Food and Drug Administration (FDA) on January 16, 2025. This rule would limit the nicotine levels in cigarettes and machine-made cigars to 0.70 milligrams per gram of tobacco. Numerous other industry trade associations strongly oppose this rule.

The Tobacco Control Act (TCA) clearly forbids the FDA from prohibiting cigarettes or reducing nicotine levels to zero. The proposed rule would potentially eradicate all consumer-acceptable cigarettes and machine-made cigars by imposing an incredibly low nicotine cap. The impracticality of producing at scale, the very low nicotine cigarettes that adult tobacco consumers widely reject, means this rule effectively imposes an undercover prohibition, contravening the TCA.

Smoking rates in the U.S. have fallen to historically low levels, and a significant factor contributing to this has been the important role played by responsible retailers. They have complied with age verification, FDA-regulated products only, marketing limitations, and mandatory taxes. Further fall can be achieved through promoting education and allowing increased access to reduced-risk alternatives such as e-cigarettes and nicotine pouches, rather than following prohibitionist measures.

This proposed rule could disrupt the tobacco supply chain and cause significant damage to parties involved, such as farmers, manufacturers, distributors, retailers, and state and local economies. The Tax Foundation estimated, in a December 2024 study, that approximately $33 billion in tax revenue would be lost each year due to a 90% reduction in legal cigarette sales from the current total of over $37 billion. On December 12, 2024, a NATO report projected a loss of 154,478 jobs and an annual revenue loss of $21.7 billion for state and local governments, including taxes and Master Settlement Agreement payments.

Negative impacts could also extend beyond tobacco. Small business gas station owners, who depend on tobacco sales for income, would face hardships without such revenues. As a result, motor fuel supply chains could face disruption and fuel prices could surge.

# SSDA-AT Legislative Updates

## President Signs Historic Tax Relief Bill, Making Estate Tax Exemption Permanent

SSDA-AT applauds the permanent estate tax relief included in the "One Big Beautiful Bill" (OBBB), signed into law by President Trump on July 4.

The legislation marks a significant step forward for family-owned businesses, delivering long-awaited certainty by making the federal estate tax exemption levels permanent.

A centerpiece of the legislation is the permanent increase of the unified estate, gift, and generation-skipping transfer (GST) tax exemptions to $15 million per individual and $30 million per couple, with both amounts indexed for inflation. Unlike prior tax reforms, which included sunset provisions or automatic reversion to lower thresholds, OBBB enshrines these higher exemption levels into permanent law—providing the clarity and security business owners have long demanded.

"This is a landmark victory in the fight against the death tax," said Roy Littlefield IV, SSDA-AT. "For decades, we've worked to protect the future of family-owned businesses from punitive estate taxes. This bill offers a level of certainty and protection we've never seen before."

The new law represents the most favorable federal estate tax environment since SSDA-AT began its advocacy efforts. Just over two decades ago, in 2001, the exemption stood at a mere $675,000, with a top tax rate of 55%. The sweeping changes in OBBB mark a dramatic and welcome shift.

While SSDA-AT continues to support the complete repeal of the federal estate tax, this legislation is a meaningful step forward. With these increased and permanent exemption levels, family-owned businesses can now prioritize growth and succession planning without the looming threat of devastating tax liabilities.

SSDA-AT remains committed to advancing policies that protect and promote family businesses across the industry and beyond.

# SSDA-AT Legislative Updates

## Trump Megabill Gives the Oil Industry Everything it Wants and Ends Key Support for Solar and Wind, CNBC

President Donald Trump's One Big Beautiful Bill Act ends long-standing federal support for solar and wind power, while creating a friendly environment for oil, gas and coal production.

The House of Representatives passed Trump's megabill ahead of a White House -imposed deadline, after the Senate narrowly approved the controversial legislation.

Trump has made his priorities on energy production clear. The U.S. will rely on oil, gas, coal and nuclear to meet its growing energy needs, the president said last weekend, bashing wind and solar power.

"I don't want windmills destroying our place," Trump told Fox News in an interview that aired June 29. "I don't want these solar things where they go for miles and they cover up a half a mountain that are ugly as hell."

The president's embrace of fossil fuels and hostility to renewable energy is reflected in his signature domestic policy law. It delivers most of the oil and gas sector's top priorities, according to the industry's lobby group, while ending tax credits that have played a crucial role in the growth of solar and wind power.

**Oil, gas and coal are winners**

The law opens up federal lands and waters to oil and gas drilling after the Biden administration enacted curbs, mandating 30 lease sales in the Gulf of Mexico over 15 years, more than 30 every year on lands across nine states and giving the industry access to Alaska.

The law also slashes the royalties that producers pay the government for pumping oil and gas on federal lands, encouraging higher output.

"This bill will be the most transformational legislation that we've seen in decades in terms of access to both federal lands and federal waters," Mike Sommers, president of the American Petroleum Institute, n industry lobbying group, told CNBC. "It includes almost all of our priorities."

The law also spurs oil companies to use a carbon capture tax credit to produce more crude. The tax credit was designed to support nascent technology that captures carbon emissions and stores them underground. Under Trump's bill, producers would receive an increased tax benefit for injecting those emissions into wells to produce more oil.

The law ends the hydrogen tax credit in 2028, later than previous versions of the bill. Chevron, Exxon and others are investing in projects to produce hydrogen fuel.

"I have a number of members who plan on investing significantly in hydrogen and so the extension to the end of 2028 was a welcome priority that was fulfilled," Sommers said.

The coal industry is also a big winner from the law, which mandates at least 4 million additional acres of federal land be made available for mining. The law also cuts the royalties that coal companies pay the government for mining on federal land, and allows the use of an advanced manufacturing tax credit for mining metallurgical coal used to make steel.

**Solar and wind are losers**

The law phases out clean electricity investment and production tax credits for wind and solar that have played a crucial role in the growth of the renewable energy industry. The investment credit has been in place since 2005 and the production credit since 1992. The Inflation Reduction Act extended the life of both until at least 2032.

Solar and wind farms that enter service after 2027 would no longer be eligible for the credits. There is an exception, however, for projects that start construction within 12 months of the bill becoming law.

The phaseout is more gradual than previous versions of the legislation, which had a hard deadline of December 31, 2027. That gave all solar and wind projects just 2.5 years to come online in order to take advantage of the credits.

"Despite limited improvements, this legislation undermines the very foundation of America's manufacturing comeback and global energy leadership," Abigail Ross Hopper, CEO of the Solar Energy Industries Association, said in a statement when the bill passed the Senate.

A related tax credit for using U.S.-made components in solar and wind farms ends for projects that enter service after 2027. A carveout allows projects that start construction within one year of the law's enactment to claim the credit. The credit was designed to spur demand at U.S. factories in order to break the nation's dependence on equipment from China.

"If nothing changes, factories start to close," Michael Carr, executive director of the Solar Energy Manufacturers Association, told CNBC. "Factories that are on the drawing board that probably penciled [favorably] two weeks ago, maybe don't pencil now. We'll see investment slow down in the sector going forward."

# SSDA-AT Legislative Updates

## SSDA-AT Pushes Right to Repair in Letter

Dear Chairman Guthrie and Ranking Member Pallone,

As the Energy and Commerce Committee continues its work to prepare the motor vehicle safety title for the upcoming surface transportation reauthorization legislation, we respectfully request that you include the provisions of H.R. 1566, the Right to Equitable and Professional Auto Industry Repair (REPAIR) Act, authored by Committee Vice Chair Neal Dunn.

We appreciated the discussion of this legislation and the general discussion of right to repair in the recent hearing, "Looking Under the Hood: The State of NHTSA and Motor Vehicle Safety" that took place on June 26, 2025, and we look forward to working with you to ensure that your constituents have access to safe and affordable vehicle repairs.

According to a new national poll, more than 83% of Americans support the REPAIR Act, which would create a national vehicle right to repair law, ensuring consumers' right to choose how and where they fix their vehicles. Support for vehicle right to repair is strongly bipartisan, with 84% of Republicans and 82% of Democrats supporting the REPAIR Act.

This bipartisanship is also reflected in the fact that more than 30 Members of Congress, an equal number on both sides of the aisle, have cosponsored this legislation this Congress (more than 60 did so last Congress).

As vehicle technology grows more complex, repairing and maintaining today's vehicles - including both passenger and commercial - requires access to vehicle repair data, compatible replacement components, training, and sophisticated diagnostic tools.

The REPAIR Act guarantees the rights of owners and their designated repair facilities to maintain and repair their vehicles while respecting intellectual property and maintaining the same cybersecurity standards and vehicle safety standards that exist today.

Vehicle owner and independent shop access to vehicle repair data is increasingly at risk as Original Equipment Manufacturers (OEMs) tighten control over its availability.

Today, OEMs collect terabytes of data from their vehicles wirelessly and store it in their cloud servers. The OEMs then unilaterally decide to whom they give access to this data and under what terms and conditions. (Comment from Alliance for Automotive Innovation to the Bureau of Industry and Security ("BIS") in its Securing the Information and Communications Technology and Services Supply Chain: Connected Car Advance Notice of Proposed Rulemaking)

These potentially anticompetitive practices leave independent repairers unable to service vehicles and prevent aftermarket suppliers from offering high-quality, safe, and affordable replacement parts to consumers. In fact, an independent survey conducted last year demonstrated that 63% of repair shops report having difficulties making routine repairs on a daily or weekly basis. Moreover, 51% of shops report sending up to five cars per month to the dealer due to data restrictions, resulting in an estimated $3.1 billion cost to consumers.

This issue will only get worse as the U.S. vehicle fleet ages. According to S&P Global Mobility, the "average age of cars and light trucks in the United States has risen again to a new record of 12.6 years in 2024, up by two months over 2023." Over 70% of out of warranty vehicle repairs are done in the aftermarket and are generally 36% less expensive than franchise dealerships. Car and truck owners appreciate independent repair shops for their "trustworthiness, reasonable prices, knowledgeable mechanics, and good reputation."

With cars capable of wirelessly sharing data making up an ever-larger percentage of the total number of cars on the road, we urge Congress to take action now to protect consumer choice. If independent repairers cannot complete most repairs, the demand for dealer service centers will surge and consumers will face even higher repair costs and longer wait times, risking more cars traveling on the road with deferred maintenance and repairs.

The independent automotive aftermarket is an essential economic engine in every congressional district and state across the nation, with more than 4,900,000 employees and a fiscal impact of more than $500 billion annually.

The REPAIR Act eliminates an existential threat to these jobs and the economy, while ensuring a robust ecosystem of affordable and accessible repair options for both personal and commercial vehicles. Including the REPAIR Act in the committee's upcoming work will result in a safer driving experience for everyone.

We thank you for your consideration and look forward to working with you and all Members of the Committee to make this result a reality.

Sincerely,
SSDA-AT

# MEMBER TO MEMBER SERVICES

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## Energy Marketers Urge EPA to Balance Biofuel Goals with Retail Realities in 2026-2027 RFS Proposal

Energy Marketers of America (EMA) recently submitted detailed comments to the Environmental Protection Agency (EPA) regarding its proposed Renewable Fuel Standard (RFS) for 2026 and 2027. While supportive of biofuels as a pathway to energy independence and climate progress, EMA emphasized the need for policies that account for retail infrastructure compatibility, price stability, and fuel fungibility to avoid undue burdens on small businesses and consumers.

*Ethanol Mandates: Underground Storage Tank Compatibility Concerns*

EMA supports the growth of renewable fuels but warned that the proposed Renewable Volume Obligations (RVOs) for ethanol could outpace the capabilities of current retail infrastructure. Many underground storage tank (UST) systems are designed for fuels with no more than 10% ethanol (E10). Components like piping, seals, and pipe dope—especially in systems installed before 2007—are often incompatible with higher ethanol blends like E15. Degradation of these components risks leaks, environmental damage, and costly repairs.

Upgrading UST systems to accommodate E15 could cost over $1 billion industry-wide, a burden small businesses cannot bear without significant financial support. EMA urged the EPA to cap ethanol RVOs at 9.7% of projected gasoline demand, as determined by the Energy Information Administration, to align with current infrastructure realities and avoid forcing retailers into unaffordable upgrades or market exit.

*Stabilizing Biodiesel and Renewable Diesel Markets*

EMA expressed concern over proposed changes that could destabilize the biodiesel and renewable diesel markets, already reeling from the rocky transition in the emissions-based Section 45Z Clean Fuel Production Credit. The EPA's proposal to reduce Renewable Identification Number (RIN) credits for imported fuels and feedstocks could inflate compliance costs and RIN prices, particularly impacting regions like the Northeast and Midwest that rely on imports. EMA opposed this change and advocated for a phased approach if it must proceed, to mitigate price shocks and supply chain disruptions. Additionally, while neutral on proposed volume targets for biomass-based diesel, EMA cautioned against further market design changes that

# MEMBER TO MEMBER SERVICES



could erode investor confidence. The biofuels sector needs regulatory certainty to recover from recent production declines and for long-term growth.

*Streamlining Incentives for Heating Oil*

EMA highlighted inefficiencies in the RFS's affidavit requirements for renewable heating oil, which impose significant administrative burdens on small businesses serving millions of households. Given that most renewable heating oil is used for qualifying purposes, these requirements offer little benefit relative to their cost. EMA urged the EPA to revise this approach and expand the definition of qualifying heating oil applications—such as backup heating for data centers or hospitals—to align with modern energy needs and enhance decarbonization efforts.

*Avoiding Volatility from Small Refinery Exemptions*

EMA took no stance on granting Small Refinery Exemptions (SREs) but opposes reallocating exempt volumes, which can inflate RIN prices and disrupt downstream pricing. Small marketers, unable to absorb these fluctuations, face disproportionate economic hardship. With ongoing uncertainties around SRE petitions, EMA calls for a stable and transparent RFS structure to maintain fair competition and protect consumers from price volatility.

*Removal of eRINs*

EMA supported the Agency's repeal of the eRIN proposal which would have allowed automakers to generate eRINs based on the EVs they sell by establishing contracts with parties that produce electricity from qualifying biogas. EMA argued during the Biden Administration that the EPA lacked the authority to implement the proposed eRIN credit for renewable electricity because it is inconsistent with the statutory purpose of the RFS, which is to support the production of renewable fuels, not the production and sale of certain vehicle technologies that eRINS are designed to promote.

*A Call for Balanced Policy*

EMA's comments underscore a commitment to biofuels as part of a sustainable energy future, balanced against the practical realities of small business fuel marketers. By aligning RFS mandates with infrastructure capabilities, stabilizing biodiesel markets, streamlining heating oil incentives, and avoiding disruptive reallocations, the EPA can foster a biofuels policy that supports energy independence, climate goals, and economic fairness.

# Calendar of Events

| | |
|---|---|
| **Labor Day** | September 1 |
| **Patriot Day** | September 11 |
| **U.S. Air Force Birthday** | September 18 |
| **Fall Begins** | September 22 |
| **A&B Operator Training Class** | October 8 |
| **General Membership Meeting** | October 14 |

**Business Hours:**

| | |
|---|---|
| Monday | Closed |
| Tuesday | 8:30-3:30 |
| Wednesday | 8:30-3:30 |
| Thursday | 8:30-3:30 |
| Friday | Closed |

**Contact:**

**Phone:** 412-241-2380

**www.prara.com**

Petroleum Retailers & Auto Repair Association
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