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:

Lawmakers Renew Push for CTA Delay

By Roy Littlefield

Here's a bit of good news on the Corporate Transparency Act front. More than three dozen lawmakers have sent a letter to the Financial Crimes Enforcement Network requesting a one-year delay of the CTA's fast-approaching reporting deadline.

The effort was led by Congresswoman Lisa McClain (R-MI) and cites ongoing concerns over the lack of awareness among affected businesses when it comes to their new compliance obligations, the confusion surrounding several ongoing legal challenges, and other critical issues. The letter was signed by 44 House members, including Majority Whip Tom Emmer (R-MN) and Financial Services Committee Vice Chair French Hill (R-AR).

With time running out before the year-end reporting deadline, the potential for a delay comes as welcome news to the 33 million entities who would directly benefit from the relief. It's also clear from our discussions with legislators and staff that the renewed focus on the CTA is no coincidence. The more small business owners learn about the new requirements, the louder their voices become in asking elected officials for help.

This dynamic also helps explain recent legislative efforts to implement either a delay or the wholesale repeal of the CTA. For example, the Protect Small Business and Prevent Illicit Financial Activity Act (H.R. 5119) passed the House in a near-unanimous vote last year but has remained stalled in the Senate over opposition from Senate Banking Committee Chairman Sherrod Brown (D-OH).

The bill's sponsor, Congressman Zach Nunn (R-IA) also recently introduced a similar delay bill (H.R. 9278) which enjoys support from both sides of the aisle.

Meanwhile, Senators James Lankford (R-OK) and Tim Scott (R-SC) introduced amendments to this year's National Defense Authorization Act (NDAA), the annual spending package that is one of this year's few remaining must-pass bills. Finally, the bicameral Repealing Big Brother Overreach Act (H.R. 8147 / S. 4297) remains pending in both chambers, with support growing by the week.

The bottom line is that, even with two months to go before the year-end filing deadline, a delay attached to the NDAA, the government funding bill, or another legislative vehicle is still possible. So a big thank you to Congresswoman McClain and the other signatories and a general call to the business community – now is the time to weigh in with your lawmakers. If we are going to succeed in delaying this reporting deadline, Main Street needs to be heard!

The Power of Digital Advertising

The reason that digital advertising is so important is that search engines are where almost every customer buying journey begins. Every day Google gets 3.5-billion searches, Bing gets nearly 875-million, and Yahoo gets another 585-million search queries. That equates to a combined total of almost 5-billion daily searches. Yet despite the volume, the oldest joke in digital marketing is "The best place to hide a dead body is on the second page of Google" because 60% of traffic goes to the top three listings and less than 10% of all searchers will ever go to the second page.

Research has also shown that if a user cannot find what they are looking for on the very top of the first page of search results they will enter a new, different set of search terms rather than drill down into the initial results. Most importantly, 97% of online users perform a search to find local businesses like yours.

Paid digital advertising is a marketing method where companies pay a "publisher" - such as a search engine provider or website owner or a social media platform - each time someone views or clicks on one of their ads. Essentially, companies use the paid ads or keywords to "buy" visits to their site rather than earning them organically over time. Different companies will bid for the ad space or a specific keyword in a search, the publisher accepts the highest bid, and then places the ad at the top of the page where it has maximum visibility and the greatest chance of being clicked on. Enough click-throughs and the resulting jump in traffic will help turn the purchaser's website into a highly ranked destination by Google and the other big search engines. At the end of the day, it's a basic equation: Spend enough, place a solid ad, and you will get top placement on page one in a search.

That's why you need to have a clear paid advertising strategy for your business and a solid approach is to develop one that covers the big three pillars of online ads: Search, social, and display. Although they are all similar in some ways, they all have different advantages and can reach different audiences, so let's break them down.

SEARCH ADVERTISING BASICS: SEO, SEM, AND DISPLAY ADS

Search Engine Optimization (SEO) "organically" increases your platform visibility on search engines such as Google or Yahoo and drives more traffic to your dealership's website. Organic (non-paid) search results are ranked by the quality and content of the web page and make up most of the content you see after a search. To rank at the top of this section, your landing page needs to be relevant for the searcher and needs to have a high click-through rate. SEO makes up around one-third of all traffic to company websites and accounts for more traffic than paid and social put together, but it takes time and expertise to build. Successful SEO requires extensive knowledge of how search engines work and takes time and practice to get right because it is a moving target. For example, search engine algorithms on Google alone are updated as many as 500 to 600 times a year and requires constant monitoring and modifications to be effective.

To accelerate the ability for your business to be quickly found in web searching, you'll need to use paid Search Engine Marketing (SEM). SEM is used to describe online searches that begin by clicking through on a paid ad.

Some of the most common terms used to define to SEM activities include:

Paid Search Advertising: Short, text-based ads that are placed on search engines like Google, Yahoo, Bing, and appear at the top right-hand side of the page when search results are displayed

Pay-Per-Click (PPC): The pricing model for what you will pay if someone clicks on your ad and goes to your website or landing page. These ads appear in the top search engine slots and direct searchers directly to the page you want them to land on

Cost-Per-Click (CPC): The fee you pay when a user clicks on your ad to visit your website or landing page

Cost-Per-Thousand Impressions (CPM): Most search ads are sold on a CPC / PPC basis, but some advertising options may also be sold on a CPM basis

Display Ads: A step up from standard PPC text-based ads, this approach uses either static or dynamic images (e.g. banners, videos, audio, or polling formats) that offer a more engaging experience that helps capture the attention of your target audience and drive conversion

SEM effectively turbocharges your online marketing because paid search ads drive traffic directly to your website or straight to your service and inventory pages. The most common form of this is the Pay-Per-Click (PPC) model. On one level, paid search ads are simple.

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NET DRIVEN

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If you are a tire dealer and a big winter storm is forecast for your area, you absolutely want to advertise your inventory on Google. When someone searches for keywords you bid on, like “studded tires” or “best winter tire,” their search term will trigger your text ad. Your ad will show up in the sponsored section of the search results at the top of the page just to the right of all the organic entries.

You can also use PPC to target searchers based on their geography with search ads, so it’s only shown to people in your local area. It’s a great way to compete in your industry and target local audiences and people who are already looking for your services. This is a cost-effective approach to getting visibility quickly and may not be as expensive as you’d think. A recent review of Google AdWords pricing shows that the minimum bid per keyword is only 5-cents, while the most expensive keywords (like “insurance” or “loans”) can range up to $670 per click!

Beyond text ads, you can also use PPC strategies with “Display” ads. Display advertising is a way to grow your brand’s awareness online and are targeted based on user activity. Display ads (often banner ads or “rich media” formats like video or audio) are shown to your target audience when they are browsing the Internet. With a 90% reach across all Internet users worldwide, Google’s display network is the largest in the world and reaches more than 2-million sites and more than 650,000 mobile apps.

Effective display formats include:

Static Banner Ads: A banner is a simple image ad that is served onto a web page. Static banner ads typically consist of a single image file with no audio, video or additional features

Animated Ads: Animated ads are a cut above static banner ads when it comes to capturing the attention of the target audience. Animation creates movement that naturally catches the eye and works against what is known as “banner blindness,” prompting target audiences to investigate your message

Video Ads: While video ads are primarily served through video content platforms like Netflix and YouTube, they can also be distributed through display ad networks like Google. The great thing about video advertising today is that almost everybody has access to a mobile phone with reasonably high-quality video capabilities and consumers love them!

Display ads are powerful tools, but require advanced audience targeting and the creative ability to build a dynamic web-based ad. To maximize your dealership’s success online, you need to develop a strategy that blends both PPC and Display formats

FACEBOOK AND INSTAGRAM MARKETING

Facebook has a huge audience - a staggering 2.4 billion people use it every month! But beyond keeping connected with friends and family, people are increasingly using Facebook to connect with businesses of all sizes. The company recently reported that two-thirds of its users say they visit a local business’s Facebook Page at least once a week. Potential customers are already looking for businesses like your dealership on Facebook and having a clear, focused Facebook marketing strategy is the only way to tap into this existing audience.

Here are six ways you can significantly boost your dealership’s advertising reach through Facebook:

News Feed Ads: Cost-effective ads that target unique audiences and can track traffic and conversion on your website

Conversion Ads: Target and deliver certain actions such as “Request a demo” or “Take a test drive”

Carousel Ads: Feature several rotating images in a single ad to display different models and feature packages

Engagement Ads: Best used to drive “likes” and comments on your ads, increasing validation and visibility

Lead Generation Ads: Allow users to fill out lead forms on their own Facebook wall without going to your website

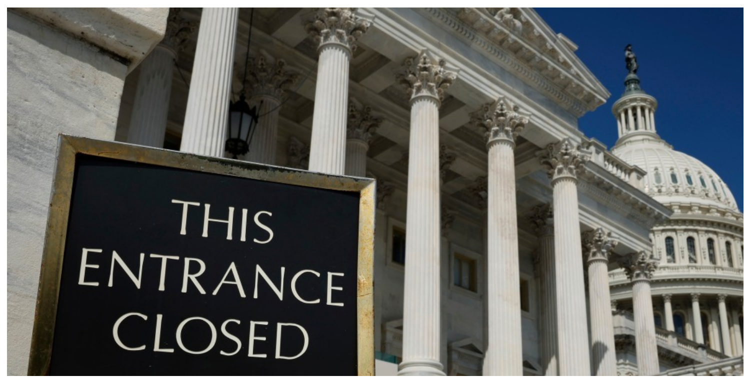
Remarketing Ads: Connect your website inventory feed to Facebook, then advertise to past visitors with ads customized to highlight the products and services they viewed

Facebook‘s high traffic flow and wide range of ad mediums offer several ways to enhance your brand. It also allows you to promote products and services through social experiences that can drive loyalty and help create the most powerful type of marketing – word of mouth referrals.

Funding Deadline Looms with Dec. 20 Shutdown Threat

The recent Republican victories in the presidential and Senate races are influencing decisions on government funding, with lawmakers facing a Dec. 20 deadline to pass a new spending measure that would avert a potential shutdown.

Another stopgap measure is likely to give the incoming Trump administration more say over the funding package for fiscal 2025.



US Government Records Lowest Energy Revenue Since 2021

The Interior Department has reported a 10% drop in federal energy revenue to $16.4 billion for fiscal 2024 -- still one of the highest totals on record despite being the lowest since 2021. Oil revenue rose by 4% and natural gas revenue plunged by 62% amid low prices, while proceeds from new leasing dropped by 54%.

Trump picks Lee Zeldin to lead EPA, E&E

President-elect Donald Trump has selected former Rep. Lee Zeldin (R-N.Y.) as his next EPA administrator.

If confirmed, Zeldin will take charge of the nation's premier environmental agency and one of the federal government's top regulators.

He will become a top player in Trump's push to pull back environmental protections and boost energy production as well as shake up the federal workforce.

Zeldin, 44, served in the House for eight years and lost a close New York gubernatorial race in 2022 against Gov. Kathy Hochul (D). On Capitol Hill, he gained prominence as a Trump ally who defended him during his first impeachment hearings over stalled aid to Ukraine.

In Congress, Zeldin defended the Long Island Sound and was a member of the Conservative Climate Caucus, an all-Republican group focused on climate policy, and the bipartisan Climate Solutions Caucus.

Nevertheless, he wasn't considered an environmental champion and earned a lifetime score of 14 percent from the League of Conservation Voters.

Trump said in a statement that he has known the ex-representative for a long time and admired how he has handled "extremely difficult and complex situations."

"Lee, with a very strong legal background, has been a true fighter for America First policies," Trump said.

The president-elect added that Zeldin will embark on a deregulatory agenda to unleash industry "while at the same time maintaining the highest environmental standards, including the cleanest air and water on the planet."

Zeldin said on social media "it is an honor to join" Trump's Cabinet.

"We will restore US energy dominance, revitalize our auto industry to bring back American jobs, and make the US the global leader of AI," Zeldin said.

"We will do so while protecting access to clean air and water."

API Hopes to 'Unleash American Energy' with Trump Win, Rig Zone

The American Petroleum Institute (API) quickly welcomed Donald Trump's re-election as president of the United States, while clean energy campaigners responded by saying momentum is on their side.

"We congratulate President Trump on his election victory. Energy was on the ballot, and voters sent a clear signal that they want choices, not mandates, and an all-of-the-above approach that harnesses our nation's resources and builds on the successes of his first term", API president and chief executive Mike Sommers said in a group statement.

"We look forward to working with the incoming administration and leaders in both parties to advance bipartisan solutions that unleash American energy as a driver of economic prosperity, environmental progress and stability around the world", added the statement on the API's website. The group lobbies for all segments of the oil and gas industry.

Sommers, however, acknowledged uncertainty about the fate of the industry regardless of which side of the political aisle.

"Yet even at the presidential campaign's 11th hour, there are some unanswered questions about the natural gas and oil role in America's future energy mix", the API president wrote in an opinion piece on the DV Journal before election day. "Now is the time for clarity, not confusion".

"Should Washington mandate which new cars and trucks Americans can drive – a reality under an EPA [Environmental Protection Agency] tailpipe regulation and new fuel economy standards?", Sommers asked. "When will Washington fully end the ongoing permitting pause on liquefied natural gas export projects?

If fracking is to be restricted as some have suggested – restricting American natural gas and oil production amid rising demand – where will they be produced instead?"

On the other hand, climate campaigners raised concerns Trump's return would undo progress.

"Donald Trump was a disaster for climate progress during his first term, and everything he's said and done since suggests he's eager to do even more damage this time", Sierra Club Executive Director Ben Jealous said in a group statement.

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API Hopes to 'Unleash American Energy' with Trump Win, Rig Zone

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In the statement Sierra Club recalled it had filed over 300 lawsuits against Trump's previous administration and said it would continue to be a "force of nature".

"This is a dark day, but despite this election result, momentum is on our side", Jealous added. "The transition away from dirty fossil fuels to affordable clean energy is already underway.

"Trump can't change the reality that an overwhelming majority of Americans want more clean energy, not more fossil fuels. Through investments in the Inflation Reduction Act we are creating millions of new clean energy jobs".

"Clean energy is already cheaper in most cases than dirty fossil fuels, and wind and solar now generate more power in the US than coal", Jealous claimed.

Dan Lashof, U.S. director of the World Resources Institute (WRI), said, "There is no denying that another Trump presidency will stall national efforts to tackle the climate crisis and protect the environment, but most U.S. state, local, and private sector leaders are committed to charging ahead".

"And you can count on a chorus of world leaders confirming that they won't turn their back on climate and nature goals", Lashof said in a statement on the WRI website.

"Donald Trump heading back to the White House won't be a death knell to the clean energy transition that has rapidly picked up pace these last four years.

Both Republican-led and Democratic-led states are seeing the benefits of wind, solar, and battery manufacturing and deployment thanks to the billions of dollars of investments unleashed by the Bipartisan Infrastructure Law and the Inflation Reduction Act".

"Trump has every reason to build on transformations already underway. Electrifying buildings and transportation — including school buses — benefits rural and urban communities alike by cutting costs and improving efficiency", Lashof added.

"At the same time, America's croplands, wetlands and forests desperately need more investments to protect them from intensifying wildfires, droughts and flooding".

Panama Canal Chief Warns Proposed US Tariffs May Disrupt Global LNG Trade, Freight Waves

The global market for liquefied natural gas could face new obstacles if President-elect Donald Trump goes through with his proposed 60% tariff on imports from China, said Ricaurte Vasquez, administrator of the Panama Canal Authority (ACP).

At the third annual Houston International Maritime Conference, Vasquez said an escalation in tariffs between the U.S. and China could disrupt LNG shipments through the canal.

"As an economist and a believer in the free market, tariffs can work in very peculiar ways and introduce some distortions of trade. Fully understanding the impact of tariffs, yes, that's one of the elements that we believe that could affect LNG trading through the Panama Canal," Vasquez said during a media roundtable discussion following his keynote address on Friday.

In 2023, China became the world's largest LNG importer, according to the U.S. Energy Information Administration. Last year, the countries supplying the most LNG to China were Australia (34% of total LNG imports), Qatar (23%), Russia (11%) and Malaysia (10%).

The United States accounted for about 4% of LNG exports to China in 2023, but China is the largest destination for U.S. LNG under long-term contracts, the EIA said.

LNG exports from Texas refineries to China in 2023 totaled over $600 million, according to the U.S. Census Bureau.

Almost all of the LNG exported from the U.S. to China travels from liquefaction facilities in Texas via the Panama Canal. In 2023, LNG traffic through the canal declined about 65% year over year, in part because of a severe drought forcing numerous LNG ships to take alternative routes between the U.S. and Asia.

"LNG vessel traffic through the Panama Canal came down from 355 [in 2022] to 115 last year, so there is a significant number of vessels that that have taken the other route, because charter rates are very low, and also the arbitrage gap in the market allows for the longer route cost to be built in into the system," Vasquez said.

The Panama Canal Authority hoped to regain LNG vessel traffic between the U.S. and China in 2025, recently launching a new reservation system allowing shippers to lock in slots, according to Reuters.

During his keynote address in Houston, Vasquez provided details of the ACP's $9 billion investment plan to pave the way for the waterway's future, including a water conservation strategy in response to the drought.

Panama Canal Chief Warns Proposed US Tariffs May Disrupt Global LNG Trade, Freight Waves

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The Panama Canal currently connects 180 maritime routes that reach 1,920 ports in 170 countries around the world, through which nearly 3% of global maritime trade passes, according to the ACP.

To alleviate the impact of future droughts, ACP is proposing the Rio Indio Reservoir project, which would dam the nearby Indio River. After damming the river, the project would drill a 5-mile mountain tunnel connecting the newly constructed reservoir to Gatun Lake, which supplies water to the canal.

The ACP's $9 billion investment plan also includes measures to increase the canal's capacity by 5 million twenty-foot equivalent units annually by 2045, bringing the total to 13.3 million TEUs.

"We expect to deploy about $9 billion in capital investments over the next six to 10 years: That includes the reservoir, that includes diversification, that includes other activities," Vasquez said. "How relevant is the canal for Texas? Well, to us at the canal, the Gulf of Mexico is essentially the sweet spot of our business. No one, not the Suez Canal, can compete with the Panama Canal delivering or taking products from the Gulf of Mexico to Asia."

Year to date in 2024, Texas ports have imported and exported 63.5 million tons of cargo through the Panama Canal, accounting for about 23% of total traffic, Vasquez said. Cargo to and from the U.S. represents about 42% of the canal's transiting traffic this year so far.

"It's not only what we bring to the Panama Canal from Asia, but now, especially with energy products, what is taken from the Gulf of Mexico to Asia," Vasquez said.

"Of all the ports in Texas, Houston is the port. It is the connectivity that we have with this area of the world. We are relevant not only for Texas, but also what we do here at the Port of Houston."

The three-day Houston International Maritime Conference, hosted by Port Houston, brought together professionals from across the international transportation and logistics industry for a series of panels addressing key challenges and opportunities impacting the maritime industry.

Trump's Victory May Pressure Oil Prices Through 2025, Citi Says, U.S. News

Citi forecasted on Wednesday that U.S. President-elect Donald Trump's second term could exert downward pressure on oil through 2025, with Brent crude forecasted to average at $60 per barrel, primarily due to potential trade tariffs and increased oil supply.

The bank notes that Trump's influence on OPEC+, which is made up of the Organization of the Petroleum Exporting Countries and allies led by Russia, might prompt the producer group to taper production cuts faster, while potentially reducing geopolitical tensions and releasing some oil on water back into the market.

Trump's policy could favor the industry through potential tax incentives for capital investment in exploration and production and could reverse the Biden era's increases in royalties, costs for minimum bids, and lease rates on Federal lands, Citi noted.

Citi further notes that Trump's policies could have mixed global economic growth implications, particularly negative for Europe and China, which remain exposed to the risk of trade tariffs.

This could further dent into global oil demand growth, posing downside risks to Citi's current global oil demand growth expectations of 0.9 million barrels per day for next year.

"Still, despite the more supportive oil and gas agenda, its immediate impact on physical oil markets is likely to be limited," Citi said.

After Republican Trump recaptured the White House with a sweeping victory on Wednesday, Brent crude oil futures settled down 61 cents, or 0.8%, at $74.92 per barrel, while U.S. West Texas Intermediate crude (WTI) fell 30 cents, or 0.4%, to $71.69. [O/R]

Trump's reelection triggered a large sell-off that pushed oil prices down by more than $2 per barrel during early trade as the U.S. dollar rallied, currently at its highest level since September 2022.

Crown LNG Rushing to Develop and Start Building US LNG Plant while Trump in Office

Norwegian headquartered Crown LNG is racing against time to develop and start construction of a liquefied natural gas export plant in the U.S. before President-elect Donald Trump's second term ends in 2029, its CEO Swapan Kataria said.

"We were sincerely hoping that he would be there to support the industry because certainly the old administration was against it, quite simply," said Kataria on Tuesday in an interview with Reuters.

Trump has promised to reduce regulations to make it easier for LNG projects to be approved. The U.S. is already the world's largest exporter of the super-chilled gas and there are several projects under construction and in the development stage.

Crown LNG is hoping to build a 9 million metric tons per annum (MTPA) LNG facility offshore Texas from which it hopes to then export the gas to its proposed regasification terminals in India, Vietnam and Scotland, all of which are still in various stages of development.

The company has ruled out locating the plant in Louisiana because it worries about accessing natural gas pipelines over a 25- to 40-year period, and wants to build offshore because it feels the approval process is quicker than on land and will have to meet fewer demands than those of the Federal Energy Regulatory Commission (FERC), Kataria said.

Crown LNG believes the Maritime Administration (MARAD) is a less challenging regulatory environment that favors getting projects done.

"MARAD has a quicker turnaround than the FERC. FERC has a lot more expensive process as opposed to MARAD," Kataria said.

Crown is proposing to use a bottom-fixed, gravity-based structure for its LNG plant to lower costs and reduce its environmental footprint.

The company's CEO said the strategy of developing its regasification terminals and selling to smaller end users, like power plants and fertilizer producers, means it can get many A-grade counterparties to help raise the debt required for plant construction.

Crown is also open to buying LNG from the U.S. for its proposed 7.5 MTPA terminal in India but said U.S. companies must know there is a cap on the price Indian buyers can pay and unless they are prepared to work a formula that recognizes that cap, Indian buyers will continue to purchase during downcycles, Kataria said.

CROWN LNG

SSDA-AT Sends Letter Requesting the Wage and Hour Division Delay the Second Increase to the Minimum Salary Threshold

Dear Administrator Looman:

Due to the pending legal challenges to the Wage and Hour Division's (WHD) "Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees" Final Rule (overtime rule), SSDA-AT writes to request WHD delay implementation of the second increase to the minimum salary threshold as mandated by the Final Rule from January 1, 2025 to at least May 1, 2025. This additional time will ensure that employers will not be forced to implement the new salary threshold when it might not survive judicial review, which is currently underway.

The new overtime rule implements two increases to the minimum salary threshold under which all workers must be paid overtime. The first increase went into effect on July 1, and the second is set to be implemented on January 1, 2025, when the threshold will increase from almost $44,000 per year to more than $58,000 per year. In total, the changes will increase the minimum salary threshold 65% in less than a year. This considerable increase is not only extremely costly but also exceedingly burdensome for employers of all sizes nationwide. Should the second increase take effect, employers across the country will be required to make significant changes to their payrolls as well as employee classifications and benefits. Additionally, WHD will have to dedicate resources to implementing the new rule and educating employers and employees on the changes. If the courts should then invalidate the rule, resources spent on implementation will have been unnecessarily wasted.

There are currently three legal challenges to the final rule in federal courts. The District Court for the Eastern District of Texas is expected to issue a decision soon in a case in which the state of Texas, the Plano Chamber of Commerce, and several other employer organizations challenged the legality of the rule. Importantly, the same court has already issued a limited preliminary injunction against the rule due to its inherent flaws. While the preliminary injunction only applied to Texas state employees, the ruling suggests that the court found merit in Texas' case and that the rule will not survive judicial scrutiny.

While court decisions in these challenges are expected in the coming weeks, they are not guaranteed. Moreover, the implementation date is rapidly approaching. Therefore, pursuant to 5 U.S. Code § 705, WHD should delay implementation of the second increase to at least May 1, 2025, to provide clarity and certainty to the employer community. This will provide employers with sufficient time to analyze the eventual decision and determine and implement necessary changes to come into compliance with the rule, should be the rule be upheld. Importantly, other federal agencies during the Biden administration have appropriately delayed the implementation of rule changes pending the outcome of litigation. For example, the Securities and Exchange Commission indefinitely delayed implementation of its climate-related disclosure rules as court challenges proceeded.

A delay could save employers and the agency significant resources. SSDA-AT therefore urge WHD to delay implementation until at least May 1, 2025.

Sincerely,
SSDA-AT

SSDA®
SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

'Tremendous' AI Gas Demand Will Boost Pipelines, Executives Say, BNN

If there's one thing that's exciting pipeline companies this earnings season, it's the 'tremendous' gas demand they're expecting from the growing use of artificial intelligence and data center needs.

Utilities are bracing for the largest increase in power demand in a generation due to data centers for AI, computer-chip factories and a growing number of electric vehicles. Some of that additional power will come from wind and solar. But a significant portion will be from gas-fired plants. And companies that run data centers want to make sure that gas will be available — and quickly obtainable — when they need it.

"We have never seen this level of activity from a demand pull standpoint, and these opportunities are truly spread across our natural gas footprint," Energy Transfer LP Co-Chief Executive Officer Thomas Long said in a call with analysts.

The pipeline giant has been asked to connect to about 45 power plants it currently does not serve, he said. It also has had requests from more than 40 prospective data centers in 10 states. Many of the developers are working on the best locations to build and want information on how close pipelines are and how expensive it would be to connect to them, he said.

Competitor Williams Cos. is engaged in a lot of detailed discussions about power needs, including with states wanting to make sure they get enough power, CEO Alan Armstrong said on a call with analysts. Discussions have become "more concrete" than they were at the start of the year, he said.

Last week, Kinder Morgan Inc. Chairman Richard Kinder said on a quarterly call that demand from AI and data centers will be "tremendous." The company also expects strong growth from liquefied natural gas exports and gas shipments to Mexico.

"In my decades of experience in the mid-term arena, I've never seen a macro environment so rich with opportunities for incremental build-out of natural gas infrastructure," Kinder said on the call.

US Dependence on Canada's Oil Should Deter Trump Tariffs, Industry says, Yahoo

Canada is the world's fourth-largest oil producer and sixth-largest natural gas producer. The vast majority of its 4 million barrels per day (bpd) of crude exports go to the U.S., meaning any slowdown in energy trade would have a major impact on the Canadian economy.

Trump has floated the idea of a 10% or more tariff on all goods imported into the U.S. Most industry analysts say that is unlikely to include Canadian oil, which cannot be easily replaced since it differs from grades that the U.S. produces.

"If you were to slap on a bunch of tariffs for Canadian oil, it's not like there's an alternative readily available," said BMO Capital Markets analyst Jeremy McCrea.

Many U.S. refineries, particularly in the Midwest and Gulf Coast, have invested in costly upgrading units to process heavy sour Canadian crude, which is harder to refine and therefore usually cheaper than the light shale oil abundant in the U.S.

In the Midwest, a refining region supplying major cities including Chicago and Detroit, nearly all refinery feedstock comes from Canada. Adding tariffs to crude imports would likely increase refiners' costs and drive up fuel prices for consumers.

The chances of Trump imposing tariffs on Canadian barrels are extremely slim, said Commodity Context analyst Rory Johnston, but any trade measures would also hurt Canadian producers because they have few options to export elsewhere.

A slowdown in U.S. buying would likely leave crude bottlenecked in Alberta and drive Canadian crude prices lower, he said, estimating a 20% tariff could roughly double the current discount on benchmark heavy crude.

"The fact it is a risk at all highlights the unique vulnerability of the Canadian oil sector to U.S. policy," Johnston said.

Trump's media team did not immediately respond to a request for comment.

PRO-BUILD PRESIDENT

Canadian oil industry players said while the idea of tariffs is concerning, they also saw the potential for fewer regulations around oil and gas to rub off on Canadian policymakers.

"This is a pro-development and pro-build president, and that will extend into Canada as well, some of that investment," said Tristan Goodman, CEO of the Explorers and Producers Association of Canada.

Trump's re-election may force Canada's companies and the government to invest more to improve the country's productivity or risk falling further behind the U.S., Goodman said.

"It's definitely much more positive than negative but there are a few unknowns," he said.

Trump's election victory sent the U.S. dollar higher against the Canadian dollar, although the loonie clawed back those losses later in the week. The Canadian currency is trading close to a two-year low, and is expected to remain under pressure. That could benefit Canadian oil producers, who pay operating costs in Canadian dollars but sell barrels for U.S. dollars, BMO's McCrea said.

In 2023, 97% of Canada's C$124 billion ($89.48 billion) of oil exports went to the U.S., according to the Canada Energy Regulator, but the start-up of the Trans Mountain expansion this year is lifting exports to Asia.

Canada's first liquefied natural gas export project, the Shell-led LNG Canada terminal, is due to start operating next year and more LNG export terminals are underway.

"Anything they export to other parts of the world is directly in competition with the oil and gas we produce in Canada," said Michael Belenkie, CEO of mid-sized producer Advantage Energy.

($1 = 1.3858 Canadian dollars)

North Dakota Seeks to Intervene in Latest Dakota Access Pipeline Lawsuit, Nebraska Examiner

The State of North Dakota has asked to become a defendant in the Standing Rock Sioux Tribe's new lawsuit against the U.S. Army Corps of Engineers seeking to shut down the Dakota Access Pipeline.

The tribe's complaint, filed last month, accuses the Army Corps of violating federal law by allowing the pipeline to operate without an easement, adequate environmental study or proper emergency spill response plans, among other violations.

North Dakota, in a memo filed last week, argued that closing the pipeline, often referred to as DAPL, would cost the state government hundreds of millions of dollars, put thousands of jobs in jeopardy and disrupt regional supply chains. North Dakota also argues that a federal court order shuttering DAPL could infringe upon the state's right to regulate its own land and resources.

The Army Corps of Engineers has jurisdiction over a section of the pipeline that passes under Lake Oahe, a reservoir on the Missouri River, about a half-mile upstream from the Standing Rock Reservation.

Standing Rock opposes the pipeline over concerns that it violates the tribe's sovereignty, has disrupted sacred cultural sites and endangers the tribe's water supply.

If a judge were to grant Standing Rock's request to shutter DAPL, the North Dakota state government would lose out on a projected $900 million in revenue in the first 12 months, Office of Budget and Management Director Susan Sisk said in a statement filed in court.

State relies on energy taxes

The state relies on energy taxes to fund a significant portion of its operations, Sisk wrote.

She noted that more than 10% of North Dakota's annual general fund revenue comes from oil and gas taxes, and nearly 60% of the state's tax and fee revenue comes from oil and gas extraction and production.

DAPL is a big piece of that equation, according to Sisk. She wrote that half of the crude oil produced in North Dakota is transported through the pipeline. If the pipeline went away, that oil could also be transported by rail or truck, but existing infrastructure wouldn't be able to move it at the same pace as DAPL, she added.

State officials say that energy workers would also be at risk. Shutting down DAPL would cause North Dakota to temporarily lose roughly 8,450 to 9,300 jobs, and permanently lose 1,700 to 2,200 jobs, Department of Mineral Resources Director Nathan Anderson wrote in court records filed by the state.

Agriculture Commissioner Doug Goehring and Public Service Commissioner Julie Fedorchak also submitted statements in support of North Dakota's motion to intervene in the lawsuit.

Goehring wrote that if DAPL were shut down, railways would have to make space

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for up to 800 additional rail cars every day to transport the oil that would have otherwise traveled through the pipeline. This would give the rail system less room to transport North Dakota's agricultural resources, which Goehring argues would harm the state's agriculture economy.

The state also claims in court filings that moving oil by rail and truck is not as safe, as it poses a greater risk for air pollution as well as accidents.

Fedorchak noted in her statement that the Public Service Commission invested a significant amount of regulatory resources in DAPL. The route of the pipeline was chosen to minimize safety and environmental risks, to avoid Native and federal land and to align with existing infrastructure, she wrote. The Corps at the time agreed that the chosen route was best, Fedorchak added.

The case is before U.S. District Court Judge James Boasberg, who presided over the tribe's 2016 lawsuit against the Army Corps of Engineers challenging the pipeline.

As part of that suit, Boasberg in 2020 instructed the Army Corps of Engineers to complete a more thorough environmental impact study of the pipeline, which is still pending. He also ordered DAPL to stop operating, though an appellate court reversed that decision.

Army Corps draft version

The Army Corps of Engineers published a draft version of the environmental impact statement in September 2023.

In comments on the draft study, North Dakota urged the Army Corps of Engineers to allow the pipeline to continue operating. Many of the arguments the state made defending DAPL in those comments also appeared in the state's memo in support of its motion to intervene.

The Army Corps of Engineers has not yet filed a response to Standing Rock's latest legal challenge. North Dakota in its memo states that the Army Corps does not oppose its request to intervene as a defendant.

The more than 1,000-mile pipeline carries crude oil from northwest North Dakota to Illinois, and has been operating since 2017. Its pathway includes unceded land recognized as belonging to the Sioux Nation under an 1851 treaty with the U.S. government.

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