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ON THE ROAD

THE OFFICIAL COMMUNICATION OF THE NEW JERSEY GASOLINE C-STORE AUTOMOTIVE ASSOCIATION

EMPLOYMENT CRISIS OF 2021

Hiring/Employment Status • Energy Examiner • Legislative Update • Aging Vehicles • Legislative Census Analysis

NJGCA *On the Road*
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Message From Executive Director Sal Risalvato

Employment Crisis. . . or a Culture Crisis?

There are times during the planning phase for the quarterly NJGCA On the Road newsletter that I think of multiple topics to write about. Once we review the issues and events of importance we develop the theme of the newsletter. This issue is themed “Employment Crisis.” Frankly this could have been a theme for any issue for the past ten years, particularly since the problem gets worse every year to the point that we now refer to it as a CRISIS.

But where exactly does this crisis hit hardest? Is it in our shops where finding qualified technicians has become a nightmare? Or is it at our gas pumps where no one seems to want to work leaving us no choice other than to close our pumps? I wish to address both our pumps and our shops because the root of the problem for both is CULTURE.

Culture in New Jersey has made it difficult to get lawmakers to change the self-serve law, not because our position is without merits, but rather because NJ CULTURE has created the slogan “Jersey Girls Don’t Pump Gas.” I can write a thesis on the history in NJ of the self-serve issue and how this culture emerged.

The technician shortage is also a CULTURE problem. I have watched this evolve also ever since I was a kid in high school. Growing up I remember the kids that we called “motor heads” or “gear heads.” These were the kids that were always under the hood of a car tinkering with something.

I’ll begin with the gas pumps since NJGCA has already undertaken an initiative by forming an independent group called Fuel Your Way NJ (FYWNJ). I remember as far back as when I last operated my gas station that it was getting difficult to find reliable gas attendants. There were always customers asking me to hire their high school kids for part time work. That didn’t mean the kids actually wanted to work, and it certainly didn’t mean that they were competent or reliable. I remember muddling through many attendants and managing to keep the pumps operating. Yes, there were plenty of times that employees simply didn’t show up for their shift or called in sick, but we managed.

Today it is common for newly hired employees to never even show up for their first shift. They don’t even have the decency to contact anyone and give them the courtesy of notifying their new employer that they are not going to come in. That may be after you have taken weeks if not months to find a person willing to accept the job. It almost seems as if a warm body at the gas pumps just to comply with the law and remain open is the norm. This happens even though most if not all of you are paying well above minimum wage.

Lately the employment crisis has become big news as restaurants don’t have enough employees to serve their customers and retail stores and supermarkets are having great difficulty finding workers. The media has brought the issue to the attention of legislators. What FYWNJ is doing now is reminding legislators that we have been telling them about this problem for years, and it is not new to our business. Only now that all other businesses are in the same crisis are legislators finally paying attention.

We have been pointing out that unlike Shop Rite, Home Depot, Walmart, or even inside our own convenience stores, without employees, we are not permitted to operate. Since other retail businesses permit customers to serve themselves, they can remain open. Because NJ law does not allow motorists to serve themselves we are stuck. I know many of you are already breaking the law and are permitting impatient motorists to help themselves rather than wait for the attendant. I get it and completely understand. There have been countless times over the years when I have jumped out of the car and pumped my own gas rather than wait for a busy attendant to even acknowledge that I am there waiting. However, this is still considered “breaking the law.” It makes complete sense to finally change the law in NJ rather than continually violate it. This problem is not going away any time soon, if ever. If the employment crisis happens to subside in other industries, it is likely to remain a problem at the gas pumps. Why? Because even with competitive wages, employees would prefer to work in the comfort of heat during the winter, and air conditioning during the summer months. Personal comfort dictates choosing a job at Walmart, rather than a job at our gas pumps.

The difficulty finding gas attendants has now become more problematic than the issue of cost. The costs and regulations that have been put in place over the past few years make it difficult to hire employees even when you can find them. Minimum wage hikes, Paid Sick Leave, Wage theft and Workers Compensation have all been burdens on small employers. But these problems are moot if you don't have someone to hire.

NJGCA is committed to changing both the CULTURE and the law in NJ that prohibits motorists from pumping their own gas.

The technician shortage is also a CULTURE problem. I have watched this evolve ever since I was a kid in high school. The "motor heads" and "gear heads" that I remember from high school were always under the hood of a car tinkering with something, and always had the residual grease under their fingernails. After school and weekends, they could always be found taking engines apart or at the very least changing spark plugs, carburetors, and brakes in their driveway. Upon graduation from high school, many went straight to work in a shop (usually a gas station where they were already employed pumping gas as they did anything they could just to be near the shop). I was one of those kids that did oil changes on ramps in my driveway. I even fixed brakes and did tune ups for girls I was trying to impress (I has success with the brakes and tune ups, but not necessarily with the girls).

Many of these "motor heads" went to technical schools after high school, and many attended Vo-Techs rather than traditional high school classes. There was no shortage of kids endeavoring to make a career of fixing cars.

What happened in the 46 years since I graduated high school? First of all cars changed. Technology continued to evolve in order to meet performance standards, mileage standards, safety standards, and overall driver satisfaction. I don't think anyone would argue that today's cars are better built and better performing than the cars of the 70s. The educational requirements of technicians was elevated. Math, reading, and comprehension skills became vitally important. My recollection is that the kids enrolled in Vo-Tech were not really the most academic book oriented students, and found that their skills were more adept at working with their hands and turning wrenches. That is very different today, which is why we now refer to our mechanics as technicians. Today's technician is required to have good math, reading, and comprehension skills in order to work on sophisticated computer systems that control our vehicles. Can anyone say ADAS?

Why aren't more technically minded young people endeavoring to enter our profession? I believe the answer is CULTURE. Do young people considering their careers perceive the culture in auto repair as attractive?

Today's technician arguably needs to be more knowledgeable than a doctor or a lawyer. But does the same respect, status, financial reward and working conditions follow that knowledge? Can more respect, status, financial reward, and working condition be better achieved utilizing one's technical skills in another profession? It is very reasonable for young people to consider all of this when choosing a career.

So what can we do to change the culture, or the perception of the culture? I say perception because I have seen positive changes in recent years in the culture we portray in our shops.

The overall professionalism in our shops must be elevated much higher than what is currently perceived by our customers. We must get our customers to think as highly of us and our technicians as they do of their doctors.

Young people considering careers in automotive repair must see a future that offers not just good pay and benefits, but also one of that garners respect and even prestige.

Several years ago I envisioned a branch of NJGCA that would admit only those shops that operated with the highest of professional standards. I envisioned a society similar to the professional societies that doctors associate with. I still have hopes that soon we can begin to put together the New Jersey Society of Auto Repair Professionals (SARP). The society will likely begin at first with a handful of professionals, but I am confident that others will aspire to achieve the status of being admitted in to SARP.

One of the things I would like the members of SARP to tackle is the issue of licensing both shops and technicians. I have mixed feelings about this, but I think professional shop owners should help decide. I am always loathe to have government oversee anything, but I do think it is a good thing that government requires doctors to be licensed, and what about electricians? Is it a good idea that there is government oversight to make sure that the guy wiring my house be qualified and certified? Perhaps licensing in the auto repair business is the first step towards adding a bit of status to a career fixing cars. Perhaps the change in image and status, and better pay, and working environment is part of the recipe to get high school kids to consider automotive trade school rather than college. This culture change isn't going to solve the problem overnight, but the longer we wait to attract young people to our trade, the longer it will be before the technician shortage is eased.

Perhaps it is the change in CULTURE that has been needed for far too long.

What Can NJGCA Do For YOU?

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NEW JERSEY GASOLINE ▸ C-STORE ▸ AUTOMOTIVE ASSOCIATION

Serving the Small Businesses that Serve the Motorist

President's Message

HELLO AGAIN! Last time we spoke it was spring and wow, here we are in July. I hope everyone had a safe and enjoyable 4th spending time with family and friends. Well, I'm going to get on my soapbox again (for you younger guys, that's how big news was announced in the city before we had social media). I have said it before and I'm saying it again. Change is coming fast, just like the seasons. Before you know it autumn will be here, just like that!

First, I would like to push you shop owners and strongly, yes, I said strongly, suggest you get on board for the ADAS (advanced driver assistance systems) vehicles. There are lots of changes and new technology here now and more is on the way. Hybrids, electric, and alternate fuel vehicles are here to stay. I'm not saying fossil fuel is going away, I'm saying there are going to be a lot of variations to our industry. Start educating yourselves and your employees now before your shop becomes a dinosaur. With that said, your Association and I would like to invite you to attend the SEMA/AAPEX convention in Las Vegas this year. I encourage you to learn and enjoy everything the conference has to offer. This is happening November 2nd – 5th. I know it's hard to pull away from your business and/or family. I know it's an expense. But I promise you, the information and education you receive will give you the cutting edge and confidence you need to succeed in the future. You will return ready to set the street on fire with new ideas and perspectives. Look for more information coming soon from your Association. We are putting together a couple of events as well as a NJGCA hosted meet and greet along with a private dinner party. We will be able to get together and really get to know one another and share our ideas and experiences. We want NJGCA colleagues to be familiar with each other.

Next, I would like to speak with our "Gas Guys." Your Association has been working diligently on the Fuel Your Way NJ campaign on your behalf. We are making progress, moving forward as we speak with legislators. We are receiving lots of support from many and the momentum is growing. If you didn't have a chance to attend our Fuel Your Way NJ meeting in Woodbridge, it was well attended and informative. But, here it comes…WE NEED YOUR SUPPORT!!! Financially and physically. This is not an easy task by any means and the company we hired to do the campaign doesn't come cheap. Before you complain about spending money to support the cause, just do the math. I know you are all intelligent business people. In the long run it will save you thousands of dollars and make you the same. This is a win-win situation if you ask me. To donate visit https://fuelyourwaynj.com/donate Alright, I'm done with my rant. I hope I have enlightened a few of you and possibly persuaded you to think about joining NJGCA in Vegas and supporting your organization as we work through the process of Fuel Your Way NJ. As always, I and the NJGCA staff are just a phone call away should you need assistance. And who knows, you may be the next business I visit, just to say Hi and thanks for supporting NJGCA.

Joe Ocello
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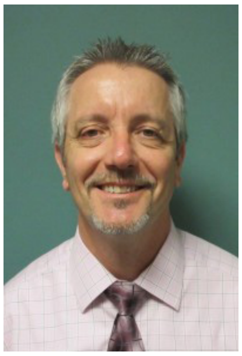
MEMBERSHIP MEMO

By: Greg Cannon



I hope everyone is doing well on all levels.

I'd like to give you a brief update and reminders on upcoming changes since my last article.

• Our online registration portal is complete for PIF Classes.
• We are working on the same process for our ASE Prep Training Course.
• As of May 1st 2021, membership dues payments will be remitted by check or by logging on to your account on our website and paying via credit card. NJGCA will no longer have the ability to accept credit card information via invoice form, fax or email and process the payment in a point-of-sale format.
• We're working on the option to set up recurring payments via your account on our website.
• In the not-to-distant future all members that are participants in the AMT Health Benefit Program, Amato Liability or AmeriTrust Workers Comp Programs will be required to pay membership dues on an automatic renewal basis consisting of annual, semi-annual, quarterly or monthly payment plans.

Finally, I'd like to mention that NJGCA has been engaged in a comprehensive member information update project. For your convenience we have created an online version however, there are NJGCA staff members calling locations to obtain this information. It can be a 5-10 minute gig. We ask that you help us with this project as it is urgently important to NJGCA and you when we advocate for you with your legislators.

That's all for now, good luck getting your dinner reservations!

Thank you for reading. Until next time.

Cheers!

greg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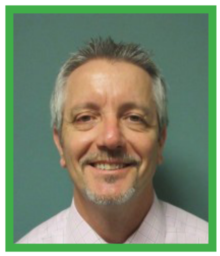

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Aging Car Population

An Opportunity for Auto Repair

By: Michelle Horowitz Jackson

Now that we are in a place in the pandemic where we can look back, it is clear that there have been several unintended consequences of spending a year inside. One of them that all of us likely experienced, especially in such a densely populated state, was staying home and driving a lot less. As a result of the majority of Americans staying home, the data for average car age rose to twelve years old. In 2002, the average age of vehicles was 9.5 years. This is the fifteenth consecutive year this data has risen, increasing the average car age by at least another two months in the last year alone.

What is causing the average age of vehicles to rise? Both the shift of surging prices for new vehicles and the longevity of used vehicles on the market. The average price paid for a new car in May of 2021 was about $38,000, up more than 8% from the previous year according to research from J.D. Power and Associates. There are a few reasons for this spike, one being low inventory as a result of global shortages of car parts. NJGCA has pointed out in a previous edition of On the Road how the shortage of computer microchips across the globe has affected production and even slowed the rollout of certain new vehicles. According to Cox Automotive, new vehicle inventory is down 25% compared to April of 2020 and threatens to increase as much as 40%. Because of this price surge in new vehicles, many drivers are holding on to their used vehicles longer than they would have previously.

Even though motorists are holding on to their used cars longer, the cars are also being exchanged to three or even four owners, as vehicles built recently are made to last well over 200,000 miles. Paired with the surging price in new vehicles, many car owners that previously would have bought new are looking to switch to reliable used car purchases instead, driving up the cost of used vehicles as well and adding to the longevity of the vehicle. An additional factor driving up the cost of used vehicles is the current shortage of semiconductors and computer chips. The shortage has cut into vehicle production and resulted in lower dealer inventories and inflated transaction prices, in turn causing a concurrent rise in used vehicle prices. The ongoing microchip shortage is expected to continue to challenge new vehicle production volumes through the end of 2021. In addition, during the height of the pandemic, some vehicle owners may have allowed registrations to expire because their vehicles were not being driven, which also could be driving up the data on years motorists are holding on to their vehicles.

This is all great news to repair and maintenance shops, which are poised to benefit from the lengthening life span of cars. Car owners will look to salvage older vehicles rather than buy new or even used due to the rising prices. However, supply chain snags could make car repairs even more expensive for motorists, with customers waiting days to weeks for certain parts to come in from overseas. In addition to rising gasoline prices, it is more difficult and expensive than ever to maintain an aging vehicle. If you own a repair shop and are experiencing this, be up front with your customers regarding wait times for certain parts. These pandemic-related increases in prices are not expected to be long-term as people readjust to life back out in the world.

Legislative Roundup

Important Issues Affecting Your Business

By: Eric Blomgren

FISCAL YEAR 2022 BUDGET

In June, the Legislature passed and governor signed a record $46.4 billion state budget for the fiscal year starting July 1. After fears of a total revenue collapse because of the COVID-19 shutdowns, the governor borrowed nearly $4 billion in emergency revenues last fall (in order to get a low interest rate, the Treasury agreed that it could not pay this debt back early). In reality, revenues bounced back and actually set records, allowing for the Legislature to increase spending without any tax increases. Thankfully the Legislature, knowing this year's surpluses were still hiding long-term budget challenges, put aside $3.7 billion into a new fund dedicated to paying off old debt early. While the budget process did not result in any direct tax increases, it also did not lower any taxes, not even the corporate or income taxes that were raised in the last two years.

Employers, however, were supposed to see an increase in payroll taxes on July 1st to begin refilling the state's pandemic-depleted Unemployment Insurance Trust Fund. Legislation was passed last year to spread that tax increase over three years instead of hitting employers all at once. But July came and went without an increase, and a spokesperson for the NJ Department of Labor stated that the increase has been delayed until October 30th. Though it was not included in the budget, we are hopeful that the governor and Legislature will devote some of the more than $6 billion in unspent federal money to refilling the UI Fund. The delay in the increase is hopefully a sign the Administration is planning to do so. Retirement income of up to $150,000 per year will be excluded from the state's income tax (the current cap is $100,000). This year households with at least one dependent child earning under $150,000 per year will receive a onetime payment of up to $500.

On June 22nd the governor signed legislation that dedicated an additional $170 million to the Economic Development Authority (EDA) for grants to small businesses with under 50 full-time equivalent employees, most of which will be spent fulfilling the requests of businesses who applied for Phase 4 funding. As part of the budget process the governor also signed legislation appropriating an additional $100 million, likely to be used for a Phase 5 round of grants later this summer.

Last November voters approved the State taking on new debt to be used for updates to many of the state's schools, through the "Securing Our Children's Future Bond Act." In June, the Legislature appropriated and the governor approved nearly $223 million for projects to upgrade the state's county vocational and tech schools, as well as over $27 million for career and tech education at county colleges. With the ongoing shortage of qualified auto techs in the state expected to only get worse in the coming years, it's a relief to see the state invest in ensuring that many of the schools teaching these skills are well equipped and desirable destinations for students to enroll in.

Revenue projections for the fiscal year that ends on June 30th indicate that the State missed its gas tax revenue target. Normally that would set up the Treasurer to increase the per-gallon rate by between one and two cents per gallon starting this October, however given that the Treasury can reasonably claim this coming fiscal year will see more gallons sold than in the prior Covid-19 affected year, and the fact that this is an election year, I believe it unlikely we will see an increase in the tax rate. We can expect Treasury to make their announcement on this topic just before Labor Day weekend.

COVID-19 BUSINESS MANDATES EXPIRE

In June the Legislature passed and the governor signed legislation aimed at bringing to an end most of the emergency rules the governor put in place in response to COVID-19. Most of these rules he had already chosen to roll back in the spring, including the masking and social distancing requirements for public spaces. Several employment ones remained in effect, however. These included most of the requirements of Executive Order 192, which required employees to be provided time for hand washing and be asked to fill out daily health checks, for customers to be provided hand sanitizer, and a variety of other requirements. He also required employers to ensure that unvaccinated employees wear masks whenever they were within six feet of another employee outside of a public place. All of these mandates automatically expired on July 4th. We will continue to monitor if either the federal government or the Murphy Administration decides to bring some or all of these rules back in the future, particularly if there is a spike in cases in the winter. At the start of the pandemic, the Legislature passed a law preventing retailers from accepting customers' returns of food, cleaning materials, and other household goods. This was out of fear that the returned goods could be contaminated with coronavirus. On July 2nd the governor signed a repeal of that prohibition effective immediately.

COVID-19 VACCINATION MANDATES

In June the federal Equal Employment Opportunity Commission (EEOC), which is the agency that enforces workplace discrimination laws, formally stated that employers may mandate COVID-19 vaccination for employees who must report to the job site. It seems that few employers are planning to move forward with such a requirement, in part because the employer must accommodate an employee who has a health concern under the ADA, such as an allergy, and they are responsible for keeping that information confidential. Employees can also claim a religious exemption, and it is very difficult to prove if they are lying. The better option seems to be to provide incentives for workers to choose to be vaccinated, which the EEOC also explicitly stated were allowable. Incentives could include a cash bonus for getting a vaccination (Wawa and Walmart offer $75) and giving extra paid time off to go and get the vaccination, and perhaps recover from any side effects.

ELECTRIC VEHICLE MANDATES

In June the Legislature passed S-3223, sponsored by Senator Smith (D-Middlesex) and Asm. Benson (D-Mercer) to increase the availability of EV charging stations. An existing gas station which wants to install an EV charging station will not be required to first get site plan approval, other land use board review, or seek an additional zoning variant. Some station owners who have sought to install the large DC fast chargers have been faced with thousands of dollars and months of delays seeking approval from their municipal government. This will no longer be an issue with this bill. The bill also mandates that as a condition of preliminary site plan approval for new businesses with off street parking, they must provide some spaces (up to 4%) with either an EV charger or the underground wiring to allow for the easy installation of a charging station later on. Working with the sponsor, NJGCA and others were able to have an amendment added which exempted retailers with 25 or fewer spaces from this requirement. Governor Murphy signed the bill into law in July.

The NJ DEP formally proposed regulations that would adopt California's Advanced Clean Truck rule, which would require manufacturers of heavy duty vehicles to ensure that starting in model year 2024 a certain portion of their new truck sales in NJ are zero emission vehicles, powered either by battery electric or hydrogen. NJGCA and others submitted comments opposing this rule. While the State providing incentives to purchases EVs is one thing, mandates to restrict what consumers can adopt are something else entirely, and any transition away from fossil fueled vehicles should come as the result of consumer choice, not government mandates. Furthermore, with a new presidential administration that is committed to action, NJ should wait and work within a national framework, rather than effectively forcing many truck purchasers to go across state lines to buy cheaper trucks once this rule is in effect. With zero emissions tech still not readily available for heavy duty vehicles, this will prove to be an expensive mandate to truckers and distributors who will surely pass the costs on to retailers.

UNDERAGE WORKERS

On July 1st the governor signed into law A-5898, which expressly allows teenagers between the ages of 16 and 18 to work up to 50 hours per week from now until Labor Day (September 6th), as long as they have written permission from a parent or guardian. The July jobs report showed that for the first time in history, the unemployment rate for teens ages 16-19 was lower than that of workers aged 20-24. In June, the Legislature also unanimously passed A-4804, which would allow minors to obtain working papers during a state of emergency from their school virtually, rather than only in person. The governor signed it into law in mid-July.

LABOR LAWS

In June the Legislature rushed through A-5890. It has been described by the sponsors as focusing on cracking down on employee misclassification in the construction industry, but the actual changes impact all employers in the State. It continues a recent trend in the Legislature to dramatically increase the penalties for violation of any state wage and hour law, with no distinction provided for whether it was a deliberate attempt to break the law by the employer or whether it was an honest mistake in applying lengthy and complex laws and mandates. This bill allows the state Department of Labor to file suit against a company on behalf of an allegedly injured employee. It also allows to DOL to issue a stop-work order not just at a location where a violation is alleged to occur, but at all locations operated by that employer, and for employees at those locations to continue to be paid while the business is shut down for up to ten days. The Governor signed it into law shortly after it reached his desk.

Also in June, the Senate Labor Committee passed S-3352, sponsored by Sen. Weinberg (D-Bergen). This bill would require all employers to come up with written anti-discrimination and anti-harassment policies that govern employees' interactions with each other and with customers, and it must include the full process for how the employer will investigate any allegations. Every employee must be given training on this policy when hired and again annually, employers with more than 50 employees must provide the training in such a way that employees can interact with the instructor, and they must report all internal allegations of discrimination to the Attorney General's Office. It would also be far easier to sue an employer over discrimination allegations, including by removing the standard that harassment was severe or pervasive, nor would the person complaining need to prove any loss of benefits or productivity as a result of the alleged conduct. The bill does allow for a defense that the harassment is not above what a reasonable victim would consider "petty slights" but there is no definition or examples given of what is petty or trivial and what is not. While this bill did pass Committee, members of both parties said they were very uncomfortable with it in its current form.

CATALYTIC CONVERTER THEFTS

In June the Senate Commerce Committee passed S-3608 with the support of NJGCA. The bill seeks to address the skyrocketing instances of catalytic converter thefts. In 2019 the National Insurance Crime Bureau recorded 3,389 such thefts across the U.S.; in 2020 it was 14,433. Even throughout 2020 thefts soared from 779 in April to 2,347 in December. Catalytic converters contain small amounts of the precious metals platinum, palladium, or rhodium, all of which have seen their value spike recently. Someone who knows what they are doing can sneak under the car, saw off the converter, and be back in their getaway car in under two minutes. The converters can then be taken to a recycler for cash, or sold online to an illicit recycler. This bill would prevent someone from buying a used catalytic converter (not attached to a car) without some proof of where they got the converter, unless the person they are buying it from is a legitimate auto repair business. Thieves have been known to target areas with multiple cars parked, so ensure you have appropriate security and monitoring at your auto repair shop. Thankfully the sponsor, Senator Sandra Cunningham (D-Hudson) drafted the bill in a way that will help address the problem without excessively burdening small businesses. The bill still needs to move through the Senate Budget Committee and through the Assembly.

PLASTIC STRAW REMINDER

In November 2020, Governor Murphy signed into law legislation to curb the use of plastic and paper bags, Styrofoam containers, and plastic straws. While the provisions regulating bags and containers do not go into effect until May 2022, the straw portion of the law begins November 4, 2021. Effective on that date, food stores and restaurants (including convenience stores) cannot provide customers with plastic straws unless the customer requests one. The simplest way to minimize this burden for a c-store owner is to start providing some form of paper straws, and/or switch the type of lids used for drinks to a form which do not need straws and customers can drink straight out of. This law will likely also increase customer demand to buy durable reusable straws, so consider offering them for sale as well. Stores are also required to continue to have some amount of plastic straws available for a customer who requests one. The law does not affect the sale of packages of plastic straws, nor does it affect products that have a plastic straw packed in by the manufacturer (like juice boxes). A violation of the law will be met with a warning for a first offense and a $500 fine for a second offense.

RED TAPE REVIEW

In May Governor Murphy surprised many by vetoing A-4810, which would have established a “Government Efficiency and Regulatory Review Commission” (GEARR). The commission would have been a bipartisan panel permanently existing in the Administration dedicated to reviewing state rules and regulations and making recommendations for which should be amended or repealed. It was meant to be a replacement for the successful bipartisan Red Tape Review Committee created by Governor Christie, which was critical to getting the Stage II vapor mandate for gasoline retailers repealed. Even though the bill passed almost unanimously in the Legislature, the governor still decided to veto it. In his veto message he said he was concerned it would be a forum to undermine good regulations, despite the fact that the commission would make nonbinding recommendations he could easily ignore if he disagreed with them. The governor did sign into law A-1145, sponsored by Asm. Freiman (D-Somerset), to simplify and streamline the process of getting construction permit applications and approvals by making more of the process done electronically. The system must be online by next spring and aims to bring 80% of application submissions online.

FEDERAL UPDATE

President Biden has unveiled two huge new plans that he wants Congress to pass this year. A $2.3 trillion (over 8 years) American Jobs Plan focused generally on physical infrastructure, and a $1.8 trillion American Families Plan (in addition to the already passed $1.9 trillion American Rescue Plan). The plans call for an increase in the federal corporate tax rate from 21% to 28%. The top income tax rate would increase from 37% to 39.6%, (where it was during the Obama and Clinton Administrations) on individual income over approximately $450,000 and about $500,000 for joint filers. The capital gains tax would nearly double from 20% to 39.6% for individuals with more than $1 million in income. There is also a 3.8% net investment income tax that would be added on as well. Combined with New Jersey taxes, the new combined capital gains tax rate in New Jersey would be 54.2%. The plan does not increase the estate tax (death tax) rate or lower the exemption level, however it does seek to repeal the "step-up in basis" rule that currently lowers the capital gains tax liability for property and assets when they are left to an heir. Currently, if an heir sells a property they are taxed on the capital gains made off the value of the property when they inherited it. Under Biden's plan they would pay based on the value accrued since it was originally purchased. The plan also does not include any provision to bring back the full state and local tax (SALT) deduction, which was capped at $10,000 in 2017.

In June President Biden and a bipartisan group of Senators announced they had come to a deal on an infrastructure spending plan that could pass with support from both parties. In total spending it is a one third reduction in the plan proposed by Biden early this year. $7.5 billion would be dedicated to EV charging infrastructure, and about $129 billion in spending on roads and bridges. Republicans had made clear that they will not support anything that removes the cuts to income and corporate taxes they passed in 2017. They proposed increasing the gas tax, making annual increases to the gas tax based on inflation, and putting a new tax on tires as ways to pay for infrastructure that could be considered “user fees.” The President shot down all these ideas as he felt they would count as betrayals of his campaign pledge not to increase taxes on families making under $400,000 per year. Much of the cost for this plan will be borne by increased enforcement activities by the IRS and redirecting unspent pandemic relief money.

Some of the more controversial expansions of government power that Biden has proposed could still move as part of a separate package that because of the Senate’s “reconciliation” rule, could be enacted with just the support of Democrats in Congress. Some Democrats on the left are threatening that they may not support the bipartisan package if the more expansive bill is not being moved at the same time. Democrats have narrow majorities in both houses of Congress, and it is possible that there are enough moderates Democrats to prevent the social welfare package from passing. It’s possible that both packages fail, both become law, or the infrastructure bill is signed but not the other. It is likely final votes on these packages will be cast in the fall.

What is on the Labor and Employment Horizon

Issues Employers Need to Know Now

By: Steven Horowitz

In this ever-changing pandemic world, labor and employment law, like most things, continues to evolve. From Democrats taking control of the White House and Congress in 2020, to governors looking to juggle the reopening of businesses while maintaining the health of its citizens; the rules of how businesses operate are constantly changing. And while I tell my clients that I do not have a "crystal ball" (if I did, I would be in Atlantic City or at the race track every day), I can predict with some level of certainty how employers need to conduct themselves moving forward. This article will address exactly what those foreseeable issues will be over the next few months, and how employers should be conducting themselves. By way of a disclaimer though, nothing in this article is to be interpreted as legal advice. It is merely you and I having a nice discussion on certain topics of the law which we both find to be interesting.

At the outset, there are two important facts every company operating in New Jersey needs to keep in mind so as to avoid becoming a Defendant in a law suit: (1) President Biden is on record as stating that it is his intent to be the "strongest pro-labor President" in the history of this country; and (2) Governor Murphy is trying to make New Jersey even more California-like than California (which has historically had the most liberal/employee-friendly laws in the entire country) through his labor law agenda. These two facts mean that now, more than ever, employers in this State need to make sure that they are complying with the laws so as to avoid the guaranteed damages they will have to pay should they be found guilty of having violated one of them.

<u>Sexual Orientation/Gender Identity Issues (Bathrooms):</u> Any topic having to do with the government overseeing "bathrooms" automatically makes it to the top of my list. On June 15, 2021, the Chair of the Equal Employment Opportunity Commission, Charlotte Burrows (a Democrat recently appointed by President Biden) issued a non-binding guidance memo on numerous sexual orientation and gender identity issues, including the use of bathrooms. While this memo is not law, and is only meant for guidance, you do not want to be the guinea pig here in any enforcement action. The interesting portions are points 8 through 11 of the memo. Employers are not allowed to discriminate against an employee's sexual orientation, gender identity or sex based stereotype (Item 8); Employers cannot require a transgender employee from dressing or presenting themselves consistent with their assigned sex at birth (Item 9); Employers may have separate sex-segregated bathrooms and locker rooms, but cannot deny an employee from equal access to a bathroom or locker room that corresponds to the employee's gender identity (Item 10); and that an Employer will be considered as having harassed an employee by the use of pronouns that are inconsistent with an individual's gender identity on a repeated or intentional basis (Item 11). With regards to Item 10, I will let Chairwoman Burrows break it down: "…(I)f an employer has separate bathrooms, locker rooms, or showers for men and women, all men (including transgender men) should be allowed to use the men's facilities and women (including transgender women) should be allowed to use the women's facilities."

While this guidance is meant to apply to the employer/employee relationship, I can see the courts applying these principles to the use of a public bathroom in a store or business. Therefore, use caution should a situation present itself within your establishment as described above, and be sensitive as to how the employee/customer identifies their gender.

<u>The Legalization of Marijuana:</u> This is by far the area of law where I have received the most questions that impact labor and employment law for New Jersey employers the most. If you do not have a Handbook to address this issue, or if you do have a Handbook but have yet to update it, pay heed here. The recreational use of marijuana is now a protected classification, just like race, religion and disability, and actions that look to compromise those rights will be the subject of litiga-

tion. The current state of the law concerning your employees and marijuana use can be summed up in four easy to understand principles:

1. New Protected Class - Employers cannot refuse to hire, discipline and/or discharge anyone solely because they tested positive for marijuana.

2. An employee's use of marijuana "off duty" protects them from an adverse action based on lawful consumption.

3. However, employers are still permitted to maintain drug and alcohol-free workplaces and policies, and can discipline any employee who engages in some form of prohibited conduct under the law, such as being under the influence, possessing, selling, or transporting marijuana <u>while in the workplace or on duty</u>. This also applies to employers whose actions are subject to certain state or federal statute, regulation, ordinance, or mandate (such as federal DoT rules for Commercial Drivers Licenses).

4. Employers who do conduct drug tests per the law's permissible reasons may then use the results of that drug test when determining the appropriate employment action concerning the employee, provided the drug test satisfies two prescribed requirements: (a) it is conducted with scientifically reliable objective testing methods and procedures (such as testing blood, urine or saliva), <u>and</u> (b) a physical evaluation is conducted by a "Workplace Impairment Recognition Expert" (WIRE).

It is the "WIRE" part that is going to get employers into trouble with the law. You must use someone that is trained in recognizing impairment due to marijuana when issuing a drug test. The New Jersey Cannabis Regulatory Commission is currently tasked with creating minimum standards and courses of study available for full or part-time employees or others contracted to provide services on behalf of the employer to become certified as a WIRE. Until those regulations are fully "hashed" out, there are multiple online courses where an employer can learn to spot the warning signs of drug/alcohol effects. You will also receive a certificate "suitable for framing" from completing one of these courses. While there is no case law on this topic as of yet, I have been counselling my clients to either take one of these online classes, and/or have a trusted Supervisor take one as well so that you can at least have an argument should litigation arise that you have been trained to spot the signs of alcohol/drug abuse.

<u>Worker Misclassification Issues (Employee v. Independent Contractor):</u> On July 8, 2021, Governor Murphy signed into law several bills aimed at cracking down on worker misclassification:

A5890 – Allows the State to enforce worker misclassification and stop-work orders. Employers would still have to pay employees for the first 10 days of the stop-work order, and would subject employers to substantial fines/penalties ($5,000 per day). Additionally, the stop-work order will apply to all locations of the employer, not just the particular work site involved in any inspection. (Effective immediately)

A5892 – Streamlines how to identify worker misclassification by establishing that any employer that misclassifies workers will be considered as having committed insurance fraud (among other things), and imposes fines. $5000 for the first infraction, and $10,000 for a second infraction. (Effective 1/1/22)

A5891 – Creates a new agency, the Office of Strategic Enforcement and Compliance under the guidance of the Department of Labor. To be an employer in good standing with the State, an employer cannot have any unpaid claims into the NJ Unemployment Insurance Fund. (Effective immediately).

A117 – Requires the New Jersey State Labor Commissioner to create a state-wide database of certified payroll information for public works projects.

These new laws are in keeping with not only the New Jersey focus on employers improperly categorizing workers as independent contractors when they should be employees, but the national trend in this regard as well.

<u>Non-Compete Agreements:</u> On July 7, 2021, President Biden announced (via Jen Psaki) that he has instructed the Federal Trade Commission (FTC) to adopt rules that "curtail non-compete agreements" as well as banning "unnecessary" occupational licensing requirements, via his executive order powers. The theory here is that these new rules will increase competition in the marketplace and presumably increase employment opportunities. As of the dictation of this article, no text of the orders has been released by the FTC. Employers should expect there to be significant legal challenges that could hamper their implementation. While it is expected that non-competes will remain legal as it relates to high level executive employees, the application of the new order to mid-level employees (sales representatives, skilled mechanics, chefs, etc.) will create high drama in the coming months. As far as your more traditional "blue collar" workers are concerned (cashiers, gas attendants, etc.), New Jersey has long held that non-compete agreements will not be enforced against jobs that

are considered to be typically "blue collar" or low wage. But the fact remains, in keeping with the statement above that your business does not want to be the "guinea pig" in this drama, you should be reviewing your non-compete agreements for compliance issues right now.

Making Vaccinations Mandatory for Your Employees: This is another common question I have been receiving lately. A recent case out of Southern Texas involving Texas Methodist Hospital seems to suggest "YES," you as an employer can make vaccinations mandatory (which a few exceptions, to be discussed). The case involved 178 workers who refused to be vaccinated, and were thereafter suspended by the hospital. A Judge in the Southern District of Texas (which includes Houston) ruled that the employer has the right to make vaccinations mandatory. The Judge specifically wrote that "Every employment includes limits on the worker's behavior in exchange for [his/her] remuneration. This is all part of the bargain." This ruling needs to be taken with a grain of salt: While it is an official interpretation by a court, it only technically pertains to the Southern District of Texas, and not to New Jersey. Plus, the Plaintiffs have vowed to appeal this decision, right up to the Supreme Court if necessary. There are a number of similar suits pending across the nation, which could result in a split of decisions on this topic.

What are the "exceptions" to mandatory vaccinations? Under federal law, employers generally can NOT require employees to obtain a vaccination in two scenarios: (1) the employee has a sincerely held religious belief that opposes vaccinations; or (2) the employee has a medical condition (supported by a doctor's note) that states that the vaccination poses a risk to the employee's health. Assuming an employee does not fall into one of those two exceptions, I have been counseling clients who have mandatory vaccination rules to first suspend the employee for either two or four weeks to obtain the vaccination, and then, if there is still no compliance to terminate their employment.

Unemployment: 26 States have already or will be eliminating the $300 weekly unemployment pandemic supplement as provided by the Federal government. New Jersey is not one of them. The $300 supplement is scheduled to automatically expire nationwide on September 6, 2021. While President Biden has rejected arguments that the payment of this supplemental benefit has incentivized people to stay out of the workforce, back in May of this year, the President stated that "We're going to make it clear that anyone collecting unemployment who is offered a suitable job must take the job or lose their unemployment benefits." If you do recall employees (to be discussed below), remember to do so in writing so that you are in a better position to challenge any determination of unemployment eligibility that extends beyond the recall date. This will allow you to present evidence so that your U/I rates are not too negatively affected.

Recall/Hiring of Employees: As many of the readers are aware, finding work as the State emerges from the effects of the pandemic has been difficult. As per a recent CNN article, the main factors contributing to this are low wages, an inability to make proper child care arrangements, and a continuing fear of contracting COVID-19. To combat this, many employers are finding new and creative ways to attract employees. These include paying higher wages, offering signing bonuses, health benefits, 401K/retirement benefits, and/or tuition assistance. Many of my clients have also turned to prison work/release programs to find employees.

The Protecting the Right to Organize (PRO) Act: As a labor law geek, this statute is of particular interest to me. The PRO Act is a gift to organized labor so as to make it easier for unions to organize employers, and a punishment against employers who seek to resist those union organizing efforts. President Biden has stated numerous times that he is committed to signing this bill into law should it ever get passed by Congress. The "highlights" of the current bill are as follows:

1. Company emails and electronic system – giving employees greater use of these systems for campaigning and recruiting members.
2. Prohibiting mandatory arbitrations and class action waivers in handbooks.
3. Imposing financial penalties against employers who interfere with union/employee organizing efforts.
4. Narrowing the definition of a "Supervisor" to make more employees eligible to vote in union elections.
5. Banning State Right to Work laws.
6. vRequiring mediation of initial Collective Bargaining Agreements should an agreement not be reached within 90 days.
7. Permitting unions/workers to engage in secondary boycotts of other employers.
8. Prohibiting employers from requiring employees to attend meetings where they are educated on the downside of unions.
9. Enlarging the definition of a "Joint Employer."

There are other changes to traditional labor law that has been in place for over 70 years contained in the PRO Act. Again, this is not law yet, and the midterm elections that could reshape Congress will determine whether it ever does become law.

But to think that the PRO Act has no way of ever becoming law is in some form under this administration is naïve. Therefore, if you have a non-union business now, expect that status to possibly change in the near future should this bill become law. The fact that you may only have three or four employees will not be deterrent to any union campaign, as unions are looking to make up lost ground in their membership anyway they can.

Employers should not be focusing on any one of the above topics. Rather, employers need to be focused on all of them at once. Having a thorough Handbook and/or job descriptions that clearly sets out an employee's expectations in the workplace is a good start. Most importantly, recognizing where your business falls in relation to compliance with the above and (shameless plug) understanding when you need to contact a competent labor and employment counsel to help you get into compliance, will certainly help you in avoiding becoming a "guinea pig" in any enforcement action.

Steven B. Horowitz is the senior partner of the Horowitz Law Group, LLC and limits his practice to the representation of management in labor and employment matters. Specifically, his labor law experience includes negotiating collective bargaining agreements; conducting grievance and arbitration hearings; handling and litigating certification, impasse, and unfair labor practice proceedings before the National Labor Relations Board ("NLRB"); analyzing legislation, court and arbitration decisions and collective bargaining agreements to assess trends in labor relation matters; and preparing, administering and analyzing salary and benefit surveys for negotiations. He is an MBP for NJGCA.

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THE ENERGY EXAMINER

FROM TRADITIONAL RESOURCES TO ALTERNATIVE ENERGY INNOVATIONS

By Michelle Horowitz Jackson

Since our debut in 2007, NJGCA *On The Road* has brought you timely updates on changes in the energy and automotive industries. Today, each new issue of *On The Road* will bring you more update and information in our *Energy Examiner*. The *Energy Examiner* will offer readers news from around the energy/transportation industry and how it will affect your small business. If you have any questions or comments on what you review in these quarterly pieces, please feel free to reach out to NJGCA.

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UPDATE: FEDERAL ACTION

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We left off the last Energy Examiner with news that the pandemic had indeed affected US emissions, and with President Biden promising to keep up the momentum by signing legislation with the goal of continuing to reduce emissions and take more environmental action. In April, the United States rejoined the Paris Climate Agreement. At that time, President Biden declared that America would cut U.S. greenhouse gases 50 to 52 percent below 2005 levels by the end of the decade, and encouraged other countries to make aggressive commitments to reduce emissions. Japan, Canada, Britain and the European Union committed to steeper cuts, while China, India and Russia made no new emissions promises. It is important to point out that while the President's promises are ambitious, they are just that, promises. According to the New York Times, energy experts said it would require a dramatic overhaul of American society, including the virtual elimination of coal for electricity and the replacement of millions of gasoline-powered cars with electric vehicles to meet these goals. Additionally, with one of the biggest global polluters, China, refusing to make commitments to change, critics wonder why the United States should even bother with such ambitious plans. President Biden outlined several clean energy goals within his infrastructure plan, which can be found in the Legislative Update in this edition of the Road Warrior.

President Biden coined this decade as the "decisive decade," meaning that the time is now to commit to reducing emissions through legislation. In addition to the green policies outlined in the infrastructure plan, the House Committee on Transportation and Infrastructure passed the INVEST in America Act. While the bill focuses on repairing the nation's roads, highways, bridges, etc., it also authorizes $547 billion to fund the nation's roads, bridges and highways and includes several electric vehicle (EV) and clean energy transportation programs. Additionally, it authorizes an alternative fuels corridor grant program, which provides an incentive to build EV charging infrastructure along these designated corridors. Critics of this legislation worry that the grants and rebates provided will de-incentivize private sector investments in the EV charging marketplace. Especially with the Corridor Grant Program, commercial services at rest areas have been shown to reduce private investment in those services at interstate exits resulting in less options for motorists. The Senate is expected to move its transportation and infrastructure package later on in the summer. While the President is only a few months into his tenure, it is clear that environmental issues will be at the forefront of this administration, and that the wave of legislation to correct climate change and promote clean energy is only just beginning.

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UPDATE: ETHANOL/BIOFUELS/BIODIESEL

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A federal court ruling was overturned in late June that had curbed the Environmental Protection Agency's (EPA) ability to exempt struggling small oil refineries from a federal law requiring them to blend increasing amounts of ethanol and other renewable fuels into their products. Justices rejected a 2020 ruling that faulted the EPA for giving refineries economic hardship extensions on waivers from the Renewable Fuel Standard under the Clean Air Act despite the refineries' prior exemptions having expired. The biofuel industry groups had challenged the EPA's flexibility to grant exemptions to small refiners. Under the RFS program, refiners must blend billions of gallons of ethanol or other biofuels into their fuel products or buy Renewable Identification Number compliance credits, known as RINs, from refiners that do. These RINs have recently surged in price because they are traded on the open market. In New Jersey, this decision has resulted in both the state legislature unanimously passing a resolution urging President Joe Biden and the EPA to allow waivers to the Renewable Fuels Standard that would ease financial pressure on New Jersey refiners such as Parsippany-based PBF Energy which employs about 225 people at a facility in Paulsboro. Republican senators feel that the President's EPA betrayed them based on previous statements made on the campaign trail to "grow the nation's biofuel manufacturing sector, including by strengthening the Renewable Fuel Standard, supporting E15 blends, and supporting research, development and deployment of advanced biofuel."

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ELECTRICITY AND ELECTRIC POWERED VEHICLES

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In the last edition of the Energy Examiner, we left off with Biden vowing to make climate change one of the main issues of his administration, and all policies to come out of this White House to have "green" solutions. Biden's "American Jobs Plan " intends on repairing the nation's highways, bridges, transit systems and ports; in addition to speeding up the adoption of electric vehicles within the country in an attempt to move away from fossil fuels. To advance EVs in the US, the plan will dedicate $7.5 billion towards EV charging infrastructure. The administration will create grant and incentive programs for both the private sector and state and local governments to increase charging infrastructure. As mentioned previously, the Biden administration also intends on electrifying the federal fleet, including the U.S. Postal Service. The plan would provide point-of-sale rebates and tax incentives to buy EVs made in America in order to increase the vehicles on the road and fast-track the trend.

We have also mentioned how the increase in legislation and funds towards the cause has not changed the speed at which motorists are buying electric vehicles. According to a recent Pew Research Center survey, 7% of U.S. adults indicated they currently drive an EV or hybrid vehicle, while thirty-nine percent said they were very or somewhat likely to purchase an EV for their next car. While electric vehicles may be more prevalent in metropolitan areas, the challenge will be bringing range security to those living in rural or more suburban areas. Because the infrastructure is not already in place, EV sales are declining in the United States as popularity of plug-in hybrids continues to fall as well as the disappearance of federal tax credits for popular EV models. Business Insider reports that 20% of EV owners in California who had purchased their vehicle between 2012 and 2018 have already swapped their EV back to gasoline-powered due mostly to range anxiety and the inconvenience of charging. New York will be adding 120 EV charging stations in 2021 to attempt to address this issue. 7-Eleven also committed to build at least 500 DC fast chargers at 250 US and Canada store locations by late 2022. Researchers also found motorists were hesitant about the cost of EVs, and feared they were priced out of switching. These barriers to entry, along with the data to back them up continue to highlight the main challenges in EV ownership that auto companies as well as politicians looking to change trends must contend with.

In New Jersey, a requirement has been proposed for owners of commercial fleets to start purchasing and using zero-emission medium- and heavy-duty trucks. It could lead to the adoption of legislation that mirrors California's Advanced Clean Truck Program. This program would transition delivery trucks, box trucks and the biggest rigs, which move most of the goods on its roads, to electric vehicles. However, don't expect this to not be met with opposition from truck manufacturers, who have argued the plan ramps up the switch to electric vehicles when the technology has not yet caught up to accommodate mass adoption for a fleet of trucks, in addition to charging fears. The rule proposal also includes a one-time reporting requirement for truck fleet operators to give state officials information that could inform decisions on new rulemaking governing how to reduce climate change.

In EV battery news, President Biden intends to source materials for batteries from other countries rather than support mining in the country. The plans will be a blow to U.S. miners who had hoped Biden would rely primarily on domestically sourced metals, as his campaign had previously signaled, to help fulfill his ambitions for a less carbon-intensive economy. Instead, the administration is more focused on creating jobs that process mined materials into battery parts, despite limited capacity to export materials and controversial mining methods in other countries. According to a recently-released study from the International Energy Agency, EVs use more than four times more materials than conventional cars, with copper, lithium, nickel and cobalt being used in far greater quantities, all of which can be found in the United States in varying quantities.
priced out of switching. These barriers to entry, along with the data to back them up continue to highlight the main challenges in EV ownership that auto companies as well as politicians looking to change trends must contend with.

COMPUTER CHIP UPDATE

I think computer chips may need to become a completely new topic moving forward in future issues of the Energy Examiner, as they are involved in almost every aspect of the topic. And the ongoing issue of the shortage of computer chips and its severe impacts to the automotive industry only highlights how much they are needed. U.S. Commerce Secretary Gina Raimondo said a proposed $52 billion boost in U.S. government funding for semiconductor production and research could result in seven to 10 new U.S. factories, an effort to compete with China. She anticipates government funding will generate over $150 billion in investment in chip production and research. This includes contributions from state and federal governments and private-sector firms. She also said she expects states to compete for federal funding for computer chip facilities. Only 12% of semiconductors are manufactured in the United States, an expansion of even a few factories throughout the country would lead to a considerable growth in computer chip manufacturing and would put the United States in competition with China.

UPDATE: NUCLEAR/WIND/SOLAR/GEOTHERMAL

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Nuclear:
The New Jersey Board of Public Utilities approved a second round of taxpayer-funded subsidies in April for three aging nuclear power plants. PSE&G and Exelon Generation, the operators of the South Jersey plants are expected to get $300 million annually to keep the plants going, but at the expense of energy customers. The state's nuclear plants produce 90% of the state's carbon-free energy and around 40% of the state's total energy, justifying the subsidies to the Board. According to Joseph Fiordaliso, the president of the board, "were these plants to close, we would lose the single largest sources of the state's clean energy supply, and be forced to make up that supply with sources such as fossil fuels." Another board commissioner, Bob Gordon, pointed out the alternative of shutting down the plants could lead to a 13% spike in carbon emissions, as the state's wind and solar industries could not currently support the totality of the state's energy needs. This will be seen as a continued rate hike on energy customer's bills.

Wind:
Much has happened recently in New Jersey offshore wind energy industry news. Most significant, New Jersey has been awarded the nation's largest combined offshore wind award, with the Board of Public Utilities voting to approve the state's second offshore wind project in late June. Two developers were announced by the Board to produce 2,658 megawatts of energy off the coast of Southern New Jersey. This is estimated to be enough to power 1.15 million homes. The project will be split between Atlantic Shores Offshore Wind LLC, a partnership of Shell New Energies US and EDF Renewables North America; and Ocean Wind 2 LLC, an Ørsted subsidiary. The first project was approved in 2019 and will be produced by Ørsted and PSEG. It is expected to start making power in 2024 and will be 1,100 megawatts in size, enough to power about 500,000 homes. As mentioned in previous newsletters, this industry is expected to bring billions to the New Jersey economy, with the two projects announced alone to create roughly 7,000 "high-quality jobs" across the state, officials said.

Additionally, Massachusetts company Anbaric announced plans to bring more wind energy to New Jersey through its Boardwalk Power Link project. The 1,200 megawatt transmission line would connect to a wind farm off the New Jersey coast (not yet specified). The line would come ashore in Keyport, in northern Monmouth County on the Raritan Bay, and would run underground along highways for nearly 21 miles into Middlesex County where it would connect to a new substation. According to the Associated Press, that substation would be located next to an existing high-capacity power plant in South Brunswick, where power from the offshore wind would be connected to the electrical grid.

In order to fast track these projects, a new bill was introduced in June and advanced that would give wind energy projects approved by the state Board of Public Utilities authority to locate, build, use and maintain wires and associated land-based infrastructure as long as they run underground on public property including streets (and in some above ground situations as well). The legislation is aimed to avoid any local objections after Ørsted outlined plans for cables to come ashore at two former power plants and run under two of the state's most popular beaches. This legislation would ensure timelines and schedules are kept, which is essential not only for the developer, but for the supply chain and workforce affected by the project. However, it would remove any control at the local level over where and how power lines from offshore wind energy projects come ashore.

Solar:
While New Jersey continues to rank in the top ten of states that have already installed solar with the most systems, the state drops to 17th place in solar power systems added in the first quarter of the year across the country. Once a leader in adding new systems, some blame lower financial incentives being offered by the state to build new solar capacity for the slip in the ranks. According to a report by the Solar Energy Industries Association, the state's current move to restructure its incentive program is presenting challenges, projecting only 2 gigawatts (2,000 megawatts) of solar will be installed in New Jersey over the next five years. The financial incentives are lower than a transitional solar incentive program, leading to a decline in solar projects being built in the past year. Solar developers may choose to invest in other states where it is less expensive to install solar rather than take a chance in New Jersey.

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UPDATE: HYDROGEN/HYDROGEN FUEL CELLS

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While most automakers have announced new electrified vehicles, there continues to be little news around more hydrogen models coming to the market. Honda recently made sure to include hydrogen-fuel-cell vehicles in its goal to phase out gasoline engines in North America by 2040, though currently the only hydrogen model is the Clarity and it is only being sold in California which faces hydrogen supply issues. However, recently Daimler, the world's largest maker of heavy trucks, has announced it will convert to zero-emission vehicles within 15 years. Daimler argues that current batteries are not ideal for long-haul 18-wheelers; the weight of the heavy batteries subtract too much from payload, an important consideration for cost-conscious trucking companies. In March, Daimler and rival Volvo Trucks formed a joint venture to develop fuel-cell systems that will convert hydrogen to electricity that powers long-distance trucks. In April, testing began for a prototype "GenH2," a long-haul truck capable of logging 600 miles between visits to the hydrogen pump. A partnership with Shell was also announced to build a "hydrogen corridor" of fueling stations spanning northern Europe. It is clear that Daimler is moving quickly to invest in hydrogen as it looks to be the ideal fuel of the future for the trucking industry.

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UPDATE: NATURAL GAS

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The US Supreme Court ruled in favor of the PennEast Pipeline Company in late June, eliminating one vital obstacle to building a 116-mile pipeline that will run from Luzerne County in Pennsylvania to Mercer County. The appeal was about whether the pipeline could still be built even if it runs through land controlled by the state. In 2018, the Federal Energy Regulatory Commission granted PennEast a certificate of public convenience and necessity to use the land, but the state countered in court. PennEast, a joint venture of several energy companies, argued the commission's approval of its project allowed it to use eminent domain to acquire state-controlled properties. The Supreme Court agreed in a 5-4 decision. ROI-NJ says the decision essentially means a private entity — in this case, the pipeline developer — can invoke the power of the federal government to take state property needed for the project. However, the Pipeline still needs to prevail in a separate case with the D.C. Circuit of the U.S. Court of Appeals, as well as secure permits from the U.S. Army Corps of Engineers, the Delaware River Basin Commission and the New Jersey Department of Environmental Protection before they can begin construction.

UPDATE: FOSSIL FUELS

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In May, a court in the Netherlands ruled that Royal Dutch Shell is in-part responsible for climate change as it stands now and ordered the company to reduce its carbon emissions. Shell must reduce its carbon emissions by 45% by 2030, in line with UN guidance for preventing global temperatures from rising. This ruling is important because it is the first of its kind in putting responsibility on oil companies for climate change. The results of this case could set a global precedent in other Western jurisdictions, especially Europe, which will open oil companies to lawsuits by environmental groups over their carbon emissions. The ruling pressured Shell to accelerate the measures they are already taking to reduce emissions, including investments in Limejump, a company managing a battery site in the UK that supplies electricity when winds or clouds slow the flow of energy. They are also creating electric vehicle charging networks across the globe supporting hydrogen fueling centers in California. According to Shell, since 2016 their clean energy investments have topped $3 billion. Though this is a small drop of its expenditures compared to the $84 billion on its oil and gas business.

Gasoline-powered vehicle days may be numbered in Europe if new emissions targets under discussion are enacted. In June, The EU began debating passing zero-emissions targets for vehicles sold beyond 2035. According to Germany's car lobby, such legislation could spell the end for internal combustion engines and plug-in hybrid vehicles. If the proposal makes it into the final text (expected in July) it would then be considered by EU countries and the European Parliament. Currently, only Volvo and Volkswagen have strategies in place to transition to electric by the end of the decade, though many are expecting the fleets of the future to be either fully or mostly electric powered.

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UPDATE: NEW JERSEY CLIMATE CHANGE

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New Jersey's first statewide Draft Climate Change Resilience Strategy was released in April and was opened to public comment through May. The Draft Climate Change Resilience Strategy includes recommendations for the governor to promote the long-term mitigation, adaptation, and resilience of New Jersey's economy, communities, infrastructure, and natural resources throughout the State. It shows how all recent policy decisions will be made with climate change and environmental risks in mind. The report notes borrowing, taxing, imposing targeted fees, and selling "environmental impact bonds" as means for raising the funds for these projects.

All the while, it was announced in early May that the State intends to hire an outside consultant to analyze the cost to ratepayers to transition the state to clean energy. Such an assessment has been repeatedly delayed even as policymakers approve projects saddling customers with billions of dollars in new charges. Cost has been a constant critique around Governor Murphy's ambitious Energy Master Plan, a blueprint of how New Jersey should achieve 100% clean energy by 2050. The plan never included data or detailed information on what the changes will do to customers' bills. The cost analysis was initially promised to be part of a new Energy Master Plan adopted 16 months ago but was never included after being on pause due to the pandemic. A new analysis is projected to take 18 months, and all the while the Murphy administration will of course make big financial decisions involving expensive clean-energy projects but without that information being made public. Additionally, the lengthy timeframe will allow the cost issue to fly under the radar to avoid it becoming a point of controversy in this fall's gubernatorial campaign. ■

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Compliance Corner

Avoiding Costly Pitfalls: Your Stage II Balance Vapor Recovery Systems

Stage 2 Vacuum Assist decommissioning is complete. But are parts for the remaining compliant Stage 2 Balance Systems readily available?

By Nick De Palma

Throughout last year, NJGCA brought you timely updates and details on the NJ Department of Environmental Protection's ("DEP") mandate to decommission existing Stage II vacuum assist vapor recovery systems ("VAVRS") at retail stations throughout the state.

In the time leading up to the deadline, NJGCA notified our members on DEP's various advisories and laid out the proper steps to decommission your location.

In rare instances, we also took active steps to assist a small handful of our members. While the ongoing COVID-19 pandemic severely affected their business operations and financial resources, it also hampered compliance services contractors to complete the work on time due to labor restraints. We helped where we could.

The deadline was December 23, 2020, and all retail service stations that operated VAVRS-type Stage II systems should now be decommissioned. Any station that did not comply with this directive is technically in violation of DEP's Compliance Advisory, and N.J.A.C. 7:27-16.3(h).

But what of the *"other"* type of vapor recovery system that was not affected by the decommissioning mandate? And are there any downsides to maintaining those remaining systems long-term?

The decommissioning of VAVRS-type Stage II systems did not affect any stations continuing to use a **Stage II balance vapor recovery system ("BVRS").** These stations, colloquially known as "vapor balance" systems ***were not affected*** by the December 23, 2020 decommissioning mandate and continue to operate as they always have.

That said, maintaining a Stage II BVRS will not come without its own potential problems or headaches. Even if DEP states you can continue to operate your Stage II BVRS system, the lack of a decommissioning mandate should not give you any false expectations that maintenance will be free of obstacles.

What do we mean? The possibility that parts and service could become an issue moving forward – leaving you exposed to costly fines for noncompliance.

With Stage II VAVRS sites decommissioned, DEP officials have explicitly stated they will continue to enforce the continuing Stage II BVRS rules. Nothing will change on this front.

However, DEP has simultaneously noted that the number of suppliers offering replacement parts for BVRS has dwindled. In fact, if you are unfortunate enough to own one particular system, there is only one outfit still offering parts for sale.

Remember, from an environmental perspective, vapor recovery systems have not been necessary for years. That's because "Onboard Refueling Vapor Recovery" (ORVR) systems were built into new automobiles since the late 1990s. Just like all Stage II vapor recovery systems, the ORVR systems capture harmful "Volatile Organic Compounds" (VOC) vapors during refueling.

That means if you still have a Stage II system in place (VAVRS, BVRS, or otherwise) you've been paying to maintain equipment at your station for years with no real purpose.

Taken altogether, that means finding, shipping, and installing new replacement parts will become increasingly more difficult. If parts become scarce and lead-times increase, it will ultimately leave you exposed to costly and burdensome fines.

Those fines (which can amount to hundreds of dollars a day, per violation, PER HOSE) may become increasingly cost prohibitive as time goes on.

Decommissioning existing BVRS systems without a mandate may seem illogical without a corresponding DEP mandate. In the long-term, however, the cost of decommissioning may ultimately pay for itself. As parts become scarcer, you may find yourself evaluating the cost of compliance, maintenance, and potential violations; as compared to the price of merely decommissioning your old BVRS equipment.

If you do decide to investigate decommissioning your BVRS system, please contact the MBPs listed in our MBP brochure to have an honest conversation about the process.

And don't forget that any decommissioning will also bring an eventual change to the air permitting process. If you need help post-decommissioning, contact Nick at nick@njgca.org for assistance.

TRAINING CLASS UPDATE: INL & ERT Classes Available

Classes will be held at NJGCA Headquarters
4900 Route 33 West, Wall Township, NJ 07753
Call Nick at 732-256-9646 or email nick@njgca.org to register

Are you interested in getting your INL license?

Do you need an additional inspector for you PIF location?

Are you (or an employee) getting ready to take your A6, A8, or L1 in preparation to recertifying your Emission Repair Technician (ERT) credentials through the State's Emission Technician Education Program (ETEP)?

We can help!

NJGCA wants to hear from students interested in both our next INL NJ Emission Inspector class, and ASE-prep training programs.

Since September 2020, we have resumed providing Members and non-Members with training classes on a regular basis; careful to follow indoor restriction guidelines to maintain a safe learning environment throughout the COVID-19 lockdown.

As we move through summer and into fall, NJGCA will offer the following courses – but we need to hear from you with your interest to gauge demand and schedule sessions:

> **INL NJ Emission Inspector Training:** Our training classes always include the participation of the Motor Vehicle Commission to administer the INL exam immediately after our in-class instruction. However, the State continues to endure a personnel shortfall and the testing date backlog has become an ongoing obstacle that we are working to overcome. As the State caps attendance at ten students, we hope MVC will approve our next series of dates soon so we can officially begin to advertise details with Members and catch up on existing demand.
>
> **ASE-prep Training:** NJ Department of Environmental Protection (NJDEP) has always maintained a "dual-track" system to allow technicians to earn their Emission Repair Technician (ERT) credentials through New Jersey's Emission Technician Education Program (ETEP). In doing so, technicians were allowed to certify as ERTs through either an ASE-test track or an ETEP-educational class track. Starting on January 1, 2020, NJDEP amended the ETEP criteria, and the ETEP-educational class track was abolished. Today, only the ASE-test track remains, and all ERTs must certify or re-certify their credentials through ASE to remain in the Program.
>
> NJGCA has recently offered (and will host again, if we hear from interested students) an ASE-prep class to help you get ready for the A6, A8, and L1.

If you are interested in either of the above classes, please let us know! Your feedback and interest help us to gauge student participation and how many sessions we need to schedule. This is especially important when considering MVC manpower shortfalls and scheduling challenges.

If you would like to attend a training session, please email us at training@njgca.org with your interest.

Battle to Preserve Repair Industry is Again Going Thru Massachusetts

By: Aaron Lowe, AAP, Senior Vice President, Regulatory and Government Affairs, Auto Care Association

Up until recently, anyone wanting to repair a vehicle would simply plug into the vehicle's on-board diagnostic port, located under the steering wheel, and download the fault codes from the in-vehicle modules. Armed with that diagnostic and repair data, shops, whether dealer or independent, could analyze the issue and determine what parts and procedures were needed to complete the repair for the customers. Shops also had the ability to perform bi-directional diagnostics on the vehicle and to download manufacturer generated program updates to the on-board computers.

However, the days of open access to the OBD port are quickly coming to an end. Beginning in model year 2018, FCA (now Stellantis) started requiring shops, and the repair tools they use, to obtain authorization from the vehicle manufacturer prior to having access to many aspects of the OBD system. Other manufacturers such as Hyundai, Kia, Mercedes and Nissan are quickly following suit. Making matters worse, many electric powered vehicles do not have on-board diagnostics ports and companies like Tesla have been strongly resistant to providing access to repair data for their vehicles outside of their factory owned shops.

In addition, more and more repair and diagnostic data is being made available wirelessly through the telematics system from new vehicles. This in-vehicle data is only accessible to the manufacturer. In Europe, some manufacturers are pushing to move to a system where the data is no longer available from the OBD port, but must be obtained from the manufacturer's cloud. Under this scenario, the shop would need to go to the cloud and request a manufacturer to provide the diagnostic data for a specific customer's vehicle sitting in their garage.

The importance of all of these trends is that ultimately it will make the vehicle manufacturer the gatekeeper for all of the data on the vehicle. Once they are in control of this data, they can decide what data to provide, who has access and under what terms. It does not seem that far-fetched to think that those service facilities that purchase a large percentage of their replacement parts from the vehicle manufacturer will be offered better terms than those shops that source their components from independent suppliers.

Reversing the Trend

This issue was key to the decision by the Auto Care Association and the Coalition for Auto Repair Equality (CARE) to push for passage in Massachusetts of a ballot initiative, known as Question 1, that would prohibit manufacturers from requiring authorization for access to OBD systems unless they do it in a standardized way. The bill further required car companies to provide vehicle owners direct access to wireless data and the ability to have that diagnostic and repair data transmitted directly to shops they do business with, whether it is the dealer or an independent.

Question 1 was the subject of an intensive, primarily negative campaign that was launched by the vehicle manufacturers and where they spent over $25 million in television ads intended to scare car owners into voting no on access to in-vehicle data. Ultimately, voters decided they wanted control of their data and a competitive repair industry; and Question 1 was approved by a landslide 75-25 percent margin.

The extent of business opportunities that car companies see from access to in-vehicle data is demonstrated by not only the money spent to defeat the ballot question, but also the fact that the manufacturers filed a lawsuit in an attempt to overturn the measure weeks after it was approved by their customers, the Massachusetts voter. That suit was heard in federal court the week of June 14th and a verdict is expected sometime this summer.

Gaining Nationwide Support

The concern about issues related to who will repair vehicles also received national attention in May of this year when the Federal Trade Commission (FTC) released a report entitled "Nixing the Fix" in which they were highly critical of actions taken by manufacturers to restrict the ability of independents to compete for repair of vehicles. In the report that was submitted to Congress, the FTC stated:

"To address unlawful repair restrictions, the FTC will pursue appropriate law enforcement and regulatory

options, as well as consumer education, consistent with our statutory authority. The Commission also stands ready to work with legislators, either at the state or federal level, in order to ensure that consumers have choices when they need to repair products that they purchase and own."

The effort to address data access and the bigger question of who will be repairing vehicles in the future also will be hitting Congress in 2021. Auto Care is working with the Automotive Aftermarket Suppliers Association (AASA), CAR Coalition and the Specialty Equipment Market Association (SEMA) to obtain passage of legislation that will seek to address on a national level the attempts by car companies to control who repairs today's and tomorrow's vehicles. The new bill would:

• Prevent vehicle manufacturers from employing barriers to repair and maintenance.
• Require vehicle owners and their designees to have direct access to vehicle generated data.
• Prohibit car companies from mandating particular brands, tools, and equipment.
• Establish a stakeholder advisory committee to examine emerging barriers to repair and maintenance.

Getting Engaged

Based on the battle in Massachusetts, obtaining passage of this bill by Congress will be a major undertaking. With that in mind, the Auto Care Association will be producing the REPAIR Act Tour. As part of this ongoing event, the association will be working over the next several months with executives in the industry to host meetings with elected officials in their offices, factories and stores. These live and virtual meetings will not only help educate legislators on our industry, but also the important need to ensure that car owners and their repairers have direct and open access to the data generated by vehicles needed to provide a full range of repairs needed to keep today's and tomorrow's vehicles on the road.

Your support is needed in the months leading up to (and possibly during) AAPEX – it will be crucial to ensuring competitive maintenance and repair options across the industry for consumers. Stay tuned to news from your Associations on the latest in the battle and how you can mobilize your companies to enact change.

To find out more about this critical effort, go to www.autocare.org/ or contact Tod Moore (tod.moore@autocare.org).

Aaron Lowe, AAP, is senior vice president of regulatory and government affairs for the Auto Care Association. With the Association for more than 35 years, he currently oversees Auto Care's federal and state legislative and regulatory efforts, focusing on a wide range of environmental, vehicle safety, workplace-health and safety and international trade issues.

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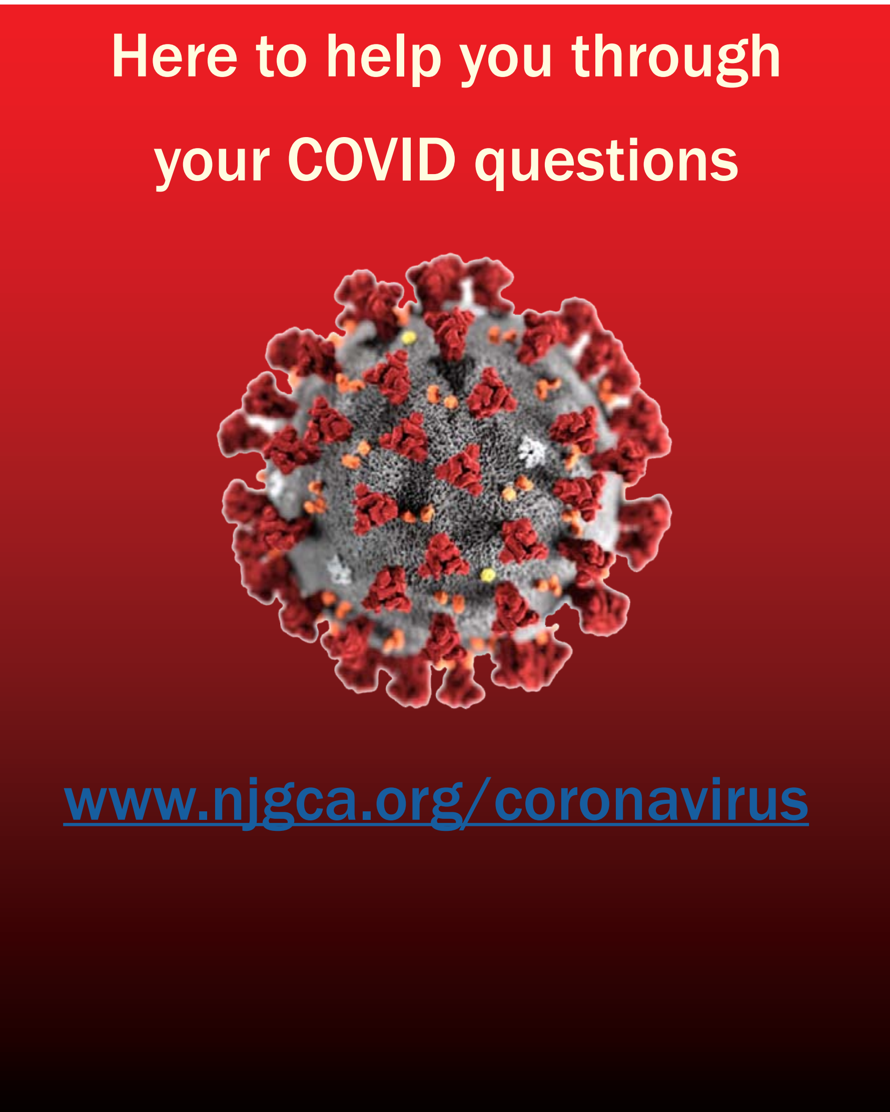
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Two Types of Customers: Communicators & The Silent Types

Recently I got started on the importance of establishing and maintaining a relationship with your customers. I was having a conversation with a good friend of mine yesterday and it really brought the point home. It reminded me of a personal experience I had years ago, which I will share with you a few paragraphs down. I think you're going to be amazed by the end of this article at how long and far reaching the importance of getting this right really is. Let's get started.

Consider that there are many ways you can classify a customer. One is whether or not they will tell you about a problem, perceived or otherwise. There are those whose nature it is that will tell you about it and may do so in a manner that can sometimes be less than civil. Then there are those who will endure whatever it is they think you did wrong and never say a word about it. Let me ask you a question. Which one do you hope for? The one that makes your life easy or the one that might get in your face about it?

The temptation is to go for the easier solution but, in your heart, you know you would rather have the customer "complain". At least if they complain you have an opportunity to correct things and make them right. If they walk away, you might not have any aggravation (and who needs more of that?) but you just might not have a customer left. And the sad part is, for those that walk away, you'll probably never know about it. Whatever it is they think you did to them, you might be doing to other customers. It might not appear to be a big deal in your mind, but it could weigh heavily from the side of your customer.

I'm going to offer up a few examples. First, let's talk about something totally outside our industry but is something we have all been through. Eating out. Everyone's done that. It doesn't have to be fancy. It could be fast food or fine dining.

Here's me: You serve me something that is a little over or undercooked. Maybe there is a little too much spice or not enough. The bread tray is put on the table and the bread is a little stale. The butter in the little plastic packs is totally melted. Maybe the food service took a little longer than it should have. Maybe they brought my appetizer out at the same time as the main course. Maybe the server never refilled my water glass. This list could get longer but I'm just trying to make the point that every business has its own "laundry list" of things that could go wrong at each customer encounter. Ours is no exception.

Here's my solution: As long as you haven't served me absolutely ice cold, overcooked, over spiced, foul tasting swill, I'll probably eat it or make an attempt to. I'll pay the bill, leave an appropriate tip and leave the restaurant. And now, I'll exercise my freedom of expression and reaction to the meal I've just had. I'll never go back again. And I mean never! More on never shortly.

Here's my wife: You do any of the above to her and, (Here's her solution) you will know about it immediately, and with no holds barred. For your sake and that of your business, you better pray that you have customers like my wife. I mean it. At least you will have a chance to correct the error and keep the customer.

Here's one of my personal stories. For those of you who don't know, I spent most of my life in the automotive aftermarket. There was a time, before technology took over, that I could repair just about anything on a car as long as I had the time to do it. At one point, as I started working as an outside salesman for a warehouse distributor I decided that my car was in need of a "tune up". Yeah, I'm old. I changed points, plugs, cap, rotor condenser and wires. I used the top quality of every product we had in the warehouse. It was running like it was new.

About a week later, after several days of heavy rainfall, I go out to start the car and it just refuses. I'm a commissioned salesman. I live 25 miles from where my territory begins and I have customers to see. I have no time to waste so I call a local gas station and ask them to tow it in and I'll be in touch throughout the day. Fortunately, I was able to drive my wife to work and use her car.

My first call to the station: "We replaced the wires. It's still not starting." Second call: "We changed the cap and rotor. Still not running." More of the same on the follow up calls until finally it was "magically" running. I knew what they were doing after the first call but I needed my car back and I was 50 miles away across a bridge and didn't have much recourse. All my customers, where I usually had my car maintained were on the same side of the bridge as I was. When I get home that night I have my wife drop me off at the station to pick up my car. The guy hands me the bill with a list of the parts he replaced and a charge for labor. You and I both know that the problem centered around the soaking of everything under the hood which needed nothing more than drying out properly. I write him a check (that's what we did in those days) and then I hand him my business card. He looks at it and then back at me. I explain to him that I am in the business and I had just replaced every one of the parts he is charging me for last week. I know what he has done and will be sure to tell everyone I know how I was treated. Then I walked out the door.

I lived in that neighborhood for 29 years. I never walked through that door again. My wife and family never got gas there again. Every friend and neighbor I told didn't go back there. Even years after he went out of business and someone else owned the station, I never walked in there again. I would like to tell you that "That's just me", but it's not.

Now to my conversation that started this blog. I volunteer for the Palm Beach County Sheriff's Department in their C.O. P. program. My partner and I are on our weekly patrol and he's telling me about how his car needs tires and it's only 8 months till he turns it in on his lease. We're talking about where he went to look for tires and where he finally bought them. When he mentions one place where he says they offered him a certain national brand of tires at a good price but he would never put them on his car. I ask why. They are a well known brand. I don't understand.

He tells me about how when he was in the Army he had needed tires for his car and got 4 new ones of this national brand installed. He had them for a short time and 2 of them went bad. He went back to the tire shop where he had bought them and the manager told him it was because of the way he drove and wouldn't do anything for him and made him buy 2 new tires. The reality was that he rarely drove off base. Fast forward a couple of months and he is at a new duty station. Another tire goes bad. He brings it into the national brands' service center where the manager tells him "These tires are defective. They had a problem at the factory and the 2 tires you still have on the car are part of that batch." He replaced the 2 tires for free but unfortunately couldn't do anything about the other 2 because he was no longer in possession of them.

Here's the kicker. Get ready for this because if you don't think people will remember a "problem" this ought to convince you. The guy I'm talking about is a Korean War veteran. He is 88 years old. He has NEVER bought another tire on any of his families' cars from that manufacturer. And I'm telling you it is an instantly recognized name.

Here is a fact you have to listen to. A business will only hear from 4% of dissatisfied customers. 96% will not tell you about the problem. 91% will never come back! I've just given you a perfect example of two. How many might you have created?

* * * * * * * * * * * * * * * * *

Bill Rosenberg has spent most of his life in the automotive industry. His father had a gas station and parts house in Monticello, NY in the 1940's. He began as a salesman in the mid 70's for an auto parts distributor. In 1983 he joined BWP Distributors, a CARQUEST member and rose through the ranks to become Sales Manager, Vice President of Sales & Marketing and eventually Sr. VP. During this time he also served on several CARQUEST national committees, one of which was Training. Bill has authored and delivered customized training to thousands of aftermarket personnel including a major program addressing Quality Customer Service. He continues to collaborate with EAST Training and still writes and consults on issues of training and customer service.

How Do You Dispose Your Scrap Tires?

We recently called on our membership in our Road Warrior newsletter to send tips and names of companies that dispose of tires. We currently do not have an MBP that handles this and several members have asked for advice on who can pick up their used tires. Below are the current responses we have collected for those of you who are still looking for this information:

We have been using Tyrex for scrap tire! But a new business just opened up and solicited us called Phoenix Rubber for $2.00 a tire. They can be reached at 973-659-4010

Our supplier Charges us $2.00 for every tire that we purchase from them. If the customer brings their own tires they must take their tires with them.

We currently have Tyrex and pay $2.35 per tire up from $1.50. We used to use Tire Management till they sold out to the big guys. We currently have no problem with pickups except it is on their time schedule.

Made a deal with tire supplier to take all my tires. But I only buy tires from him. The cost is $0 no money exchanged for business.

I know prices are up but the company we use was sold to CompacTyres and raised the price from 1.50 to 2.35 per tire.

Casings of NJ, Inc. located in Hillside. $2.50 per tire. I'm also having trouble finding any competition so this could be an area that needs exploring.

A friend of mine helps me out with recycling tires.

Our tire supply folks take one for one when purchasing. On occasion we have extra casings and he charges us $2.00.

East Coast Recycling Inc.
Owner : Ray
Phone #: 201-906-0711
Ray has been servicing my locations for over 10 years at currently $1.75 per tire.

We purchase tires from Weldon Tire. They take all our used tires for free.

We were having our tires picked up from a company in PA but when I called this morning their number is no longer in service. Our backup option is our current tire supplier but it is definitely expensive to dispose of tires.

I use a company called Tire Management LLC out of Saddle Brook. Their phone number is 800-244-7704. They charge $2.50 per scrap tire. Another tire wholesaler is Momentum Tire Express out of Bloomfield and can be reached at 973-840-1722. They will take a scrap back for every one purchased.

Don't see the company you use on this list? Email Michelle Horowitz Jackson at michelle@njgca.org and send us the company you use to dispose your tires and the price you pay per tire.

Statistics About Our Industry

2,300 Gas Stations, 2,700 Repair Shops, 1,300 C-Stores

By: Eric Blomgren

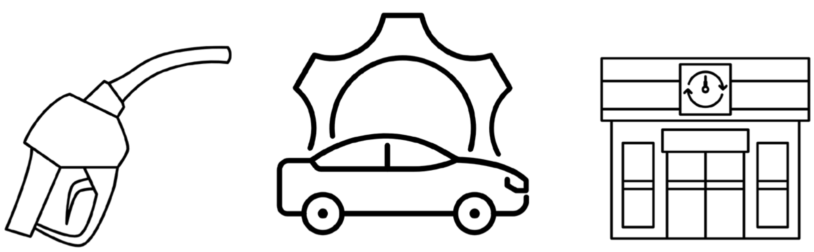
Last year we all participated in the national population Census mandated by the Constitution to be conducted every ten years to ensure our members of Congress and the state Legislature represent roughly equal numbers of residents. You have probably also recently received a phone call or email from NJGCA recently, as we have been conducting our own census of members in order to make sure our records are up to date. The U.S. Census Bureau tracks a wide range of data on an annual basis about different industries. They recently released business data for 2019, below are some findings about the state of our industries just before the pandemic struck.

In 2019 there were 2,372 gas stations in the state of New Jersey. In 1998 (the earliest year the Bureau has this data published online), there were 3,085. However, numbers have been overall steady for the last decade. In fact the 2019 number is slightly higher than the 2009 number. One big shift over the last 20 years is the trend towards gas stations with c-stores. In 1998 just 20% of stations had a c-store, now it's 45%. Nearly half of the stations in 1998 with an auto repair shop have either closed the gas pumps, replaced the shop with a c-store, or closed down completely. 90% of stations without c-stores have fewer than ten employees, the same is true for 65% of stations with c-stores. Another 25% of stations with c-stores have between 10 and 49 employees. Standalone convenience stores number 1,380, down from a high of 1,645 in 2002.

There were 2,728 standalone auto mechanical repair shops in the state in 2019. This number has been stable since 2013, but is still a roughly 14% decline since 1998. 76% of these shops have under five employees, and 94% have under ten. The average annual salary though is nearly $42,000, twice what it is for a gas station with a c-store. When adjusted for inflation, it is almost exactly the same average salary it was in 1998. The number of auto body shops has been on a decline since 2005, now at 1,092 from 1,338 (-18%). Both the average salary and average number of employees are higher at body shops. Oil change and lube shops have declined from 155 in 2009 to 125 in 2019 (-19%). The number of dedicated auto parts store has been roughly steady since 2011 (now at 651), but it still represents a drop of nearly 30% since 1998. Car washes are an industry that has seen an increase in their number, now at 604 from 492 in 2002 (+23%). The number of towing businesses has dropped slightly from a high in 2007, now 279 down from 300, but still a big increase from the 208 recorded in 1998.

40% of the state's gas stations are organized as s-corps, 28% as partnerships, 24% as c-corps, and 7% as individual proprietorships. Ten years ago the percentage of c-corps was 36%, the shift has mostly been to partnerships. Among repair shops, 39% are s-corps, 23% are individual proprietorships, 21% are c-corps, and 17% are partnerships. There has also been a sharp drop in those organized as c-corps, mostly towards individual proprietorships and partnerships.

Nationwide, there are 112,630 gas stations and 91,085 auto repair shops. The industries NJGCA represents total 6,600 establishments in New Jersey, over 40,000 employees, and over $1 billion in annual payroll.



2021

MEMBER BENEFIT PARTNER BROCHURE

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NJGCA'S 2021 MBP BROCHURE
CHECK YOUR MAILBOXES!

Every year, NJGCA partners with select vendors that promise to deliver with excellence many of the services and products needed in the daily operations of your small business. The MBPs listed **all deserve your first consideration when you require the services** that they offer, and have all committed to supporting NJGCA and our goals.

Disruptions Coming To Your Business

By: Michelle Horowitz Jackson

TESLA RESTAURANT

Tesla is a huge disruptor in the automotive industry, so it fits that the company would branch out to disrupt other industries. It may seem confusing as to why they would choose the restaurant industry to disrupt next, but the automaker is looking for ways to increase amenities around the growing number of charging stations to accommodate EV users. The company filed trademark registration for "restaurant services, pop-up restaurant services, self-service restaurant services, take-out restaurant services," under three separate trademarks for Tesla. So far, no formal projects have been announced, though Elon Musk has floated the idea of an old-school 50's style diner and charging station (think something that looks like a futuristic Sonic, with waitresses roller skating up to your car while it's charging with your burger and milkshake, not bad!).

<https://thespoon.tech/tesla-may-soon-open-its-own-restaurant/>

FRICTIONLESS PAYMENTS

We can thank the pandemic for increasing the sense of urgency around frictionless experiences that require little to no contact with an employee. A recent eMarketer report found that in 2020, 92.3 million U.S. consumers aged 14 and older paid with proximity-based mobile payments at least once during a six-month period, and it's only expected to grow to more than 101 million in 2021. The same report also predicts that contactless mobile payment usage will surpass half of all smartphone users by 2025. Another 2020 mid-year survey by the National Retail Federation showed no-touch payments accelerated 69% for retailers, and that 67% of retailers now accept contactless payments, including contactless cards and mobile wallets. Though the use of cash continues to decline, researchers say it's too soon to know if U.S. consumers' shift to cashless payments will last, especially as the country reopens for the summer. As spending rebounds, so might cash payments.

Artificial intelligence and machine learning are also on the rise for frictionless payments. Milen Mahadevan, president of Kroger-owned data company 84.51° said advanced AI systems allow companies to understand what's happening in their business and why it's happening and then use that data to help create that seamless customer experience. While voice assistance hasn't yet picked up as much steam in the U.S. as it has in other parts of the world as a frictionless shopping method, it is expected to grow and likely at a faster rate than previously planned due to the new needs of the customer post-pandemic. A study from Coupon Follow showed that the primary worries of those who didn't yet use a virtual assistant were data safety and a creepiness factor caused by their data being tracked. Virtual assistants can also learn your routines by tracking spending habits and help automate purchases for users. If you can locate parts of your business that can be swapped for an automated or contactless method, it may be something to consider as the world moves towards these technologies much quicker than previously anticipated.

Related, the current labor shortage has forced many business owners to turn to some form of automation to make up for the lost labor. Employers are trying robots, artificial intelligence and advanced software to fill the jobs left by 8.2 million fewer workers in the workforce. According to the U.S. Department of Commerce, during the first quarter of 2021 companies shelled out 16.7% more on automation-related equipment. Last fall, a survey by the McKinsey Global Institute found three-fourths of companies indicated their investment in new technologies would accelerate through to 2024, driven by issues hiring employees. Employers are finding that rather than removing jobs from the workforce, automation is allowing companies that can't fill positions to keep turning out products and services without being forced to close due to lack of employees.

ROBOTS

Robot technology continues to see success, especially following the pandemic. According to a survey from Brain Corp., 73% of large retailers say factors that emerged during the pandemic increased the importance of using robotics in warehouses or distribution centers. Nearly half of the respondents say they will take part in some kind of in-store robotics project within the next 18 months. Robots will also be used to perform daily functions, including collecting in-store data. This includes robotic applications for delivering goods from the back warehouse to store shelves (35%), pricing accuracy checks (35%), scanning shelves for stockouts (59%), order picking (47%) and more. Postmates robotics operation (Serve Robotics) has been getting ahead of this by using its "sidewalk robot" to deliver items to customers at home, and Amazon has been doing expanded tests of Scout, its own delivery bot. Drones are also being explored, with the Federal Aviation Administration letting commercial drone-maker American Robotics operate drones without on-site pilots. The drones may only fly at altitudes lower than 400 feet. Driverless vehicles also use robotic technology. We have mentioned Nuro in the past, and the latest business to invest in driverless delivery vehicles is Chipotle. They join Kroger in starting to offer a different delivery method to expand access and convenience.

A Nuro self-driving vehicle making a Domino's delivery
<https://www.cnn.com/videos/business/2021/04/12/dominos-pizza-delivery-robot-nuro-gr-orig.cnn>

$ave TODAY with NJGCA Member Benefit Partners!

THE NJGCA MEMBER BENEFIT PARTNER PROGRAM

NJGCA has been working hard to bring you and your business value through our Member Benefit Partners (MBPs). Hopefully, you are already taking advantage of many money-saving plans offered by our Member Benefit Partners. Our 2019 Member Benefit Partner Brochure should have arrived and can be viewed on our website, and this year we introduced new Member Benefit Partners. They are listed in blue and marked with asterisks below. We are excited about the great opportunities that you have to save money with these partners!

Here is a list of our current MBPs:

ABLE-TECH - *Computers, Financial Management, Video Security Systems*
AFFINITY FEDERAL CREDIT UNION - *Business Banking Services, Financing, Mortgages*
AMATO INSURANCE AGENCY - *Business, Garage Liability, Home and Auto Insurance*
AMERITRUST - *Workers Compensation Insurance (formerly Meadowbrook Insurance Group)*
ASSOCIATION MASTER TRUST (AMT) - *Health Coverage*
ATS ENVIRONMENTAL SERVICES - *Tank & Vapor Testing, NJDEP Compliance*
AUTOPART INTERNATIONAL - *Premium Parts Supplier*
AUTOMOTIVE TRAINING INSTITUTE (ATI) - *Education for a More Profitable Business*
AUTOZONE - *Auto Parts Supplier*
BELLOMO FUELS - *Gasoline and Diesel Supplier*
BRENNAN LAW - *Environmental, Petroleum and Real Estate Law Specialists*
BUYWISE AUTO PARTS - *Auto Parts Supplier*
CASHA & CASHA LLC. - *Legal Services*
CBIZ INSURANCE - *Business, Garage Liability, Home and Auto Insurance*
C-3 TECHNOLOGIES - *Tank and Vapor Testing, NJDEP Compliance*
cbdelight - *Convenience Store Distributor & Manufacturer*
CHIESA SHAHINIAN & GIANTOMASI PC - *Legal Services*
COLE, SCHOTZ, MEISEL, FORMAN & LEONARD - *Legal Services*
CONSUMERS OIL CORP. - *Gasoline and Diesel Supplier*
CROMPCO - *Tank & Vapor Testing, NJDEP Compliance*
DANA TANK INSURANCE SPECIALISTS - *Underground Storage Tank Insurance*
DANA AUTOMOTIVE - *Auto Parts Supplier*
ENERGY MARKETING PARTNERS, INC. - *Gasoline and Diesel Supplier*
ENVIRONMENTAL ALLIANCE, INC. - *Environmental Remediation & LSRP Services*
GILL ENERGY - *Gasoline and Diesel Supplier*
HAROLD LEVINSON ASSOCIATES - *Convenience Store Distributor*
HEARTLAND PAYROLL - *Business Payroll Services*
HOUGH PETROLEUM - *Gasoline, Diesel, Motor Oil & Lubricants Supplier*
HOROWITZ LAW GROUP - *Legal Services*
KEARNY BANK - *Commercial Financing*
LAW OFFICES OF KENNETH L. BAUM - *Legal Services*
LIBERTY / EWING OIL - *Gasoline and Diesel Suppliers*
LISKO ENVIRONMENTAL - *Environmental Remediation & LSRP Services*
LOEFFELS'S WASTE OIL SERVICE - *Waste Oil Removal*
MARC LAW - *Legal Services*
MERCHANT PRO EXPRESS - *Credit Card Processing & Consulting*
MITCHELL1 - *Shop Management System, OEM Information*
MURPHY BUSINESS - *New Jersey Business Sales*
OIL DRI - *Spill Containment and Shop Supplies*
P.F.I. INC. / NORTHWEST PETROLEUM - *Gasoline and Diesel Supplier*
PEAK ENVIRONMENTAL - *Environmental Remediation & LSRP Services*
PRESTIGE ENVIRONMENTAL - *Environmental Remediation & LSRP Services*
PRIME LUBE, INC. - *Motor Oil and Lubricant Suppliers*
***PROIMAGE** - *Apparel & Promotions*
QUICK & FRESH - *Convenience Store Distributor*
SALOMONE BROTHERS, INC - *Tank and Pump Replacement, Compliance Testing*
SERVICE STATION VENDING EQUIPMENT - *Service Station Vending, Air & Vacuum Systems*
SPARK CONTRACTORS - *Tank and Pump Replacement*
SOUND PAYMENTS - *EMV Compliance*
T&R OIL CO. - *Gasoline and Diesel Suppliers*
TMP ENERGY SOLUTIONS - *Discounted Electricity and Natural Gas*
TRINITY SOLAR - *Solar and Generator Power*

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