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2015 WPMA CONVENTION AND CONVENIENCE STORE EXPO A SUCCESS

February 17-19, WPMA hosted their annual convention and trade show exhibition at The Mirage in Las Vegas. The convention was very well attended and we had the pleasure of associating with many WPMA members and exhibitors. From our informative workshops to our outstanding keynote speaker, Frank Caliendo and our exceptional trade show, it was fun, educational, and very rewarding for all who attended. Our management session speakers were very enlightening. The WPMA annual convention is especially rewarding for our organization, as it is a time we can all come together, renew friendships and gain information that will help make our business more successful. We want to thank each of you for your participation in our convention.

WPMA would like to extend a special thank you to each of those who donated or purchased items from our silent auction and/or played golf in the WPMA Scholarship Open. All of the money raised at these events goes directly to our Scholarship Foundation, to fund the scholarships that we award each year. Once again, thanks to each of you for making our convention such a great success. Without you we couldn't do it.

PMAA PARTICIPATES IN E85 HILL BRIEFING

On Monday, PMAA President Dan Gilligan, served as a panelist on Capitol Hill outlining infrastructure hurdles related to E85 growth.

The briefing for Capitol Hill staff was hosted by the Fuels Institute to further educate Congress on E85 in the market and to outline the Institute's November 2014 report, "E85: A Market Performance Analysis and Forecast." The report, released in November 2014, projects that E85 sales could potentially increase from 196 million gallons in 2013 to between 400 million and 4.4 billion gallons in 2023 as long as the auto industry continues producing FFVs and E85 prices are significantly below those of gasoline.

Since the study did not calculate infrastructure costs, Dan focused on the "return on investment" challenges retailers face when considering the costs of replacing portions of both underground and aboveground equipment. Because of fire codes

it is likely substantial portions of equipment would need to be replaced or upgraded to offer E85. Further, Dan highlighted the point that only two percent of companies owning gas stations currently blend ethanol and benefit from RINS. Without the benefit of selling RINs, retailers have very little incentive to invest in new equipment.

The other panelists were Paige Anderson, NACS; Bob Greco, API; Chris Bliley, Growth Energy; and William Chernicoff, Toyota's Energy & Environmental Research Program.

EPA CHIEF QUESTIONED OVER RFS AND OZONE STANDARDS

On Wednesday, EPA Administrator Gina McCarthy testified before the House Energy and Commerce Subcommittees on Energy and Power and Environment and the Economy. Although the joint hearing focused on EPA's FY 2016 budget, as expected, lawmakers had several questions concerning ozone standards and when EPA plans to finalize 2014, 2015 and 2016 RFS blending volumes. Unfortunately, McCarthy would not provide a more specific RFS final rule timeline other than mentioning around this spring. Her statement follows an announcement made last week by a high ranking EPA official who acknowledged the lack of compatible retail infrastructure has impacted EPA's ability to increase the corn-based ethanol mandate in recent years. Chris Grundler, director of the EPA's Office of Transportation and Air Quality said, "We can't ignore those facts."

Also, Rep. Bob Latta (R-OH) questioned why EPA would go ahead with new ozone standards when the country can't even meet the current standards. The agency just recently issued a final rule to aid states in implementing the George W. Bush Administration's 2008 ozone standards at 75ppb. McCarthy said that there is no problem with EPA reviewing a possible lower ozone standard while the most recent revisions are still being implemented.

EPA normally reviews the standards for ozone every five years. EPA tried to revise ozone standards in 2011, but the Obama Administration withdrew them due to the threat of job loss and higher fuel prices. The National Association of Manufacturers also just recently released a study that said an ozone standard at 65 ppb could cut the GDP by \$140 billion per year.

OILHEAT MEMBERS CONCERNED WITH FUEL-SWITCHING PROVISION

This week, PMAA, NEFI and a number of oilheat state associations sent a letter to the Obama Administration highlighting our concerns with language in the Health and Human Services (HHS) proposed FY 2016 LIHEAP that promotes "fuel switching." As highlighted in the letter, PMAA will be pressing members of Congress and the Obama Administration to work with us and not against us.

Meanwhile, the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies held a hearing on the HHS budget. Congressman Dent (R-PA) asked a question on heating oil dealers' behalf to HHS Secretary Sylvia Burwell. Mr. Dent asked: "Given the low cost of crude oil which has translated into heating oil prices being on par with and sometimes lower than the equivalent natural gas price, why would HHS be using valuable LIHEAP program dollars to switch recipient's fuel systems at cost of \$10,000 on average, when there is no real need given the current price of fuel oil? Current LIHEAP funds could go to help consumers make simple, cost effective upgrades that immediately reduces emissions and saves them on their monthly bills to help pay for the fuel they are currently using. Do you really think it's appropriate for HHS to use LIHEAP rules to discriminate against homeowners based on the fuel they use at this time?"

Mrs. Burwell responded that she was not aware of the fuel switching issue but that HHS would look into it. PMAA as well as Congressman Dent's office will be following up with HHS in the near future.

SENATOR ILLUSTRATES POTENTIAL HARM IN "WATERS" RULE

Sen. Joni Ernst (R-IA) has invited EPA Administrator Gina McCarthy to Iowa to talk about the proposed Clean Water Act jurisdictional rule and the impacts the regulation would have on her state. The Senator wants the EPA Administrator to see who might be impacted by redefining the rule, in particular the industries such as biofuel producers who would be damaged.

Last year, PMAA joined with a coalition representing a broad range of businesses, industries, and commercial interests to voice strong opposition to the revised definition of "Waters of the United States" (WOTUS) proposed by EPA and the U.S. Army Corps of Engineers (COE). Many petroleum marketers with bulk storage will be adversely affected by the revised definition. At the most fundamental level, the proposal as written represents an unjustified expansion of Clean Water Act jurisdiction far beyond the limits of federal regulation explicitly established by Congress and affirmed by the courts. The proposal would, for the first time, give federal agencies direct authority over land use decisions that Congress has intentionally preserved to the States. It would intrude so far into traditional State and local land use authority that it is difficult to imagine that Congress intended this outcome.

PMAA supports the efforts of Senator Ernst as well as H.R. 594, the "United States Regulatory Overreach Protection Act" which would prevent the EPA and Corps of Engineers from improperly expanding the Clean Water Act (CWA) and seizing jurisdiction over water that is currently under control of states and private ownership.

The EPA reported that it will review the invitation from Senator Ernst and respond appropriately. According to the Army Corps of Engineers, nearly 60 percent of the comments received on WOTUS oppose the regulation.

PMAA SUPPORTS BILL TO REPEAL ESTATE TAX

PMAA joined other members of the Family Business Estate Tax Coalition (FBETC) to thank Rep. Kevin Brady (R-TX) and Rep. Rob Bishop (D-UT) for introducing legislation to repeal the death tax.

The “Death Tax Repeal Act of 2015” would permanently repeal the estate tax which is important to protect America’s family-owned businesses.

RFS REFORM BILL INTRODUCED

This week, Senators Pat Toomey (R-PA) and Dianne Feinstein (D-CA) introduced legislation which would eliminate the corn-based ethanol mandate in the RFS. “Our infrastructure has a ceiling for the amount of corn ethanol that can be used, and we’re rapidly approaching it,” Feinstein said. There is a growing frustration among members of Congress with EPA’s delays in issuing the 2014 and 2015 RFS blending numbers. EPA is now a year overdue on issuing the 2014 blending volumes, which leaves uncertainty among obligated parties to meet the RFS requirements. EPA has said it plans to issue a new rule in 2015 to set standards for 2014 through 2016 to bring the annual rulemaking back into compliance with statutory deadlines.

Earlier this month, Reps. Bob Goodlatte (R-VA), Steve Womack (R-AR), Jim Costa (D-CA) and Peter Welch (D-VT) introduced similar legislation. Their bill was introduced last Congress, but it never made it out of committee. It is unclear whether the House Energy and Commerce and Senate Environment and Public Works Committees plan to hold hearings and markups on RFS Reform legislation in 2015.

PRESIDENT VETOES KEYSTONE XL PIPELINE

As expected, President Obama vetoed the Keystone XL pipeline approval bill earlier this week.

Last month, nine Senate Democrats joined all Republicans to approve the legislation. Democrats in support included: Michael Bennet of Colorado, Tom Carper of Delaware, Bob Casey of Pennsylvania, Joe Donnelly of Indiana, Heidi Heitkamp of North Dakota, Joe Manchin of West Virginia, Claire McCaskill of Missouri, Jon Tester of Montana and Mark Warner of Virginia. The GOP-controlled Congress may attempt to override the veto, but is expected to fall short of the necessary 67 votes in the Senate and 290 votes in the House. Senate Majority Leader Mitch McConnell (R-KY) said his chamber would consider overriding the veto no later than March 3. McConnell said earlier today, “Keystone is a no brainer which moves us toward energy independence and creates jobs. President Obama must stop playing politics and sign the bill.” The Senate bill’s sponsor, Sen. John Hoeven (R-ND) said the Senate will likely try to attach the bill to future bills that the President may not want to veto such as the highway bill reauthorization or a spending bill later this year.

President Obama has said he wants to wait until the State Department review is completed before deciding on whether to approve construction of the pipeline. The State Department should give its recommendation anytime now.

PMAA fully supports the immediate approval of the Keystone XL pipeline.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

February 16 – 18, 2016 - WPMA Convention & Expo – Mirage Hotel, Las Vegas, Nevada
May 14 – 15, 2015 - Nevada (NPM&CSA) BIG DOGS 4 – JW Marriott Las Vegas Resort & Spa, Nevada
June 2 – 4, 2015 - Montana (MPMCSA) Convention – Northern Hotel, Billings, Montana
June 22 – 25, 2015 - Washington (WOMA) Convention – Suncadia Resort, Cle Elum, Washington
August 5 – 7, 2015 - Idaho (IPM&CSA) Convention - Sun Valley Lodge - Sun Valley, Idaho
August 17-19, 2015 – New Mexico (NMPMA) - Marriott Pyramid North – Albuquerque, New Mexico
September 15-17, 2015 - Utah (UPMRA) Convention - Park City Marriott - Park City, Utah
August 3 – 5, 2016 - Idaho (IPM&CSA) Convention - Coeur d’Alene Resort - Coeur d’Alene, Idaho

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