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MIDWESTERN SENATORS CALL ON EPA TO INCREASE BIOFUEL USE IN 2017

On Wednesday, 18 Senators requested that EPA set higher biofuel targets for 2017. The letter states that although the Senators are "pleased that EPA increased the renewable fuel volumes from the proposed to the final rule, [they] remain concerned that it continues to use distribution infrastructure as a factor in setting blending targets."

PMAA applauded EPA for reducing the corn ethanol mandate for 2016 after the agency acknowledged that existing UST infrastructure is not certified to handle ethanol blends above 10 percent. PMAA continues to oppose volumetric ethanol blending mandates for gasoline that would require the introduction of E15 until all practical and legal UST compatibility issues are settled for petroleum marketers. PMAA advocated this position to the EPA via written comments and public testimony. Last year, PMAA Executive Committee member Vern Kelley (Kelley Fuels, Shakopee, Minnesota) who is also a corn farmer highlighted to policymakers that UST infrastructure concerns with E10 plus blends DO exist and with ethanol prices trading at a premium to gasoline futures, the economics aren't there for marketers to make the necessary investments to market higher ethanol volumes.

When marketers are in town for their annual Washington Conference and Day on the Hill on May 19, they will urge members of congress to press EPA not to exceed 9.7 percent ethanol in the gasoline supply for 2017 and to recognize the real world lack of demand for E85. PMAA and marketers will also continue to educate policy makers/EPA to allow marketers to continue to sell E0.

SWIPE FEE BATTLE HEATING UP AGAIN

The move to EMV (Europay, MasterCard, and Visa) is fraught with liabilities and delays for retailers. Retailers are receiving more chargebacks since October 1, 2015, when nine of the largest U.S. payment networks enacted a financial liability shift burdening the party who uses the lesser technology, yet the networks are far behind in certifying new machines that would help retailers protect against fraud. There are multiple efforts in play to bring reason to the credit card markets.

Two actions that are of particular significance for marketers occurred recently: First, because verifying a credit transaction using an EMV card is essentially the same as clearing a debit transaction, the fee should be the same as for debit. Since EMV fees are higher than debit fees, retail groups asked the Federal Trade Commission to examine the issue.

Second, Senator Dick Durbin (D-IL), the author of the language limiting debit fees in the 2010 Dodd-Frank Act, sent a letter on March 17 to the Chair of the industry group EMVCo seeking answers to 10 questions that he hopes will clarify how the U.S. payment card market can be improved. Durbin asked whether chip technology, which is designed to be safer and more secure, is adequately protecting competition and consumers; about the lack of merchant and small payment network representation on EMVCo; the influence of foreign card networks; and whether EMVCo believes chip and PIN authentication should be discontinued in non-U.S. markets.

EMVCo has 30 days to respond to Senator Durbin's questions. PMAA actively supports all efforts to minimize burdens that are placed on marketers and retailers by the payment network and to minimize all swipe fees.

HOUSE REPUBLICANS CRITICIZE USDA OVER PROPOSED SNAP RULE

Last week, Republicans on the House Agriculture Committee grilled Kevin Concannon, USDA's undersecretary for Food, Nutrition and Consumer services, over a proposed rule that would change food stocking requirements for convenience stores and gas stations that accept Supplemental Nutrition Assistance Program (SNAP) benefits.

The proposed rule would require that all stores that accept EBT (debit card) SNAP benefits must also stock no fewer than seven (the current regulation requires three) different products in each of USDA's staple food groups: meat, poultry or fish; bread or cereal; vegetables or fruits; and dairy. Retailers would also be required to offer at least one perishable food item in three of those categories, up from two categories. Agriculture Committee Chairman Mike Conaway (R-TX) suggested the rule might push small stores to discontinue accepting SNAP benefits and pointed out to Concannon that no one with food retail experience was involved during the two years it took to draft the proposal.

PMAA has major concerns with the proposed rule and will solicit feedback from the Convenience Store Committee in order to file comments before the April 18, 2016 due date.

HOUSE REPUBLICANS PLAN TO CHANGE TAX CODE

Republicans in the House are proposing new plans to eliminate the current tax code. The proposals are designed to switch the U.S. from taxing income to taxing consumption. Congressman Rob Woodall (R-GA) wants a national sales tax; Congressman Devin Nunes (R-CA) wants to tax business cash flow by allowing immediate write-offs of capital expenses

and disallowing interest deductions; and Congressman Michael Burgess (R-TX) is for a flat tax.

Each of the plans could encourage more savings and investment, but could also pose political problems. Republicans both on the presidential campaign trail and in Congress are split, with some pushing multi-trillion-dollar tax cuts and others seeking consumption taxes. Last week, Speaker of the House Paul Ryan (R-WI) rejected a focus on the distribution of the tax burden.

2017 WPMAEXPO - LAS VEGAS, NEVADA



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MARK YOUR CALENDARS FOR UPCOMING EVENTS

February 21 – 23, 2017 - WPMA Convention & Expo – Mirage Hotel, Las Vegas, Nevada

May 3, 2016 - Idaho (IPM&CSA) Boise Ranch GC PAC Golf Outing – Boise, Idaho

May 19-20, 2016 – Nevada (NPM&CSA) Big Dogs Shootout – Red Rock Resort & Casino – Las Vegas, Nevada

June 7-9, 2016 – Montana (MPMCSA) Convention – Fairmont Hot Springs Resort – Butte, Montana

June 20-23, 2016 - Washington (WOMA) Convention - Suncadia Resort - Cle Elum, Washington

June 23, 2016 – Utah (UPMRA) Summer Golf Classic – Mountain Dell Golf Course, Salt Lake City, Utah

June 29, 2016 – Idaho (IPM&CSA) Magic Valley PAC Golf Outing – Blue Lakes Country Club, Twin Falls, Idaho

August 3, 2016 – Idaho (IPM&CSA) Circling Raven GC Pac Golf Outing - Coeur d'Alene, Idaho

August 3 – 5, 2016 - Idaho (IPM&CSA) Convention - Coeur d'Alene Resort - Coeur d'Alene, Idaho

August 22-24, 2016 – New Mexico (NMPMA) Convention – Sandia Resort & Casino – Albuquerque, New Mexico

August 26, 2016 – Hawaii (HPMA) Golf Tournament – Honolulu Country Club – Honolulu, Hawaii

September 14-16, 2016 - Utah (UPMRA) Convention - DoubleTree Hotel by Hilton - Park City, Utah

June 18-22, 2017 – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, Washington

August 2-4, 2017 - Idaho (IPM&CSA) Convention – Sun Valley Resort, Sun Valley, Idaho

June 17-21, 2018 – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, Washington

August 8-10, 2018 - Idaho (IPM&CSA) Convention - Coeur d'Alene Resort - Coeur d'Alene, Idaho

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Position is as an independent contractor answering to the Board.
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