

April 7, 2017

Visit us online at www.wpma.com

WP-04-07-17

PMAA SIGNS LETTERS SUPPORTING SMALL BUSINESS REGULATORY FLEXIBILITY BILLS

This week PMAA joined other associations in a letter to the House and a letter to the Senate. The letters strongly support H.R. 33, the Small Business Regulatory Flexibility Improvements Act, which would reform the regulatory process to ensure that all federal agencies appropriately consider the impact of their rules on small businesses across America. As a result, federal agencies would issue smarter regulations that minimize inefficiencies and unnecessary burdens while still protecting public health, worker safety and the environment.

PMAA supported efforts to pass similar legislation last Congress.

SUPREME COURT DENIES TRUMP REGARDING WOTUS

This week, the Supreme Court denied the Trump Administration's motion to pause the Waters of the U.S. (WOTUS) litigation in spite of Trump's recent executive order compelling EPA and the Army Corps of Engineers to review and revise or rescind the rule. Justices did not release details of why they decided to go ahead with the case.

The Supreme Court is expected to hear oral arguments in its fall term and could issue a decision by the end of the year. The rule is important to petroleum marketers because it defines how far federal clean water regulations extend into local land use and permitting decisions including the construction of new gasoline stations and surface water runoff from parking and fueling areas. Many petroleum marketers with bulk storage could also be adversely affected by the revised definition.

In 2015, PMAA joined with a coalition representing a range of businesses, industries, and commercial interests to voice strong opposition to the revised definition of the Waters of the United States (WOTUS) proposed by the EPA and the Army Corps of Engineers (COE).

COALITION FORMED TO MAINTAIN RFS POINT OF OBLIGATION AT REFINER LEVEL

This week, a new coalition known as the "Main Street Energy Alliance" was formed to combat efforts to move the RFS point of obligation from refiners/imports to position holders at the terminal rack. Click [here](http://mainstreetenergyalliance.com/) (<http://mainstreetenergyalliance.com/>) for a list of members and additional information. Another coalition was formed earlier this year known as the Small Retailers Coalition who continues to urge the Trump Administration to move the point of obligation to the position holder at the terminal rack. Click [here](http://smallretailerscoalition.com/) (<http://smallretailerscoalition.com/>) for more information on this coalition.

Reducing the Renewable Fuel Standard's (RFS) 15-billion-gallon ethanol mandate (which was increased in the last few months of the Obama Administration) continues to be a PMAA top priority this year. The ethanol mandate has raised the value of renewable identification numbers (RINs) thereby creating an uneven playing field in the retail motor fuels market. Related to this issue has been the petition to the EPA to move the point of obligation from the refiner level to the position holder at the rack to reduce the value of RINs. The comment period deadline for that petition was February 23, 2017.

PMAA continues to believe that the best path forward to reduce RIN values and avoid UST compatibility concerns with the corn ethanol mandate is to immediately reduce the ethanol mandate below the E10 blendwall.

HOUSE REPUBLICANS UNABLE TO REACH AGREEMENT ON HEALTHCARE BILL BEFORE RECESS

House Republican moderates known as the Tuesday Group and hardline conservative Freedom Caucus members were unable to come to an agreement before the two-week recess that started yesterday. Negotiations are still ongoing.

House Freedom Caucus members were expecting more changes to the legislation that the White House proposed. Conversely, Tuesday Group members complained that the Administration's compromises already went too far.

With the Trump Administration urging that a deal be reached very soon, the two sides are under intense pressure to put their differences aside and come to an agreement. However, if these discussions are any indication as for what is to come, it may very well be a while before a deal is made.

LAWMAKER INTRODUCES REST AREA PRIVATIZATION BILL

Yesterday, Rep. Jim Banks (R-IN) introduced legislation (H.R. 1990) that would permit commercial services such as convenience stores and restaurants at Interstate rest areas. PMAA is concerned that interstate-based motor fuel retailers will be unable to compete with commercialized rest areas, which are conveniently located on the highway right-of-way, and would create a de facto monopoly in favor of businesses operated out of rest areas. Interstate rest area commercialization would destroy the property tax base of local governments (for a short term gain in state revenue) and put many retailers

out of business.

In the 2012 transportation bill, a Senate amendment seeking to overturn the prohibition on commercial rest areas was overwhelmingly defeated by a vote of 86-12. Today, PMAA, along with like-minded groups, sent a letter to the Chair and Ranking member of the House Transportation Committee opposing rest area commercialization. Click [here](http://www.pmaa.org/weeklyreview/attachments/Letter%20Opposing%20Rest%20Area%20Privatization.pdf) (<http://www.pmaa.org/weeklyreview/attachments/Letter%20Opposing%20Rest%20Area%20Privatization.pdf>) to read the letter.

OPPONENTS OF A BORDER ADJUSTMENT TAX (BAT) ARE WINNING, WHAT WILL THE ADMINISTRATION SUPPORT?

Trump has yet to release his tax plan and whether he will support or oppose the border-adjustment tax (BAT) is still unknown. The President's advisors disagree on the value of the BAT. Treasury Secretary Steven Mnuchin and Trump's top economic adviser, Gary Cohn oppose the border-adjustment concept, while Stephen Bannon, the president's chief strategist, favors the proposal.

Speaker Ryan (R-WI) and Chair of the House Ways and Means Committee Rep. Brady (R-TX) want the border-adjustment plan in order to raise revenue (\$1 trillion in ten years) that would help finance tax cuts. Further, they believe it would reduce incentives for U.S. companies to move jobs overseas and it would make American-made products compete more effectively overseas. The supporter companies of a BAT, the American Made Coalition, has 30 major companies such as Merck & Co., General Electric Co., and Caterpillar Inc.

Opponents believe a BAT would lead to higher prices on consumer goods. Opposition to a BAT has come from a coalition launched on February 1, which has 400 member companies including J.C. Penney, Wal-Mart Stores Inc., Target Corp. and Nike Inc. At this point in the national debate, the opponents are definitely having the most sway with consumers and politicians.

PMAA is still weighing the pros and cons of a BAT and has not yet taken a position, while some groups like the Business Roundtable, the U.S. Chamber of Commerce, the American Petroleum Institute and National Association of Manufacturers have not taken a position because their memberships are split on the issue.

Meanwhile, Senate Commerce Committee Chairman Thune (R-SD) said that lawmakers will look at any proposal President Trump makes for infrastructure and for tax reform in the order in which they come.

SENATE DEMOCRATS SEEK ANSWERS REGARDING NEW EPA PROCEDURES

Three Senate Democrats are demanding answers from new EPA Administrator Scott Pruitt. Senators Brian Schatz (D-HI), Ed Markey (D-MA) and Sheldon Whitehouse (D-RI) are asking Pruitt to clarify new directives that would overturn long-established EPA procedures. The senators want assurance from Pruitt that the EPA's efforts to roll back regulations will include input from scientists and citizens. This comes as two EPA memoranda were released outlining new procedures for rulemaking.

One memorandum frames the structure of a Regulatory Reform Task Force that will provide recommendations as to which regulations will be modified, repealed or replaced. In their letter to Pruitt, the senators argue that the task force fails to receive input from citizens before a regulation is changed and that the task force will only consider the costs of regulations instead of the benefits. The second memorandum states that all offices within the EPA must submit all steps taken in the regulatory process into a system which is overseen by political appointees in the Office of Policy. However, the senators argue that Pruitt's employees at the EPA lack the scientific knowledge to understand the quality of information behind regulatory actions. The senators also argue that the EPA no longer prioritizes the health of citizens.

REGISTER FOR PMAA'S WASHINGTON CONFERENCE AND DAY ON THE HILL

PMAA's 2017 annual Washington Conference and Day on the Hill will be held in Washington, DC from May 17-19. With the new Congress and Administration in place, our industry continues to have dozens of important legislative and regulatory issues to discuss and the Day on the Hill continues to be the primary focus of this conference.

The meeting will begin with an Opening Session / Issues Briefing and Region meetings in the afternoon of May 17. In addition, PMAA will hear from Rep. Bill Flores (R-TX) on May 17 during the Opening Session. Our welcome reception, including our fun and popular PAC silent auction fundraiser, concludes the day! On the morning of May 18, marketers will head to Capitol Hill for visits with their Congressional delegations after a buffet breakfast and issues briefing for those who were not able to attend the opening session. Please be sure to make these appointments as soon as possible. There will be a hospitality suite and luncheon on the Hill. On the evening of May 18, we will honor our 2017 PMAA Chair Mark Whitehead from Lincoln, Nebraska. Our conference will conclude after the PMAA Board of Directors meet on May 19 following a buffet breakfast and committee meetings.

Please click [here](http://www.cvent.com/d/svqfn) (<http://www.cvent.com/d/svqfn>) for our event website for all details including registration with secure event payment processing through Cvent. If you plan on attending PMAA's annual Washington Conference and Day on the

Hill, please take the time now to make your room reservation through A Room with A View (our overflow hotel company serving as our waitlist) at 800.780.4343. Washington Marriott at Metro Center PMAA room block is currently full. Hotel and Travel information is posted on our event website. We are expecting a RECORD turnout and would appreciate you and your members to plan ahead: We encourage you to make room reservations and complete online registration at your very earliest convenience.

Please make your plans to attend this important and productive forum to meet with your members of Congress and network with other marketers from across the country! We look forward to welcoming you to DC in May!

ANNOUNCING NEW WPMA MEMBER SERVICE

WPMA has partnered with American Fidelity Assurance Company to provide its Marketer members with supplemental employee benefits, employee benefits education and enrollment, online enrollment tools and communication, and Patient Protection and Affordable Care Act (ACA) compliance.

For more information, visit www.americanfidelity.com.

PLAN TO ATTEND THE 2018 WPMAEXPO



Mark your calendars for February 20-22, 2018. Make plans now to attend the 2018 WPMAEXPO.
It will be held once again at the Mirage in Las Vegas, Nevada.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

May 4-5, 2017 – Nevada (NPM&CSA) Big Dogs Shootout – Las Vegas, Nevada

June 6-8, 2017 – Montana (MPMCSA) Convention – Northern Hotel – Billings, Montana

June 19-22, 2017 – Washington (WOMA) Convention – Suncadia Resort – Cle Elum, Washington

June 22, 2017 – Utah (UPMRA) Summer Classic PAC Golf Outing – Stonebridge GC, WVC, Utah

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

August 21-23, 2017 – New Mexico (NMPMA) Convention – Sandia Resort – Albuquerque, New Mexico

September 13-15, 2017 – Utah (UPMRA) Convention – Zermatt Resort – Midway, Utah

February 20-22, 2018 – WPMA Convention & Expo – Mirage Hotel – Las Vegas, Nevada

June 18-21, 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

WPMA MEMBER SERVICES



Be sure to subscribe to all of our social channels for great tips, industry trends, and insider information about association activities and upcoming events!



Petro Pete: "Experience is something you don't get until just after you need it."

© 2017 Western Petroleum Marketers Association - All rights reserved. No part of this work may be reproduced or copied in any form or by any means - graphic, electronic, or mechanical, including photocopying, recording, or otherwise. The information herein is also intended for the sole purpose of members of the Western Petroleum Marketers Association (WPMA). Any other use is strictly prohibited without the express written consent of the WPMA. If you do not wish to receive information via fax or e-mail, please contact WPMA at: (801) 263-9762, Fax: (801) 262-9413, or e-mail: janr@wpma.com. Thanks.