

May 5, 2017

Visit us online at www.wpma.com

WP-05-05-17

NOW IS THE TIME TO 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 the 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 immediately.** 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. 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/svqfns) (<http://www.cvent.com/d/svqfns>) 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 also 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 and they will accommodate you at various hotels as close as possible to the Washington Marriott at Metro Center. As rooms become available soon, they will transfer your reservation to Marriott at Metro Center as they were received by them. May is a very busy peak month here in Washington, DC where hotels book quickly and there are many citywide events also going on during our conference. Hotel and Travel information is posted on our event website. We are expecting a record turnout! **If you have not yet registered or reserved your hotel room, now is the time to do so!**

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!

HOUSE PASSES BILL TO REPEAL AND REPLACE OBAMACARE

Yesterday, the House narrowly passed a bill that would repeal and replace significant portions of Obamacare by a vote of 217-213. The passage is a huge victory for many House GOP members, many of whom ran campaigns on the promise of repealing and replacing Obamacare. The healthcare bill, known as the "American Health Care Act," had to be pulled in March because of a lack of votes, but a series of deals since then brought on board the conservative Freedom Caucus and then moderates from the Tuesday Group.

The key move to winning over moderates and, ultimately, gaining enough votes for passage was a last-minute addition of \$8 billion more in funding for people with pre-existing conditions. The bill repeals many elements of Obamacare, including subsidies for insurance coverage, expansion of Medicaid, taxes and mandates for people to get coverage including the employer mandate. In its place, the bill provides a new tax credit aimed at helping people buy insurance.

The measure now moves to the Senate where it faces an uphill battle, with a major overhaul expected. Republicans can only afford to lose two votes on the bill for its passage and some Republicans have already announced that they cannot support the current bill.

FINANCIAL CHOICE ACT PASSES HOUSE FINANCIAL SERVICES COMMITTEE

Yesterday, the House Financial Services Committee passed the Financial Choice Act which includes language to repeal debit card fee reform passed along party lines by a vote of 34-26.

Repealing the Durbin amendment would be extremely harmful to retailers because it ultimately lowered debit card interchange fees and interchange fees are the second highest expense to a retailer only behind labor. PMAA has been working with the Merchants Payments Coalition (MPC) and meeting with House Financial Services Committee members for the past year to educate members of Congress about the benefits of the Durbin amendment.

The measure now heads to the full House floor for a vote. It is expected that the House will take up the measure later this month. If you have not already done so, click [here](http://www.pmaa.org/advocacy/advocacy/#/10) (<http://www.pmaa.org/advocacy/advocacy/#/10>) to send a letter to your representatives urging them to protect the Durbin amendment.

PMAA JOINS LETTER TO TREASURY SECRETARY MNUCHIN

Last week, PMAA along with other members of the Family Business Coalition sent a letter to Secretary Mnuchin reiterating our request for the Treasury Department to withdraw the proposed Section 2704 estate and gift tax regulations.

A recently proposed regulation issued under Internal Revenue Code Section 2704 would minimize the number of estates that would be eligible for valuation discounts and avoidance of double taxation via the estate, gift or transfer taxes.

The pending 2704 regulations would disregard lack of control and lack of marketability in family business valuations, artificially increasing family businesses' exposure to estate and gift taxes as a result. Withdrawing the regulations is consistent with the spirit of President Trump's Executive Orders to minimize the regulatory burden.

PMAA has been working with coalitions to fight this valuation discount regulation.

REGULATORS AND LEGISLATORS CONSIDERING E15 WAIVER

On Wednesday, EPA Administrator Scott Pruitt told members of the National Association of Farm Broadcasting that EPA is considering granting a year-round waiver to sell 15 percent ethanol fuel. Pruitt's comments follow a threat the day before by Senators Grassley (R-IA) and Thune (R-SD) to hold up repeal of an Obama era methane rule unless Congress would allow the sale of 15 percent ethanol fuel blends year-round.

Pruitt told the crowd that there is an ongoing statutory analysis and it is a matter of whether statute permits it or not. There is dispute within EPA about whether EPA can grant a waiver or if the Clean Air Act must be amended.

Pruitt also said EPA should meet its November deadline to publish the final RFS volume mandates and the agency is still reviewing comments on whether to change the point of obligation.

PMAA opposes efforts that would amend the Clean Air Act to extend the 1 psi waiver to gasoline blends higher than E10 during the summer ozone season. Such a change would expedite the use of E15 without addressing the infrastructure and liability issues that are associated with its use.

OIL REFINERS AND STEELWORKERS FORM GROUP TO OPPOSE RFS

Recently, a group, known as "Fueling American Jobs," was created to show support for changing which companies must comply with the RFS and for moving the point of obligation to the blender level. The group consists of a partnership between the United Steelworkers Union, Valero and several Philadelphia-area refining companies, such as Monroe Energy, Philadelphia Energy Solutions and PBF Energy. The group argues that independent refiners will begin laying-off workers if a change is not made to the RFS and to the point of obligation.

MENU LABELING RULE DELAYED A YEAR

On Tuesday, the FDA released a pre-publication version of an interim final rule, which extends compliance and enforcement of the menu labeling rule until May 7, 2018. FDA enforcement of the menu labeling rule was expected to begin on May 5, 2017. The delay is good news for convenience store owners as it allows more time for Congress or the Administration to correct the onerous requirements.

In the interim rule, FDA explains "In the Federal Register of December 30, 2016, we stated that the compliance date for the final rule would be May 5, 2017. We are extending the compliance date to May 7, 2018. We are taking this action to enable us to consider how we might further reduce the regulatory burden or increase flexibility while continuing to achieve our regulatory objectives, in keeping with the Administration's policies." The delay of the rule is consistent with the executive orders that the President has released that are designed to reduce regulatory burdens.

Certainly, the interim rule highlights some of our industry's pressing concerns. Specifically, the FDA notes that, "Retailers with many different and diverse business models have raised concerns about how the rule lacks flexibility to permit them to provide meaningful nutrition information to consumers given their type of business and different operations. Moreover, we continue to receive many questions about calorie disclosure signage for self-service foods, including buffets and grab-and-go foods. We do not want to proceed with a rule that might turn out to be too inflexible to support innovation in delivering information to consumers. In addition, we have received questions regarding how to distinguish a menu, which requires the posting of calorie information, from advertisements and other marketing pieces, which do not require calorie information. Many of these menu questions are complex and have highlighted for the agency the need for further consideration and clarification. How to address the natural calorie variations for foods has also been raised by stakeholders as an issue that needs additional guidance and clarity."

Although this delay and clear Administration interest in making the rule less onerous and more workable for everyone is good for marketers, we will also continue to urge Congress to act on the "Common Sense Nutrition Act" as quickly as possible.

In February, the "Common Sense Nutrition Disclosure Act" (H.R. 772) was reintroduced by Reps. Cathy McMorris Rodgers (R-WA) and Tony Cardenas (D-CA) and Senators Roy Blunt (R-MO) and Angus King (I-ME) reintroduced companion legislation (S. 261). The legislation would give retailers the flexibility they need to comply with the requirements.

The legislation would modify the menu-labeling regulation by permitting retailers to identify a single primary menu while not having to include nutrition labeling in other areas of the store. Furthermore, the bill would clarify that advertisements and posters do not need to be labeled and would provide flexibility in disclosing the caloric content for variable menu items that come in different flavors or varieties, and for combination meals. Lastly, the bill would ensure that retailers acting in good faith are not penalized for inadvertent errors in complying with the rule and would stipulate that individual store locations are not required to have an employee "certify" that the establishment has taken reasonable steps to comply with the requirements.

FUNDING IN FY 2017 OMNIBUS FOR LUST AND LIHEAP MAINTAINED AT CURRENT LEVEL

SNAP Final Rule Fix included

This week, Congress passed a \$1.1 trillion spending package to fund the federal government through the end of the fiscal year, which ends September 30th. The package includes funding for the Leaking Underground Storage Tank (LUST) Trust Fund and the Low Income Home Energy Assistance Program (LIHEAP), which are particularly important to marketers.

The LUST Trust Fund maintains level funding from fiscal 2016, at \$91.9 million. Leaks from underground storage tanks pose a serious threat to the environment and to public health. Therefore, in the 1980s, Congress and the EPA began to address the problem of UST releases by creating the LUST Trust Fund financed by a federal one-tenth cent (\$0.001) per gallon tax on motor fuels. The bill includes \$3.39 billion for LIHEAP, equal to the fiscal 2016 amount. However, President Trump's proposed \$1.1 trillion FY 2018 budget blueprint eliminates LIHEAP. PMAA has urged Congress not to eliminate LIHEAP because it is vital in serving low income consumers of home heating fuel.

Additionally, the bill includes a provision that would require the Food & Nutrition Service (FNS) to rewrite the definition of "variety" under their updated Supplemental Nutrition Assistance Program (SNAP) retailer eligibility regulations. This will give retailers more options for which foods can count toward staple food stocking requirements. Until the change is made, retailers can comply with the older requirements that require stocking three varieties of food in the four staple food categories instead of the new requirement of stocking seven varieties of food in the four staple categories.

The change in the definition of variety will correct the new requirement that variations of the same item count as only one item. For example, if a store has rice-based cereal and oat-based cereal, the two only count as one variety under the grain or cereal category. Variety was previously defined by the main ingredient or kind of product but the new rule changed not in this case. Apples are an issue as well as tomatoes; tomatoes, tomato sauce and tomato juice are all considered the same by the new definition. The bill now heads to President Trump's desk, where he is expected to sign the legislation.

HOUSE PASSES COMP TIME BILL

On Tuesday, the House passed H.R. 1180, the "Working Families Flexibility Act of 2017" by a vote of 229-197. The bill would allow private-sector employers to substitute compensatory time to their hourly employees instead of overtime pay. The legislation would give workers more flexibility. Employees would have to be given at least 1.5 hours of comp time for each hour for which overtime pay would have been required. Under current law, employees are paid time and a half as overtime compensation. Employees in executive, administrative or professional jobs are exempt from overtime requirements.

The Trump Administration supports the bill and action is pending in the Senate HELP Committee for similar legislation that was introduced by Senator Lee (R-UT). PMAA supports all efforts to ease the burdens of petroleum marketers.

ANNOUNCING THE 2017 WPMA SCHOLARSHIP RECIPIENTS!

WPMA is pleased to announce the WPMA Scholarship recipients for 2017. Following is a list of the students, with their state, hometown, and the WPMA member company through which they applied for the scholarship.

Please read the summer issue of the WPMA News magazine for a full report on each of these students.

<u>State</u>	<u>Recipient's Name</u>	<u>Hometown</u>	<u>WPMA Company</u>
Hawaii	Gabriella Pua'a	Honolulu	Aloha Petroleum Ltd
Idaho	Ashlyn Rowden	Lewiston	Coleman Oil Company
Montana	Cheyenne Fisher	Glendive	CityServiceValcon
Nevada	No applicants in 2017		
New Mexico	Garrett Reed	Dexter	Bell Gas Inc
Utah	Aryn Blair	Laverkin	Overland Petroleum
Washington	Makenzie Funk	Colbert	Banner Furnace & Fuel Inc
Associate	Jessica Barrus	North Logan, UT	Miller Brothers Express

Congratulations to these amazing 2017 WPMA scholarship recipients!

Please remind your full-time employees of the WPMA Scholarship program, so their children can apply. Applicants must be high school seniors this fall in order to be eligible for the 2018 scholarships. The scholarship application is available for downloading on the WPMA website: www.wpma.com/scholarship. Applications for the 2018 scholarships must be postmarked by March 1, 2018. ***Start thinking about it now!***

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

June 6, 2017 – Idaho (IPM&CSA) PAC Golf Tournament, Clear Lake CC, Buhl, Idaho

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

August 31, 2017 – Idaho (IPM&CSA) PAC Golf Tournament, Huntsman Springs GC, Driggs, Idaho

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

October 5, 2017 – Hawaii (HPMA) Golf Tournament – The King Kamehameha GC, Wailuku, Hawaii

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: “Of course I talk to myself. Sometimes I need expert advice.”

© 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.