

## **WPMA ANNOUNCES 2018 WPMAEXPO KEYNOTE SPEAKER!**



WPMA is excited to announce our 2018 WPMAEXPO Keynote speaker will be **Mitt Romney**, former Governor of Massachusetts (2003-2007), President and CEO of the Salt Lake Organizing Committee for the 2002 Winter Olympic games, and Founder/CEO of Bain Capital.

In 1984, Mitt Romney founded Bain Capital, one of the U.S.'s most successful venture capital and investment companies. In 2002, he was elected Governor of Massachusetts, where he presided over a dramatic reversal of state fortunes and a period of sustained economic expansion. With the 2002 Olympic Games mired in controversy and facing a financial crisis, Romney took over as President and CEO of the Salt Lake Organizing Committee and delivered a highly successful Games. In 2014, he premiered in his first Netflix documentary – Mitt – which chronicled his 2008 and 2012 presidential campaigns.

Come and join us at The Mirage on February 21, 2018, to hear Mitt Romney speak on the issues of the day!

## **EPA APPROVES PMAA'S LOW LIQUID LEVEL ALTERNATIVE TEST METHOD FOR SUMPS**

Provides major cost savings to Petroleum Marketers

The U.S. EPA's Office of Underground Storage Tanks (OUST) announced this week that it has approved PMAA's low liquid level integrity test as an alternative method for containment sump testing that is required under the 2015 federal UST regulations. The 2015 regulations require liquid testing every three years of all containment sumps used for interstitial monitoring of piping. However, the test method cited in the rule requires filling sumps with water above the penetration points in the sump wall. This sump test method would be prohibitively expensive for tank owners. Instead, the PMAA UST Task Force developed an alternative test for containment sumps.

The alternative requires filling sumps only to the level of a liquid sensing device equipped with a positive shutdown that is mounted below penetration points in the sump wall. PMAA's alternative test method will significantly reduce reoccurring sump testing compliance costs for tank owners while being equally protective of the environment as filling the sump to the top, according to the OUST. This is an important victory for petroleum marketers that builds on previous cost saving flexibility won by the PMAA UST Task Force during the rulemaking process.

OUST also clarified, at PMAA's request, that water used for spill bucket and sump testing may be reused by third party vendors at other sites in order to further reduce the cost of handling and disposal of test liquids. In addition, OUST clarified that if double walled pipe systems using sumps for interstitial monitoring were installed before the date secondary containment for piping was first required by regulation, the tank owner may instead use leak detectors and annual line tightness testing to meet leak detection requirements. This would remove the need to test containment sumps because annual line tightness tests would replace interstitial monitoring as the selected method of leak detection. OUST also approved PMAA's request to allow the use of a liquid level audible alarm as a primary method of overfill protection where removing a fully functional in-tank probe to meet visual inspection requirements would destroy operability of the probe.

PMAA is continuing to work with OUST on additional flexibility measures for compliance with the 2015 UST requirements. A compliance bulletin explaining the 2015 regulations and PMAA's alternative test method, and how it can be used for further flexibility under state regulations, will be sent out soon.

## **HOUSE WILL LIKELY VOTE ON FINANCIAL CHOICE ACT SOON**

Last week, the House Financial Services Committee passed the Financial Choice Act along party lines which includes language to repeal debit card fee reform. The bill will likely come to the House floor for a full vote the week of May 22nd.

Repealing the Durbin amendment would be extremely harmful to retailers because it ultimately brought competition to the debit card fee market. 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. MPC is currently speaking with several members of the House to encourage them to introduce a floor amendment that would strip the Durbin amendment repeal language in the Financial Choice Act.

***This is a top issue for petroleum marketers heading into PMAA's annual "Day on the Hill" event. It is extremely important for everyone to urge their lawmakers not to support the Financial Choice Act if it includes language that would repeal the Durbin amendment. Repealing the Durbin amendment would be extremely harmful to retailers.***

### **FDA DELAYS ENFORCEMENT OF E-CIGARETTE RULES**

In May 2016, the FDA released its final rules for e-cigarettes, cigars, pipe tobacco and other tobacco products it had not previously regulated. Under the rules, the newly regulated tobacco products are subject to the same general requirements to which cigarettes and smokeless tobacco are already subject, including those related to: adulterated and misbranded products; ingredients listing; health documents submission; reporting of harmful and potentially harmful constituents; and registration and product listing.

As part of the final rules, the FDA maintained the February 15, 2007 predicate date. This date is important as it determines which pathways a product can take to stay in and/or enter the marketplace. Products that were not in the market on February 15, 2007, nor have a comparable product that was in the market on this date, must submit a Pre-Market Tobacco Application (PMTA). The PMTA requires a product to meet a regulatory hurdle that is very complex and costly. Some have estimated that a single PMTA could cost up to several million dollars. As such, the regulatory hurdle to enter the marketplace will be much higher for e-cigarettes than for traditional cigarettes. Because of the speed at which innovation has occurred with e-vapor products since 2007, essentially all products currently being sold to consumers fall into this regulatory trap.

However, earlier this month, the FDA moved to delay by three months all regulatory deadlines facing e-cigarette makers. One of the most significant deadlines requires e-cigarette makers to submit an application by August with the FDA to get federal approval of their products. The move, which the Justice Department revealed in court filings in both D.C. and in Alabama, comes as the vaping and tobacco industries are launching a concerted effort to roll back the FDA regulation through both legislation and litigation. The delay is intended to give new leadership personnel at the Health and Human Services (HHS) additional time to more fully consider the rule.

Earlier this year, Reps. Tom Cole (R-OK) and Sanford Bishop (D-GA) introduced bipartisan legislation to ensure sensible regulations for newly "deemed" tobacco products by the FDA. H.R. 1136, the "FDA Deeming Authority Clarification Act of 2017," would amend the Federal Food, Drug and Cosmetic Act to change the predicate date for newly "deemed" tobacco products, impose common-sense licensing and advertising guidelines for vapor products and direct the FDA to establish product standards for vapor product batteries. PMAA urges lawmakers to support and cosponsor the "FDA Deeming Authority Clarification Act of 2017."

### **INFRASTRUCTURE PACKAGE UNLIKELY IN 2017**

This week, Senate Commerce, Science, and Transportation Committee Chairman John Thune said that it's going to be tough for lawmakers to fit in an infrastructure package before the end of the year.

Because other top priorities have taken a bit longer than first anticipated, and the Senate still has to write and pass its version of the American Health Care Act, and the tax reform formal vetting process is only just getting started, simply scheduling hearings and debate of a transportation package will be difficult.

An infrastructure package will be huge and will encompass multiple elements of the transportation system. Of particular importance to PMAA is opposition to efforts such as those by Rep. Jim Banks (R-IN), whose legislation (H.R. 1990) 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. Therefore, it is critical that Congress maintain the current prohibition of rest area commercialization and oppose H.R.1990.

### **FIRST HOUSE TAX REFORM HEARING TO OCCUR DURING PMAA'S DAY ON THE HILL**

On May 18, during PMAA's "Day on the Hill," the House Ways and Means Committee will hold the first House hearing this year on overhauling the tax code. The hearing focus will be how tax reform will grow the economy and create jobs across America. The hearing's witnesses will be announced next week.

Because the Obamacare replacement bill was passed last week, House members can now shift their concentration to tax reform.

Given the GOP majorities in both chambers, there is a good chance that comprehensive tax reform could happen during the 115th Congress. Still, this effort, much like the healthcare repeal and replace effort, is going to be challenging and tedious. Republicans are searching for consensus among themselves as they're trying to pass a tax overhaul this year. A huge hurdle will be how to pay for the cuts that President Trump wants in final reform. The House GOP tax reform

blueprint includes a border adjustment that taxes imports while exempting exports, an idea that Senate Republicans say can't make it through their chamber. Furthermore, White House economic adviser Gary Cohn and Treasury Secretary Steven Mnuchin oppose including the border adjustment tax in a plan to reform the tax code.

PMAA continues to work with coalitions to urge Congress to repeal the estate and generation skipping taxes and to keep bonus depreciation, step-up basis and LIFO in the final tax overhaul package.

The May 18 hearing will start at 10 a.m. in room 1100 of the Longworth House Office Building.

## **UPDATED COMPLIANCE BULLETIN** **ANNUAL HAZMAT REGISTRATION FOR EXPIRING CERTIFICATES DUE JULY 1**

**BACKGROUND:** The U.S. DOT's Pipeline and Hazardous Material Safety Administration (PHMSA) requires hazardous material transporters to register and pay a fee for annual registration in return for a certificate of operation. PHMSA began mailing the 2017-2018 registration information to HAZMAT transporters earlier this month. Only those with expiring DOT PHMSA HAZMAT registration certificates must re-register before July 1, 2017 or risk losing authority to operate and pay a substantial civil penalty. The validity of HAZMAT registration certificates is checked at roadside inspections.

**Q. Who must register and pay the fee?**

**A. HAZMAT Transporters** - Any business (intrastate or interstate) shipping hazardous materials requiring a U.S. DOT placard must register and pay a registration fee. Petroleum marketers, heating oil dealers, common carriers of petroleum products and propane suppliers who ship their products in trucks must register and pay the fee. Registration is only required for expiring certificates.

**Q. What happens if I don't register?**

**A. Loss of Operating Authority** - If you fail to register by the deadline then you lose your authority to operate your trucks in both intrastate and interstate commerce. Your authority to operate is the certificate you receive from PHMSA once you register and pay the fee. A current certificate must be kept in the cab of each HAZMAT vehicle at all times. If you are subject to a roadside inspection or DOT audit and do not have a current certificate your authority to operate will be revoked and you could be fined up to \$77,000 per day, per violation.

**Q. Why is the U.S. DOT collecting the fee?**

**A. Emergency Response Funding** - The money collected from the registration program is given back to state emergency response authorities in the form of training grants for fire and police and emergency preparedness organizations.

**Q. How Do I know my registration is current or not?**

**A. Registration Look-up** - Registration status may be checked on line by clicking here: [Registration Look-up](https://hazmatonline.phmsa.dot.gov/Services/companylookup.aspx) <https://hazmatonline.phmsa.dot.gov/Services/companylookup.aspx>. Enter either your company name, U.S. DOT number or zip code in the data fields provided to check whether your HAZMAT registration certificate is current.

**Q. How do I register?**

**A. Registration Options** - There are several ways to register:

**U.S. Mail** - You must register by filling out the 2017-2018 registration application and sending it by U.S. Mail to PHMSA (along with the required fee). PHMSA generally mails new registration forms out to all registrants. If you have not yet received a form for the 2017-2018 registration year, one may be found by clicking here: [2017 Registration Form](https://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/Hazmat/Registration/2016_17_Fillable_Final.pdf). [https://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/Hazmat/Registration/2016\\_17\\_Fillable\\_Final.pdf](https://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/Hazmat/Registration/2016_17_Fillable_Final.pdf)

**Online Registration** - On-line registration is available by clicking here: [Online Registration](https://hazmatonline.phmsa.dot.gov/services/haz_reg_1.aspx).

([https://hazmatonline.phmsa.dot.gov/services/haz\\_reg\\_1.aspx](https://hazmatonline.phmsa.dot.gov/services/haz_reg_1.aspx)) On-line registration allows you to register, pay the fee and download your operating certificate.

**Q. When is the HAZMAT registration deadline?**

**A. Deadline** - July 1, 2017 for those who have expiring certificates

Since registrations can be multiyear, not all certificates will expire on July 1. Check the expiration date on your HAZMAT certificate or information in the Registration Look-Up link above before registering by mail or online.

**Q. What documentation should I put in my trucks after July 1, 2017?**

**A. Certificate Documentation** - Place a photocopy of the updated certificate in the cab of each HAZMAT motor vehicle by July 1, 2017.

**Q.** How much is the annual HAZMAT registration fee?

**A.** *Two-Tiered Fee System -The annual registration fee is based business size:*

*Small Business Registration Fee - For registration year 2017-2018 the fee for small businesses is \$275 for one year; \$525 for two years (2017-2019) and \$775 for three years (2017-2020).*

*Large Business Registration Fee - For registration year 2017-2018 the fee for large businesses is \$2,600 for one year.*

**Q.** How do I determine the size of my business so I know which fee to pay?

**A.** *Business Size Calculation for Determining the Fee Amount - It is very likely that your business qualifies for the lower registration fee. Determining size is left up to the company applying for the registration certificate. PHMSA follows Small Business Administration (SBA) size categories to classify whether a business is large or small for the purposes of determining the amount of the annual registration fee. The SBA determines business size according to NAICS (North American Industrial Classification System) codes based on either the number of employees in the company or on annual gross receipts. The following NAICS codes and size criteria apply when calculating which fee to pay:*

- *2017 REVISED NAICS CODE 424710 - Petroleum Bulk Terminal: Wholesale Operations - Petroleum marketers in this category sell to other merchants at wholesale. These facilities are considered small businesses and must pay the \$275 fee if the company employs fewer than 200 employees.*
- *2017 REVISED NAICS 493190 – Bulk Petroleum Storage (Bulk Plants) - Petroleum marketers in this category sell at retail and are considered small businesses and must pay the \$275 fee if the company employs fewer than 200 employees.*
- *2017 REVISED NAICS CODE 424720 - Petroleum and Petroleum Product Wholesalers (No Bulk Storage) - Petroleum marketers in this category are considered small businesses and must pay the \$275 fee if the company employs fewer than 200 employees.*
- *2017 REVISED NAICS CODE 454310 - Heating Oil Dealers - Heating oil dealers in this category are considered small businesses and must pay the \$275 fee if the company employs fewer than 100 employees.*
- *2017 REVISED NAICS CODE 454310 - Liquefied Petroleum Gas Dealers - Propane dealers in this category are considered small businesses and must pay the \$275 fee if the company employs fewer than 100 employees.*

*Click here for 2017 revised NAICS Codes. (<https://www.census.gov/eos/www/naics/>)*

**Q.** Where can I call if I have questions regarding registration filing?

**A.** *For questions related to filing, please call the U.S.DOT PHMSA Hazmat Registration desk at (202)-366-4109.*

## **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 30, 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



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**Petro Pete: "Keep the dream alive: Hit the snooze button."**

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