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PETROLEUM MARKETERS STORM CAPITOL HILL**Protection of Debit Card Fee Reform a Success**

Nearly 300 petroleum marketers attended last week's highly successful PMAA Annual DC Conference and "Day on the Hill." This year's event occurred at a pivotal time in Washington with the new Administration and the particularly timely movement of the Financial CHOICE Act which would determine the fate of the debit reform that was won by the industry in 2010.

As reported further in this Weekly Review, on Wednesday evening, House leadership announced that they decided to drop the language from the CHOICE Act that would have repealed the Durbin Amendment. Without petroleum marketers visiting Capitol Hill last week, it is likely that the debit reform repeal language would not have been removed.

In addition to securing the debit reform language, PMAA marketers focused on reducing the corn ethanol mandate, reinstating the biodiesel blender's tax credit, maintaining funding for the Leaking Underground Storage Tanks (LUST) Program and the Low Income Heating Energy Assistance Program (LIHEAP), while thanking past supporters of NORA and seeking their support for a future reauthorization.

Last Wednesday, PMAA's opening speaker was Congressman Bill Flores (R-TX) who discussed RFS reform. Rep. Flores thanked PMAA members for their strong support of his bill "The Food and Fuel Consumer Protection Act," which would cap the maximum volume of ethanol blended into the nation's fuel supply below the E10 blend wall. On Friday, attendees heard from Rep. Chris Collins (R-NY), who was the first lawmaker to endorse then President elect Trump, discussed his opposition to repealing the Durbin amendment and stressed the importance of meeting with lawmakers and provided an update on the current political climate.

HOUSE LEADERSHIP REMOVING DURBIN REPEAL LANGUAGE**Significant Victory for Petroleum Marketers**

PMAA is pleased to report that this week House leadership decided to drop the language from the Financial CHOICE Act that would have repealed the Durbin Amendment!

Earlier this month, the House Financial Services Committee passed the CHOICE Act along party lines which included a provision to repeal debit card fee reform, aka the Durbin Amendment. Repealing the Durbin Amendment would harm petroleum marketers because the Durbin language brought competition to the debit card fee market. Last week, nearly 300 PMAA petroleum marketers educated lawmakers on the benefits of debit card fee reform, and in the end, House leadership decided that it was best to strip the Durbin repeal language from the overall bill.

PMAA would like to thank everyone who has sent a letter or email, or who has talked with their representatives about the importance of the Durbin language over the past year. In particular, we thank all attendees for their work last week to educate lawmakers on the benefits of debit card fee reform. The visits contributed to this decision to strip the repeal language.

SNAP PROPOSALS AND CHALLENGES

There are multiple reports regarding the Supplemental Nutrition Assistance Program (SNAP) that are of significance for convenience store operators.

Earlier this month, Congress passed a \$1.1 trillion FY 2017 which included a provision that delayed the new SNAP eligibility regulations until the Food and Nutrition Service rewrites its problematic "variety" definition. Under the Obama Administration SNAP eligibility regulations, the variety definition would have required retailers to stock seven varieties of food in the four staple food categories. The Trump Administration will now rewrite the "variety" definition which will likely 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.

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 was changed 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.

Meanwhile, President Trump's FY 2018 budget would cut \$190 billion over 10 years from SNAP, with some of the savings attributed to stricter work requirements for adults who do not have children and are not disabled, and most of the difference would come from making states match 20 percent of the federal outlay. Office of Management and Budget (OMB) Director Mick Mulvaney has proposed a SNAP retailer application fee to pay for his proposed cuts to the SNAP program. The applications would be for each location, rather than per company. Fees could range from \$250 to \$20,000 and would be levied only during the authorization or reauthorization process. Once authorized or reauthorized, store authorization lasts for several years. PMAA will monitor this development and provide input regarding the needs of small and medium sized retailers who participate in the SNAP.

FNS has posted an invitation for public comment on a proposed collection of information that will inform a study to better understand the universe and business practices of Third Party Processors (TPPs) and independent sales organizations (ISOs) that provide EBT processing services and equipment to SNAP authorized retailers. Your feedback to FNS is welcomed [here](https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-10112.pdf) (<https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-10112.pdf>).

TRUMP'S 2018 FULL BUDGET PROPOSAL

On Tuesday, the Trump Administration released its full FY 2018 budget proposal totaling \$4.1 trillion in spending. This 2,000-page proposal expands on the preliminary "skinny" budget that the President released in March.

Although the President has made these proposals listed below, Congress has the power of the purse and the budget is expected to be written off by Congress as a non-starter. Any final spending bill would have to secure 60 votes in the Senate to overcome a Democratic filibuster and Senate Republican Leader Mitch McConnell has already said he expects Congress to largely ignore the proposal. Still, these suggestions are not to be entirely dismissed, especially from a Republican President to a Republican Congress. At a minimum, the proposal serves as a messaging document providing Congress with direction. But the cuts to the Office of Underground Storage Tanks (OUST), LIHEAP and WAP are highly unlikely.

The Administration has proposed cutting:

- The Leaking Underground Storage Tank (LUST) Fund from approximately \$90 million per year to \$50 million. This could be problematic because if states do not receive funding, then they will find other ways to cover their costs including increased tank fees.
- The DOE budget by nine percent to \$28 billion, with the Fossil Energy and Energy Efficiency and Renewable Energy offices cut by more than 50 percent under the White House proposal.
- The Strategic Petroleum Reserve from the current 687 million barrels to 260 million barrels to raise funds in fiscal 2018.
- SNAP by \$190 billion over 10 years, with some of the savings attributed to stricter work requirements for adults who don't have children and aren't disabled, and most of the difference would come from making states match 20 percent of the federal outlay.
- The plan also seeks to close the Northeast Gasoline Supply Reserve, an emergency stockpile of one million barrels of gasoline created in 2012 after Hurricane Sandy left some New York gas stations without fuel. The emergency supply would be sold next year, and unlike most of the budget proposals, eliminating the gasoline reserve can be done administratively.

The Administration plans to eliminate:

- The Low-Income Home Energy Assistance Program (LIHEAP) as well as the Weatherization Assistance Program (WAP). In recent years, the LIHEAP program has provided more than \$3 billion annually to states in support of their fuel assistance programs, with a current budget of \$3.39 billion. Both programs are vital in serving low income consumers of home heating fuel with LIHEAP helping consumers with fuel funds and the WAP helping with acquiring more efficient equipment. PMAA is a member of the National Energy and Utility Affordability Coalition (NEUAC) which is aggressively fighting the elimination of LIHEAP. Furthermore, PMAA members discussed the vital role of LIHEAP and of WAP during last week's PMAA Day on the Hill.

Meanwhile, Trump proposes to spend \$200 billion over nine years on infrastructure, but he does not provide details about his vision. Instead the administration has promised a "statement of principles" which is expected as soon as later this month. The White House budget supports rest area commercialization and tolling existing Interstates in order to raise revenue. PMAA is adamantly opposed to rest area commercialization and will continue to make that clear in our communications to the White House and Congress.

The FY 2018 Budget continues to maintain a one-million-barrel inventory of ultra-low sulfur distillate, stored in Northeast commercial storage terminals (Groton, CT; Revere, MA; and Port Reading, NJ) to provide a short-term emergency supplement to the Northeast systems' commercial supply of heating oil. Lastly, the Commodity Futures Trading Commission (CFTC) would remain at the current funding level of \$250 million.

NEW RFS POINT OF OBLIGATION VIDEO RELEASED

This week, the "Main Street Energy Alliance," released a video to combat efforts to move the RFS point of obligation from refiners/imports to position holders at the terminal rack. Meanwhile, another coalition formed earlier this year known as the "Small Retailers Coalition" has a different view on the point of obligation. It released its own video to persuade the Trump Administration to move the point of obligation to the position holder at the terminal rack.

The 15-billion-gallon corn ethanol mandate has raised the value of renewable identification numbers (RINs) thereby creating an uneven playing field in the retail motor fuels market – picking winners and losers based on a government mandate. 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 that many argue would reduce the value of RINs.

Bottom line: The RFS IS NOT WORKING. 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.

JUDGE REJECTS TRUMP BID TO STAY PROCEEDINGS ON 2-FOR-1 ORDER

A lawsuit challenging the Trump administration's order that agencies eliminate two existing regulations for each new one will go forward despite the U.S. Justice Department's effort to end it quickly on procedural grounds.

On Tuesday, U.S. District Judge Randolph Moss in Washington denied the government's request that he freeze the action on the plaintiffs' motion to dismiss the case. The Justice Department had urged Judge Moss to rule first on the government's motion to dismiss the case because the challengers, who include labor and environment advocates, don't have standing to bring a case in the first place and that their claims are premature.

The requirements of the Administrative Procedure Act and various federal statutes could impose hurdles to the Trump administration's goal of repealing or revising the prior administration's major regulatory initiatives. Tuesday's order from Judge Moss is another regulatory setback for the Trump administration.

HOUSE ENVIRONMENT SUBCOMMITTEE HOLDS HEARING ON EXPANDING STATES' ROLES IN EPA RULEMAKINGS

On Tuesday, the Science Committee's Environment Subcommittee held a hearing that focused on the Trump Administration's stated goal of providing a larger role to the states on environmental policy. Witnesses included Misael Cabrera (Director, Arizona Department of Environmental Quality), Becky Keogh (Director, Arkansas Department of Environmental Quality) and Deborah L. Swackhamer (Professor Emerita, Environmental Health Sciences, University of Minnesota).

In his introductory statement, Environment Subcommittee Chairman Andy Biggs (R-AZ) referenced the U.S. Constitution's 10th Amendment. Chairman Biggs stated, "Unfortunately, the previous Administration must have skimmed over that part of the Constitution, deciding instead to impose complete control over states and their economies. This was certainly the case with the EPA. Far too often, states found themselves forced to comply with costly and unachievable environmental standards, all for little or no benefit."

In her testimony, Keogh agreed with the Chairman and expressed that she was a "vocal proponent of returning environmental rulemaking to its constitutional roots, something known as cooperative federalism. Unfortunately, over the past eight years that once noble partnership that balanced state and federal responsibility and accountability had morphed into something better described as coercive federalism, where the state was more pawn than partner."

WPMA EMPLOYEE KIM WHITE EARNS CEM DESIGNATION

WPMA is proud to announce that WPMA Trade Show Coordinator Kim White has earned the *Certified in Exhibition Management (CEM)* designation from the International Association of Exhibits and Events. Recognized globally, the Certified in Exhibition Management™ (CEM) designation demonstrates the highest professional standard throughout the exhibition and event management arena. Kim attended a number of training sessions and participated in online training and testing to earn this designation. The WPMA Board and Staff congratulate Kim on this great achievement!

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.

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

PLAN TO ATTEND THE 2018 WPMAEXPO

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 GC, 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: "I started out with nothing, and I still have most of it."

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