

July 29, 2016

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WP-07-29-16

POSITION AVAILABLE – PRESIDENT OF THE PETROLEUM MARKETERS OIL CO. (THE SPIRIT® BRAND)

The Petroleum Marketers Oil Co. (The Spirit® Brand) is seeking a qualified individual who will be responsible for all aspects of day-to-day operations of the company.

These comprehensive responsibilities include:

- All daily business operations
- Marketing of company services
- Exploring new business opportunities
- Negotiations with vendors and suppliers
- Generation of financial and operating reports
- Maintenance of policies and procedures to manage the company
- Generation of company annual and strategic plans including budget
- Planning and organization of meetings
- Travel Nationally
- Performance of other duties as required by the Chairman and Management Committee

Qualifications include:

- Familiarity with retail petroleum operations
- Knowledge of accounting procedures, financial reports, management of medium size businesses
- Four-year college degree or equivalent experience
- Strong communication, presentation and leadership skills
- Ability to work with customers at all levels using courtesy, tact and good judgement
- Ability to work independently with minimal or no guidance
- Computer skills: Strong Microsoft Office and Quick Books skills

Contact: Bill Herdrich bill@herdrich.com 317-694-6189

PMAA DEFEATS 10 MICRON FILTER MANDATE AT NCWM***Saving Petroleum Marketers Nationwide Over \$200 Million***

This week, the National Conference on Weights and Measures (NCWM) held its annual meeting in Denver, Colorado. On the agenda again included a 10 micron diesel filter mandate and an item to repeal 85 octane as an acceptable motor fuel in certain states. Also, a new item on the agenda was a requirement to tighten the acceptable UST diesel fuel water tolerance level from 1 inch to 1/4th inch.

Background on 10 Micron Filter Mandate

Since the 10 micron filter mandate was defeated last summer, it was returned to the committee of jurisdiction for consideration. However, this time, adjustments were made that now exempts most Northern states during the winter months from using a 10 micron diesel filter given PMAA's filter plugging concerns. While this is an improvement to the item, it still fell short at addressing the issue of diesel fuel cleanliness. PMAA continues to argue that diesel fuel can be contaminated from many parts of the supply chain starting with the refinery, through a pipeline, in terminal storage tanks, in barges and ships in a retail storage tank. Solving this problem requires a comprehensive examination of the entire supply chain and it was unfortunate that much of the blame has fallen on petroleum marketers -- the final step in the supply chain - - without recognizing that upstream measures beyond retailers' control contribute to diesel cleanliness issues. PMAA argued that this should be a total industry effort and should not just fall on the petroleum marketer.

The first place to start would be updating diesel fuel cleanliness standards at ASTM. According to the Coordinating Research Council (CRC) [report](#), "the current bottoms, sediment and water (BS&W test D2709) is archaic compared to the updated Canadian standards that have a lower BS&W tolerance level. In Canada, 10 micron filters are widely used because its diesel fuel standard is better. PMAA believes diesel fuel cleanliness standards need to be updated because imposing a retail mandate before an upstream effort that provides higher specifications for the refiners as well as filtering along the entire distribution channel (per the CRC report recommendations) is not reasonable, nor fair. Ultimately, the

product needs to be treated or refined in a manner that it will not re-particulate."

NCWM heard PMAA's arguments, and ultimately, voted against a 10 micron filter mandate. This saves petroleum marketers over \$200 million by reducing filter changes and hiring outside contractors to do the work.

UST Water Tolerance Level

The new item on the agenda regarding the water tolerance level in USTs was kept informational meaning that it will remain on the agenda into 2017. PMAA is in the process of collecting additional information on this issue and urged the L&R Committee to keep it informational.

85 Octane Update

PMAA also opposed an item to repeal 85 octane. Several states allow the use of 85 octane and repealing it would ultimately harm petroleum marketers and consumers by restricting supply which would lead to higher prices at the pump. There has been limited evidence presented regarding harm to engines or complaints from consumers regarding engine damage - or any other problems - due to 85 octane gasoline. Furthermore, there is simply not enough information to determine whether the overall environmental impact of an 87 octane standard will be positive or negative. Fortunately, NCWM voted to withdraw the item, however, the real fight is at ASTM where there is a ballot initiative to repeal 85 octane.

PMAA would like to thank PMAA Chairman Mike Bailey, former PMAA Chairmen Matt Bjornson and Sam Bell, Kansas Association Executive Tom Palace, South Dakota Association Executive Dawna Leitzke, Petroleum Marketers and Convenience Stores of Iowa Legal Affairs specialist John Maynes, Colorado/Wyoming Association Executive Grier Bailey and Brian Kernke (Loves Travel Stops) for attending the NCWM meeting. They were instrumental in providing critical testimony on opposing the 10 micron filter mandate.

GOP INTRODUCES 2016 POLICY PLATFORM

Last week, the Republican Party released its platform for 2016. Included in the platform is a proposal that would transform the EPA into an independent bipartisan commission, similar to the Nuclear Regulatory Commission. Also, the GOP is looking to reverse burdensome environmental regulations that have harmed businesses and families. The agenda states that proper reform would not only eliminate burdensome federal regulations but also empower states to regulate energy and environmental activities without federal interference.

The platform opposes any kind of carbon tax and says the party will eliminate the Clean Power Plan. It also plans to halt funding for the U.N.'s Framework Convention on Climate Change, including the Green Climate Fund, in an effort to stop the Obama Administration's work on climate change. Furthermore, the GOP will attempt to end the practice of "sue and settle" litigation in which advocacy groups like environmentalists sue and an agency agrees to take action. These settlement agreements are negotiated behind closed doors with no participation from the public or affected parties.

One final platform piece of interest to marketers involves the Supplemental Nutrition Assistance Program (SNAP). The platform states that when Congress takes up the next Farm Bill, it should separate the administration of SNAP from the Department of Agriculture and reinstate work requirements for able-bodied adults who receive SNAP benefits.

REPORT FINDS RAISING MINIMUM WAGE WOULD HARM THE ECONOMY

This week the Manhattan Institute released a report that strongly discourages raising the federal minimum wage to \$12 or \$15 an hour. Furthermore, the "Counterproductive, the Employment and Income Effects of Raising America's Minimum Wage to \$12 and to \$15 per Hour" report notes that the U.S. minimum wage (\$7.25 an hour) is in line with that of similar countries.

Key report findings are:

- While a wage hike would benefit millions, it would also hurt millions of others who would lose earnings because they cannot attain or retain a job. Raising the federal minimum wage to \$12 per hour by 2020 would affect 38.3 million workers and cost 3.8 million jobs, and increasing the wage to \$15 per hour by 2020 would affect 55.1 million workers and cost 6.6 million jobs.
- The size and diversity of the U.S. labor market make a national lens inappropriate for evaluating minimum-wage policy. A dramatic increase in the federal minimum wage would replace a system that tailors policy to local conditions with a system that imposes a single standard from America's most prosperous cities on less affluent areas that cannot afford it. The 13 states with the highest median wage all have a minimum wage at least one dollar above the federal minimum.
- Relative to their median wages, imposing a minimum wage of \$15 per hour in places like El Paso and Myrtle Beach—where the median wage level is less than \$13 per hour—would be the equivalent of imposing a minimum wage of \$30 per hour in Washington, D.C., or Silicon Valley.

To review the report, please [click here \(https://www.manhattan-institute.org/sites/default/files/ib_36.pdf\)](https://www.manhattan-institute.org/sites/default/files/ib_36.pdf).

VISA DATA SECURITY WEBINAR ON AUGUST 4 10:00AM PT

On Thursday, 4 August 2016, at 10 am Pacific time, Visa will host a webinar to review newly published PCI Security Standards Council resources designed to help small businesses process payments securely. Please click [here](#) to register.

The PCI Security Standards Council convened a small merchant business taskforce to provide guidance and feedback to prepare resources that simplify data security for some of the most vulnerable businesses preyed upon by cybercriminals. Relying on cross-industry expertise to help small merchants understand why and how to protect payment card data and resolve risks to their businesses the taskforce has developed the following resources:

- A guide to safe payments
- Payment diagrams
- Questions to ask your vendors
- A glossary of payment and information security terms.

Visa is committed to protecting the payment system. As part of this commitment, Visa regularly posts data security communications on our [website](#). If you have any questions regarding these resources or need more information on protecting your payment card environment, please email cisp@visa.com.

DEADLINE FOR FILING RETROACTIVE BIODIESEL BLENDER CLAIMS

The filing deadline for the \$1.00 per gallon retroactive biodiesel blender credit for blends created during calendar year 2015 is August 8, 2016. The special claim period was created after Congress reinstated the expired biodiesel tax credit retroactively for all blends created in 2015 under the *Protecting Americans from Tax Hikes Act of 2015* (PATH Act). Petroleum marketers who created biodiesel blends during 2015 and who have not filed a retroactive claim should do so now by following the claim process outlined below. The IRS *will not* accept claims for blends created in 2015 after August 8, 2016.

The IRS established a special one-time claim procedure ([IRS Notice 2016-05](#)) for obtaining the lender credit for blends created in 2015. The biodiesel credit applies to qualified diesel fuel and heating oil blends that comply with ASTM D6751 standard for biodiesel. The IRS special procedures allow for one-time payments covering the entire 2015 claim period. Reinstatement of the biodiesel blender credit is limited to qualified blends created during calendar year 2015. Instead, a straight refund of \$1.00 per gallon may be taken on IRS Form 8849 or taken as a credit on annual income tax return. Notice 2016-05 also sets forth claim procedures for the \$0.50-per gallon alternative fuel credit and the alternative fuel mixture credit.

The following special procedures must be used when filing a claim for the 2015 retroactive biodiesel blender credit:

I. ONE-TIME CLAIM PROCEDURE FOR 2015 BIODIESEL BLENDER CREDIT:

- The IRS is allowing a one-time single claim for all biodiesel blender credits (*IRC Section 6426(c)*) earned during calendar year 2015.
- The claim amount is \$1.00 for each gallon of qualified biodiesel blended into diesel fuel or heating oil during calendar year 2015.
- Claimant must have a valid IRS 637M certificate in order to make a claim for biodiesel blends created during calendar year 2015. Claimants who do not currently have a valid 637M certificate must first obtain one from the IRS before filing a claim for 2015 retroactive credits.
- Claim must be made on IRS Form 8849 *Claim for Refund of Excise Taxes* and IRS Form 8849 (Schedule 3) *Certain Fuel Mixtures and the Alternative Fuel Credit*.
- Use a single Form 8849 and Form 8849 (Schedule 3) to claim all biodiesel blend volumes created during calendar year 2015. Enter 2015 volumes on Form 8849 (Schedule 3) line 2. The IRS will not accept multiple claims or quarterly filings for biodiesel blends created during calendar year 2015.
- 2015 retroactive biodiesel blender claims may be filed as early as February 8, 2016, but no claim may be filed later than August 8, 2016. ***The IRS will not accept claims for 2015 retroactive biodiesel blender credits filed after August 8, 2016.***

- **Any 2015 retroactive biodiesel blender credit claim filed with the IRS before January 16, 2016 must be re-filed. The IRS will not honor or process 2015 biodiesel claims filed before January 16, 2015.**
- Claims may be filed electronically, or mailed to the following address:

Internal Revenue Service
P.O. Box 312
Covington, KY 41012-0312

Write "Fuel Mixture Claim" on the claim envelope.

II. ONE-TIME CLAIM PROCEDURE FOR 2015 ALTERNATIVE FUEL CREDIT:

The IRS is accepting retroactive claims for alternative fuel sold or used during calendar year 2015 (IRC Section 6426(d)) The IRS allows a person that sells or uses alternative fuel as a fuel in a motor vehicle or motorboat and in aviation to claim a \$0.50-per-gallon credit against the claimant's motor fuel excise tax liability (relating to the tax imposed on diesel fuel and alternative fuel).

- **Alternative Fuels Include:** liquefied petroleum gas; P Series; compressed or liquefied natural gas; liquefied hydrogen, qualified liquids derived from coal (including peat); compressed or liquefied gas derived from biomass; and liquid fuel derived from biomass.
- Alternative fuels subject to the \$0.50-per gallon credit **do not** include ethanol, methanol, biodiesel, or any fuel (including lignin, wood residues, or spent pulping liquors) derived from the production of paper or pulp.
- Procedures for filing the alternative fuel claim are the same as for biodiesel credit above except the \$0.50-per gallon credit is taken on line 3 of IRS Form 8894 Schedule 3. Write "Alternative Fuel Claim" on envelope.

III. ONE TIME CLAIM PROCEDURE FOR 2015 ALTERNATIVE FUEL MIXTURE CREDIT:

Refer to IRS Notice 2016-16 to claim the \$0.50-per gallon credit on the alternative fuel mixture credit (*IRC Section 6427(e)*). This credit is for the mixture of alternative fuels into conventional fuel.

- Alternative fuels subject to the \$0.50-per gallon alternative fuel mixture credit **do not** include ethanol, methanol, biodiesel, or any fuel (including lignin, wood residues, or spent pulping liquors) derived from the production of paper or pulp.

IV. OBTAINING IRS FORMS:

IRS Forms 637, 8849, and 8849 (Schedule 3) are available at www.irs.gov click on "Forms and Pubs", then click on "Find All Current Forms and Pubs" and scroll down to the appropriate IRS form. Forms are listed in numerical order

IRS Notice 2016-05 outlining the special claim procedures for 2015 retroactive biodiesel blender credits, alternative fuel credits and alternative fuel mixture credits is available by clicking [here](#).

2017 WPMAEXPO - LAS VEGAS, NEVADA



Mark your calendars for **February 21-23, 2017**. Make plans now to attend the **2017 WPMAEXPO**. It will be held once again at the Mirage in Las Vegas, Nevada.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

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 8, 2016 – Idaho (IPM&CSA) Teton Valley PAC Golf Outing – Huntsman Springs GC – Driggs, Idaho
September 14-16, 2016 – Utah (UPMRA) Convention - DoubleTree Hotel by Hilton – Park City, Utah
December 8, 2016 – Washington (WOMA) Christmas Party – SAFECO Field – Seattle, Washington

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

March 1, 2017 – Utah (UPMRA) Day on Capitol Hill – Salt Lake City, Utah

May, 2017– Nevada (NPM&CSA) Big Dogs Shootout – TBD, 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 – TBD, Utah

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

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

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: “The closest a person ever comes to perfection is when he fills out a job application form.”

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