

# **HAWAII *Petroleum Marketers Association State***

## ***Report***

### ***Spring 2017***

***As we come into Spring***, we enter into the last days of the Hawaii legislative 90 day session. So far the big issue for the legislature to address has been whether to increase taxes again to pay for construction of the Honolulu rail system - it has already more than doubled its price tag from \$4.5 billion to almost \$10 billion! There are a few bills that affect our business, including a proposal to increase the minimum wage to \$15 per hour by 2019, then \$22 per hour in 2022; bills to increase taxes on electronic cigarettes; and a bill to increase reporting to the state in emergency situations.

The most significant proposal is a bill to require that fossil fuels are completely eliminated from use in ground transportation by 2045. There are a couple of variations to the proposals, one requiring a study, another setting actual goals such as a 5% reduction from 2016 levels by 2025. It seems likely that something will pass this session, so the Hawaii association needs to be diligent in trying to ensure that we are involved in any studies or reviews.

I was just recently in Washington DC attending the NACS Government Relations Conference and Day on the Hill. It is always an interesting experience to see our government process in action, and definitely provides evidence of the need to put forward our positions to our legislators and their staff. The NACS meeting focused on the issues of menu labeling, asking legislators to support more practical rules; on the renewable fuel standards, where NACS differs from PMAA and supports leaving the point of obligation with refiners and importers; and on swipe fees, where we reminded legislators of the benefits of the Durbin Amendment that regulated debit swipe fees. This amendment is currently under threat from the big banks that seek to have fees deregulated, effectively transferring wealth from consumers and small businesses to the big banks.

The Hawaii retail gasoline market continues to change face, with several new Texaco stations now in the market. These come as a result of the recent acquisition of the Chevron Hawaii facilities by an investment capital company, who has contracted the use of the Texaco brand in Hawaii; all told there will be 44 Texacos in Hawaii once the conversion is completed.

***One last thought***, the fall WPMA meeting is scheduled for Maui in October. We will be holding the annual HPMA golf tournament, which is also our major fundraiser, at the King Kamehameha golf club on **Thursday October 5th**. It's a wonderful course, so we hope you can make it.