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### NAME CORRECTION

It has been brought to our attention that the name of Oregon Fuels Association President Matt Truax was misspelled when he was quoted in last week's Update article concerning the addition of the Oregon Fuels Association to WPMA. We apologize for any confusion this may have caused.

### PLEASE SUPPORT THE 2020 SCHOLARSHIP SILENT AUCTION!

In May 2020, the WPMA Scholarship Foundation will award \$32,000 in scholarships to graduating high school seniors. The Foundation receives a large portion of its working capital through income from the annual Scholarship Silent Auction held at the WPMAEXPO in February. Please support the Scholarship Foundation by donating an item with a value of \$100 or more to the 2020 Scholarship Silent Auction.

Past Silent Auction donations have included tickets to sporting events, vacation packages, decorator items, electronics, sports equipment, logo clothing, jewelry, tools, and accessories. If you would like to donate an item, please fill out the Silent Auction Donation Form available under the WPMAEXPO Sponsorship or Scholarship tabs on the WPMA website <https://www.wpma.com/pdf/scholarship/SA19Generic-DonationFrm0701w.pdf> or e-mail Kathy Michaelis at [kathym@wpma.com](mailto:kathym@wpma.com). The value of items donated to the auction is tax-deductible.

### SCHOLARSHIP DEADLINE IS APPROACHING!

The time is fast approaching when the WPMA scholarship recipients for 2020 will be selected. **MARCH 1, 2020 is the cut-off date** for applications to be postmarked and mailed to the WPMA office. Usually, there are less than 20 applicants for each WPMA state scholarship and the associate member scholarship, which makes the chances of receiving a scholarship very good. Applicants must be graduating high school seniors, and the son or daughter of a full-time employee of a WPMA member or associate member company.

**NEW THIS YEAR! High School seniors who are currently working part-time for a WPMA member company, and have been employed for at least 90 days, may also apply for the scholarship.**

Applicant qualification information and the scholarship applications are available to download at <https://www.wpma.com/pdf/scholarship/Scholarship-Application-eform18-19.pdf>. Scholarship applications are also available from the WPMA office by e-mailing [kathym@wpma.com](mailto:kathym@wpma.com) and requesting an application.

The WPMA scholarships pay \$500 per semester for up to eight semesters, for a maximum award of \$4,000. **Employers, please remind your employees to request or download an application right away, and give their students a chance for some extra financial help in college!**

### U.S. SUPREME COURT ASKED TO CONSIDER IF EPA MUST MAKE ANNUAL DETERMINATIONS ON PLACEMENT OF THE POINT OF OBLIGATION UNDER THE RFS

Valero Energy Corporation and the American Fuel and Petrochemical Manufacturers (the petitioners) filed a legal brief with the United States Supreme Court asking whether the U.S. EPA is required to consider rulemaking petitions to change the point of obligation under the Renewable Fuel Standard (RFS). The point of obligation was established in a 2010 EPA final rulemaking. Since that time, the EPA has steadfastly rejected any petitions from stakeholders to move the point of obligation from refiners down to terminal position holders. The petitioners argue that the EPA must make a determination of whether it is appropriate to move the point of obligation during the agency's annual rulemaking establishing renewable fuel obligations.

The Clean Air Act authorizes the EPA to move the point of obligation only if it is "appropriate" to do so and does not result in "redundant obligations." In 2017, the EPA ruled that moving the point of obligation would result in no net benefits to the RFS program. The agency found that such a move would do nothing to increase the use of renewable fuels and would "be very disruptive to the program, and likely the fuels marketplace as well..." The petitioners told the Court that the EPA is refusing to reconsider the placement of the point of obligation based solely on its own convenience and not whether it is appropriate to do so based on the facts. The EPA's response to the petition filed by Valero and AFPM is due February 3. The Court has yet to decide whether it will consider the petition.

## **FDA GUIDANCE BANNING MOST FLAVORED CARTRIDGE-BASED E-CIGARETTES TAKES EFFECT FEBRUARY 6**

On Tuesday, the FDA's Final Guidance titled "Electronic Nicotine Delivery Systems (ENDS) and Other Deemed Products on the Market Without Premarket Authorization" was published in the Federal Register. The Final Guidance bans the sale of most flavored cartridge-based e-cigarettes other than tobacco and menthol flavoring, meaning that stores must remove these items from their shelves by February 6.

The final guidance document does not single out convenience stores, but rather focuses on specific kinds of electronic nicotine products (i.e., certain flavored cartridge-based electronic nicotine products). In a statement from FDA, it said that "this Final Guidance prioritizes enforcement with respect to any flavored, cartridge-based ENDS products (other than a tobacco and menthol-flavored ENDS product) without regard to the location or method of sale." After the FDA's Draft Guidance was released in March, PMAA and other like-minded associations opposed the FDA provision allowing sales of flavored e-cigarettes in stores that are considered adult-only, such as vape shops, while prohibiting them from being sold in convenience stores.

Below is a summary of the additional provisions in the Final Guidance document courtesy of the National Association of Tobacco Outlets:

- The FDA will prioritize enforcement against those companies that manufacture, distribute or sell flavored cartridge-based electronic nicotine delivery products (except tobacco-flavored, menthol-flavored and non-flavored cartridge-based electronic nicotine delivery products) that have not received a premarket authorization order from the FDA.
- Flavored cartridge-based electronic nicotine delivery products (except tobacco-flavored, menthol flavored, and non-flavored cartridge-based products) would need to be removed from the market, including from retail stores by February 6. The FDA states in the Final Guidance document that these products are not being completely banned from the market but could come back on the market if manufacturers file premarket authorization applications by May 12, 2020 and the FDA subsequently approves the application.
- The FDA also intends to prioritize enforcement against those cartridge-based products for tobacco-flavored, menthol-flavored, or non-flavored electronic nicotine products and any non-cartridge flavored electronic nicotine products if they lack a premarket authorization order from the FDA and the manufacturer has not taken or is not taking adequate measures to prevent minors' access to these products.
- The FDA also intends to prioritize enforcement against any electronic nicotine products targeted to, or whose marketing is likely to promote use by, underage persons. Examples include electronic nicotine products with labeling or advertising that resembles kid-friendly foods and drinks (e.g., juice boxes, candy or kid-friendly cereal), or with youth-appealing cartoon or animated character advertising or marketed on popular children's YouTube channels and television shows.
- The FDA also intends to prioritize enforcement of any electronic nicotine product (either cartridge-based or non-cartridge based product) that is offered for sale after May 12, 2020, and for which the manufacturer has not submitted a premarket authorization application (or after a negative action by FDA on a timely submitted application).
- The FDA will not at this time take enforcement action against "open system" electronic nicotine products nor small manufacturers such as vape shops that mix e-liquids on-site and primarily sell non-cartridge-based electronic nicotine products, unless they market to youth, fail to take adequate measures to prevent youth access, or do not file a premarket authorization.
- The FDA has decided not to prioritize enforcement against flavored cigars and flavored hookah tobacco products before May 12, 2020 because underage use of these tobacco products is significantly lower than cartridge-based electronic nicotine products. However, the FDA reiterates in the Final Guidance document that flavored cigars and flavored hookah tobacco are required to submit premarket authorization applications to the agency for those products by May 12, 2020. The FDA acknowledges that there are a number of "grandfathered" flavored cigars that are lawfully marketed and would remain available to consumers regardless of FDA's enforcement of premarket authorization requirements.

Click [here](#) to view the full FDA Final Guidance document.

## **EPA ADMINISTRATOR EXPECTS FINAL CAFE STANDARDS RULE WITHIN THE NEXT MONTH**

This week, Environmental Protection Agency (EPA) Administrator Andrew Wheeler said he expects the new Corporate Average Fuel Economy (CAFE) Standards rule to go final "within the next month or so."

EPA has basically completed its portion of the regulation and DOT is close to finishing their part. Wheeler expects the final White House review of the measure will move quickly. The rule is expected to require a 1.5 percent annual increase in the fleet-wide efficiency of new automobiles starting in the 2021. Current regulations set by the Obama Administration require a mile-per-gallon average of roughly 50 miles per gallon by 2025. However, last year, the Trump Administration proposed capping that requirement at a 37-miles-per-gallon average after 2020.

In October 2018, PMAA submitted comments in support of the Trump Administration's proposed rule on CAFE standards. PMAA highlighted numerous reasons why current MPG standards could harm petroleum marketers and how important it is that the Trump Administration's proposed rule is adopted. Click [here](#) to read the comments.

Furthermore, in October, the Trump Administration announced that the EPA will revoke California's waiver that allows the state to set its own, more stringent auto emissions standards. Additionally, the EPA, with the help of the U.S. Department of Transportation (U.S. DOT), revoked California's requirement that auto manufacturers offer for sale an increasing number of zero emission vehicles (ZEV) in the state each year. The U.S. DOT drafted a notice asserting that the California (ZEV) standards are preempted by federal fuel economy regulations. The Trump Administration argued that it was revoking California's federal waiver on emissions in order to produce far less expensive cars for motorists, while at the same time making the car substantially safer. The EPA is battling California in court over the pending rule and whether the state can maintain its stricter standards or conform to the federal regulation.

This week EPA also issued an "Advanced Notice of Proposed Rulemaking" to create stricter standards on emissions from new heavy-duty trucks, and the agency is collecting data to prepare an upcoming proposal that could come as early as this spring.

### **HOUSE DEMOCRATS RELEASE DRAFT FRAMEWORK AIMED AT ACHIEVING NET-ZERO EMISSIONS BY 2050**

This week, House democrats unveiled a draft legislative plan to address climate change issues that seeks to achieve net-zero emissions by 2050. The proposal, referred to as the "Climate Leadership and Environmental Action for our Nation's (CLEAN) Future Act," addresses climate issues in the areas of power, buildings and efficiency, transportation, and industrial sectors.

Among the most significant plans, the proposal calls for:

- A nationwide Clean Electricity Standard (CES) requiring all retail electricity suppliers to obtain 100 percent of their electricity from clean energy sources by 2050;
- A mandate for zero-energy-ready buildings by 2030;
- Directives to states and federal agencies to develop and implement individual plans to meet the 2050 net-zero emissions target;
- New, stringent vehicle greenhouse gas (GHG) emissions standards alongside incentives to shift to low- and zero-carbon transportation fuels;
- A "Buy Clean" Program setting performance standards to reduce emissions in construction and manufacturing supported by federal funding alongside incentives for use of low-carbon materials; and
- A National Climate Bank to finance the energy transition through loans, grants and other mechanisms, particularly for frontline, rural, low-income and communities experiencing environmental injustice.

The plan would call for a clean energy trading market, in which suppliers could trade clean energy credits or buy or sell them at an auction. Republicans responded by saying the idea seems like a cap and trade system that they are adamantly opposed to. Speaking to reporters, House Energy and Commerce Committee Ranking Member Greg Walden (R-OR) stated, "If you've got to have a credit and you've got to have auctions, then that feels a lot like cap and trade."

A more complete plan is expected to be introduced by House Democrats before the end of the month. The Republican-controlled Senate, however, is not likely to support the policy proposal.

### **HOUSE SUBCOMMITTEE ADVANCES EV GRANT BILL**

On Tuesday, the House Energy and Commerce Committee Subcommittee on Energy advanced nine bills, including a bill introduced by Rep. Bobby Rush (D-IL). The bill, H.R. 5545, known as the "New Opportunities to Expand Healthy Air Using Sustainable Transportation (NO EXHAUST) Act of 2020," would expand investments in electric vehicles (EV) in an effort to achieve net-zero greenhouse gas emissions by 2050. The legislation would promote the domestic manufacture and use of advanced, fuel efficient vehicles and zero emission vehicles and encourages expansion of EV charging infrastructure. Additionally, the bill would authorize more than \$6 billion each year in grants and rebates over the next ten years for states to implement EV networks.

Specifically, the bill would authorize:

- \$2 billion per year from fiscal year 2021 through 2030 for the grants to state and local governments and private entities for electric vehicle deployment;
- \$2.5 billion per year over the same period for large-scale projects to electrify the transportation sector;
- \$2.5 billion per year over the same period to accelerate the domestic manufacturing of EVs;
- \$125 million in grants to help states update their state conservation plans to include an energy transportation plan; and

- \$100 million in rebates for states and local communities to go toward building publicly accessible EV charging stations or other advanced vehicle infrastructure.

Finally, the bill would direct the Secretary of Energy to give priority to grant applicants that include written assurance that all laborers working on projects will be paid steady wages.

Although the legislation will likely pass the House, it will undoubtedly face strong opposition from the Republican-controlled Senate.

## PLAN TO ATTEND THE 2020 WPMAEXPO

# WPMAEXPO

Mark your calendars for February 18-20, 2020. Make plans now to attend the 2020 WPMAEXPO. It will be held once again at the Mirage in Las Vegas, Nevada.

## THANK YOU **WPMAEXPO 2020** TOP SPONSORS

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### MARK YOUR CALENDARS FOR UPCOMING EVENTS

**February 18-20, 2020** – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV

**April 21, 2020** – IPM&CSA PAC Golf Tournament – Ridgecrest GC – Nampa, ID

**April 21-23, 2020** - Federated Insurance Risk Management Academy

**May 7-8, 2020** – Nevada NPM&CSA – Big Dogs - Las Vegas, NV

**June 2-3, 2020** – Montana MPMCSA – Convention – Fairmont Hot Springs Resort – Fairmont, MT

**June 22-25, 2020** – Washington (WOMA) – Convention – Suncadia Resort – Cle Elum, Washington

**August 5-7, 2020** – Idaho (IPM&CSA) Convention – Coeur d' Alene Resort – Coeur d' Alene, Idaho

**August 17-19, 2020** – New Mexico (NMPMA) Convention – Sandia Resort & Casino – Albuquerque, NM

**September 9-10, 2020** – Utah (UPMRA) – Convention – Park City Marriott – Park City, Utah

**September 15-17, 2020** - Federated Insurance Risk Management Academy

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**Petro Pete: *“Don’t you hate it when someone answers their own questions? I do.”***

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